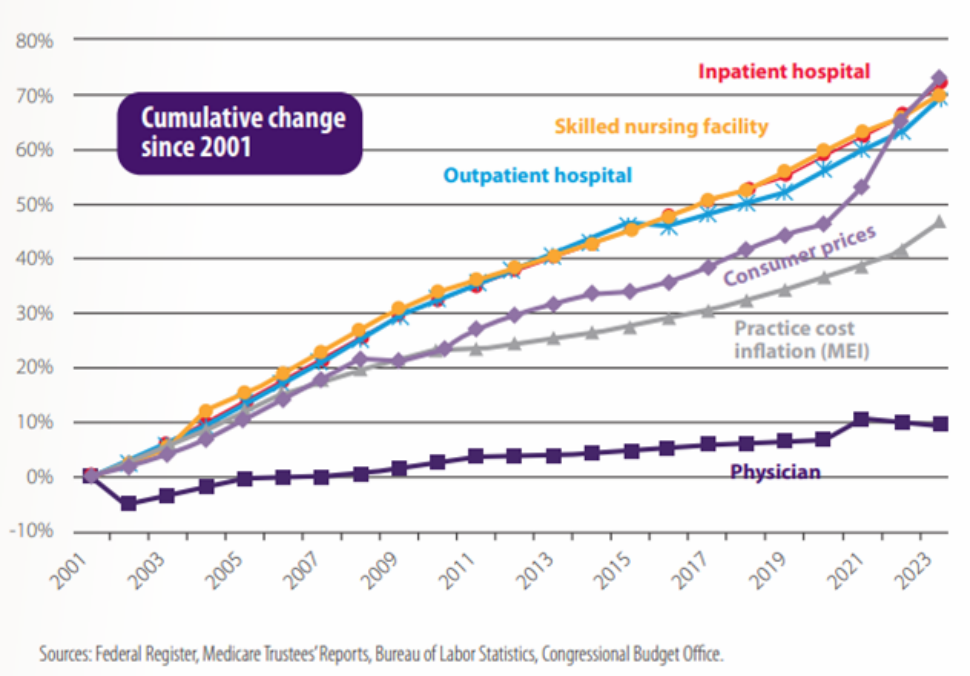
North Carolina Medical Society
Leadership in Medicine

2023 CONGRESSIONAL UPDATE

MEDICARE PAYMENT

Payment Adjustment for Inflation (HR2474)

Medicare Physician Payment has been the top federal legislative priority for 2023. The primary focus through the first three quarters of 2023 has been on getting Congress to enact legislation that would automatically adjust physician payment according to the inflation rate. H.R. 2474 would do just that. This bill has bipartisan support in the House of Representatives and has generated a broad favorable response on both sides of the aisle in recognition of the growing disparity between current reimbursement and the rising costs that physicians and practices are facing. Adjusted for inflation, Medicare physician payment has declined 26% over the past 22 years.



The challenge presented by H.R. 2474 is that the cost for implementing the inflationary adjustment would require an offset to achieve budget neutrality. With the national debt approaching $34 Trillion, Congress is facing unprecedented pressure to adhere to budget neutrality, which seals the fate of any worthy measure with a price tag, no matter its merits.

Impending Cut to Physician Reimbursement

On November 2, CMS announced the 2024 physician fee schedule which includes a 3.4% cut in reimbursement.This cut comes on the heels of a 2% cut this past year and is exacerbated by the projected 4.6% increase in medical practice costs in 2024. This announcement from CMS shifted the focus on Medicare-related advocacy from H.R. 2474 to sounding the alarm to Congress that another cut in reimbursement would be devastating.

The NCMS joined 120 partner medical societies in sending letter to the leadership of the House and Senate strongly urging Congress to take prompt action to stop another impending round of Medicare payment cuts.

WORKFORCE

Conrad State 30 and Physician Access Reauthorization Act (H.R.4942 & S.665)

North Carolina and the United States are increasingly facing a shortage of physicians. This shortage is especially acute in rural and underserved communities. For nearly three decades the Conrad 30 waiver program has helped stem that trend in rural and underserved areas as more than 15,000 international medical graduate (IMG) physicians have filled the care needs in those communities. Continuation of this program, which allows IMGs to come to the United States on J-1 visas, is critical. Without a Conrad 30 waiver, these visas require IMGs to return to their country of origin for at least two years before they can apply for another visa. IMGs, play a vital role in providing greater access to health care for many North Carolina citizens and the NCMS has joined with its national partners in advocating for H.R.4942 and S.665 – the Conrad State 30 and Physician Access Reauthorization Act.

Resident Physician Shortage Reduction Act of 2023 (H.R. 2389 / S. 1302)

This bipartisan legislation is crucial to expanding the physician workforce and to ensuring that patients across the country are able to access quality care from providers.
The need for increasing the physician workforce continues to grow faster than supply. This trend will result in an estimated shortfall of up to 124,000 primary care and specialty physicians by 2034. Recent action by Congress created 1,200 new GME slots since 2021.

The Resident Physician Shortage Reduction Act of 2023 (H.R. 2389 / S. 1302) would build on that investment by gradually raising the number of Medicare-supported GME positions by 2,000 per year for seven years, for a total of 14,000 new slots.

With demand for physicians continuing to outpace supply as both the patient population and physician workforce continue to age, it is critical for Congress to further invest in building the physician workforce. The NCMS has actively encouraged out North Carolina congressional delegation to support that expansion.

STEP THERAPY

Safe Step Act (H.R. 2630)

Step therapy or "fail first" protocols for treatments can negatively impact patient outcomes. These protocols require patients to try one or more prescription drugs before coverage is provided for the drug selected by the patient's physician. Requiring patients to try and fail treatments jeopardizes their health by risking an adverse and potentially severe reaction. The Safe Step Act (H.R. 2630 / S. 652) would ensure that step therapy protocols used by insurers preserve the physician's authority to make treatment decisions. The Safe Step Act would require group health plans to provide an exception process for any medication step therapy protocol. The bill . . .

- Establishes a clear exemption process for a patient or physician to request an exception to step therapy protocols.
- Requires group health plans grant an exemption if an exception application clearly demonstrates any of the following situations:
  - Patient has already tried and failed on the required drug.
  - Delayed treatment will cause irreversible consequences.
  - Required drug will cause harm to the patient.
  - Required drug will prevent a patient from working or fulfilling activities of daily living.
  - Patient is stable on their current medication.
- Requires a group health plan to respond to an exemption request within 72 hours in all circumstances, and 24 hours if the patient's life is at risk.

We are asking Congress to enact this legislation to improve physicians' ability to provide seamless, evidence-based care for their patients without unnecessary administrative delays.

PRIOR AUTHORIZATION

Gold Card Act (H.R. 4968)

Prior authorization has become a burdensome process that increases the time required of physicians in treating their patients. This utilization management hurdle delays access to care and potentially puts patients' health at risk. A recent survey from the American Medical Association found that that physicians complete an average of 41 prior authorizations each week and spend an average of two business days on these processes.

The **Gold Card Act** (H.R. 4968) would exempt qualifying providers from prior authorization requirements under Medicare Advantage (MA) plans. It would exempt providers from prior authorization for a MA plan year if the provider had at least 90% of prior authorization requests approved the preceding year. It also would limit reviews for Gold Card eligibility to no more than once every 12 months, which allows providers to rely on the exemption for an established length of time. Additionally, the bill would increase continuity of care in MA plans by requiring the Health and Human Services Secretary to issue a rule on the use of prior authorization for individuals transitioning to or between coverage to minimize the disruption of ongoing treatments in previous plans. Prior authorization too often is used in a manner that leads to dangerous delays in treatment and contributes to waste in the health care system. Inefficient or misapplied prior authorization negatively impacts quality of care, interferes with timely patient access and can contribute to clinician burnout from the often overwhelming administrative burden created. The NCMS has long supported the effort to achieve prior authorization reforms and relief for patients and physicians.

SCOPE OF PRACTICE

Medicare Audiologist Access Improvement Act (S. 2377)

The NCMS has consistently advocated for team-based care systems with appropriate physician care as a cornerstone. The Medicare Audiologist Access Improvement Act (S. 2377) undermines that fundamental principle of quality patient care specific, with specific regard to the hearing healthcare team, by authorizing audiologists "direct access" to Medicare beneficiaries.

Fundamentally, hearing and balance disorders are medical conditions that require a full patient history and physical examination by a physician. Audiologists are valued health professionals but allowing audiologists to independently diagnose and treat medical conditions would be contrary to the standard of care that all should strive for. The associated risk for undiagnosed conditions and delayed care are factors that have resulted in the medical communities unified opposition to this S.2377. The NCMS has joined many national and state partner organizations in expressing opposition to this legislation.

HEALTHCARE MARKETPLACE

Patient Access to Higher Quality Health Care Act – H.R. 977

The Patient Protection and Affordable Care Act (ACA) enacted in 2010 included a provision that prohibits any new physician-led hospital (POH) from participating in Medicare or Medicaid. The ACA also prohibits, with few exceptions, existing POHs from expanding. The resulting imbalance in the healthcare marketplace has resulted in a proposal before Congress to promote competition and improve access and transparency - Patient Access to Higher Quality Health Care Act – H.R. 977. POHs consistently rank highly under current quality and value measurement programs when compared to other hospitals. As a result of the ACA, hospitals were extended an incentive to improve their processes and patient satisfaction though the Hospital Value Based Purchasing program. When a hospital performs well, it receives a small increase in its total Medicare payment and poorly performing hospitals receive a penalty. In FY 2017, 7 out of the top 10 and 40 out of the top 100 hospitals were physician-led. H.R.977 would remove the restrictions on expansion and new construction of POHs. Earlier this year, the NCMS joined a federation of state and national physician organizations in advocating for H.R. 977.A statement from the NCMS was sent to Congress emphasizing the bill as a reasonable and responsible measure to improve our nation's health care system and encouraging support of the bill as a means to achieve increased competition, transparency and choice.