ACR
American College of Rheumatology

Empowering *Rheumatology Professionals*
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Preserve Access to Care for Medicare Patients

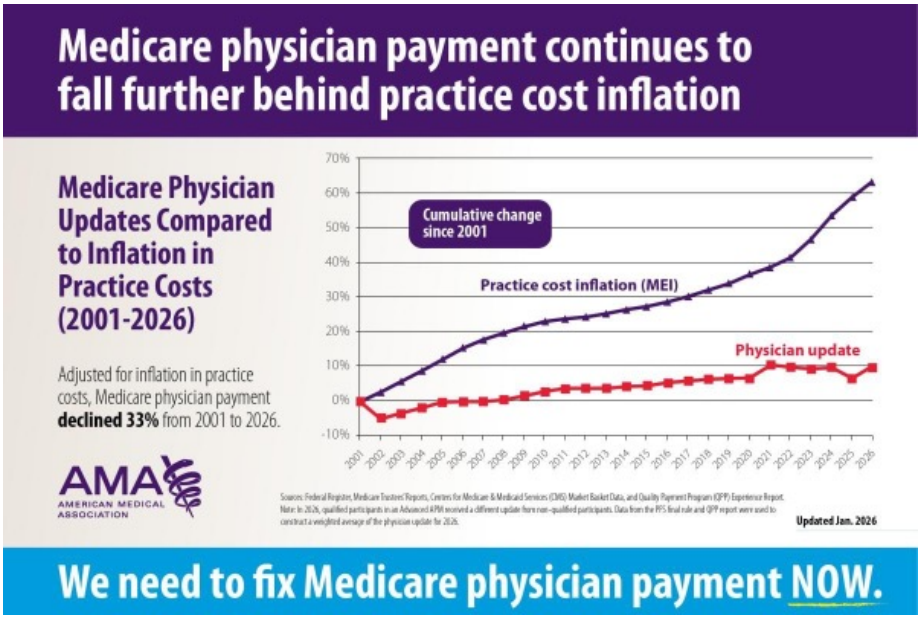
Arthritis disproportionately affects the aging population, so rheumatologists care for a high volume of Medicare beneficiaries compared to other specialties. Unfortunately, the gap between the cost of providing care to these patients and the amount Medicare reimburses physicians for that care widens each year. These economics threaten the financial solvency of medical practices, threatening patients' access to timely and high-quality care as the number of physicians who no longer accept Medicare has doubled since 2009.

What is the Conversion Factor?

The MPFS conversion factor (CF) is the multiplier used in the Medicare payment formula to determine physician reimbursement. The 2026 CF is $33.57. In 2020, the CF was $36.09, half as much as physicians need meet the demands of treating patients in the current economy. If the CF reflected inflation, it would have been $69.71 for 2026.

Cuts Added to Inflation Jeopardize Patient Access

Reimbursements for physicians treating Medicare patients have been cut by 29% over the last twenty years, while in that same period the average costs to operate a medical practice have increased by 41% (when adjusted for inflation). Other Medicare providers (hospitals, etc.) have not seen this divide because the MPFS is the only Medicare fee schedule without an automatic annual inflationary update. So, treating Medicare patients becomes less economically feasible each year and puts patient access in jeopardy. To preserve and expand patient access to care, the ACR supports updating the MPFS annually for inflation, like the other Medicare schedules in accordance with the MEI.



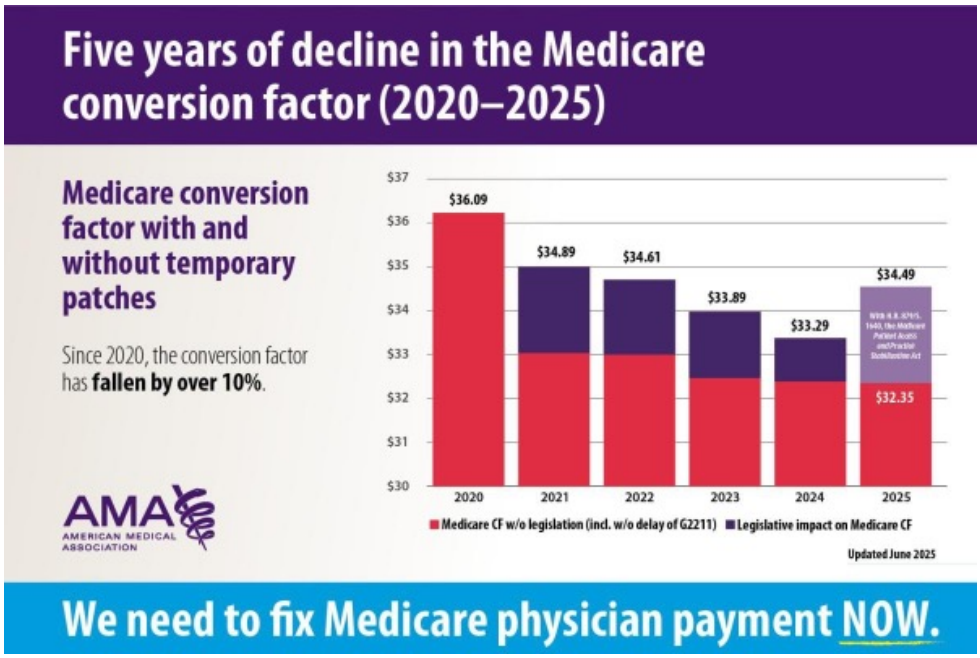
For too long physician practices have been expected to pay competitive wages to their care team and support staff, stay current on technology, while also covering rent, malpractice insurance, medical supplies, marketing, and getting adequate legal advice on five fewer dollars per services rendered from Medicare than we earned in 2001, and those dollars are worth 105% less now.

This has led to smaller physician-owned practices merging with larger multispecialty groups or selling to hospital systems or financial firms. Other practices opt out of the Medicare payment system and only accept private insurance or cash for services. This leaves the most vulnerable Americans, including seniors, the disabled, and those living in underserved communities with the longest waits and the fewest options for medical care. As more practices face cutting Medicare from their payer list, Congress must revisit and eventually overturn the budget neutrality requirement for the MPFS in order for patients to access the care they need.

The Balanced Budget Requirement Erodes Patient Access

Annual cuts to the CF are the result of a provision in the Omnibus Budget Reconciliation Act of 1989 which mandates that any increase exceeding $20 million (a number that has not changed with inflation) to the MPFS—created by upward payment adjustments or the addition of new procedures or services—must be offset. Therefore, each time a procedure code or other service is reviewed to reflect the updated (higher) value; the CF is cut to offset that increase. As the procedure codes are reviewed more often than the in-office codes, these cuts disproportionately affect specialties like rheumatology.

The result? Physician practices are never certain what the reimbursement rate will be each year, so they squeeze more patients into their schedule every day to make up for the new cuts, leaving both physicians and patients dissatisfied. The resulting physician burnout threatens the sustainability of medical care for all Americans.



How Can Congress Help?

Stabilize the Medicare Physician Fee Schedule by supporting legislation to:

- **Reform Budget Neutrality** to adequately fund Medicare physicians by raising the existing budget neutrality trigger from $20 million to $54.3 to adjust for inflation, then adjusting this figure every 5 years for inflation in accordance with the MEI.
  - ❑ HR _____, legislation from Reps. John Joyce, MD (R-PA) and Kim Schrier, MD (D-WA) and endorsed by both the Republican and Democratic doctors' caucuses.
  - ❑ The Provider Reimbursement Stability Act of 2026 (HR 8163)
- Update the Conversion Factor and update it annually for inflation, like all other Medicare fee schedules.
  - ❑ HR _____, legislation from Reps. John Joyce, MD (R-PA) and Kim Schrier, MD (D-WA) and endorsed by both the Republican and Democratic doctors' caucuses which would
    - ❍ adjust the CF annually for inflation per the MEI, and
    - ❍ limit year-to-year CF variance to 2.5%.

To support this legislation, contact catherine.hayes@mail.house.gov with the **GOP Doctor's Caucus**, matt.tucker@mail.house.gov with **Rep. John Joyce, MD (R-PA)**, amy.zhou@mail.house.gov with **Rep. Kim Schrier, MD (D-WA)**, or mclean.piner@mail.house.gov with **Rep. Greg Murphy, MD (R-NC)**.