



ENACT LONG-TERM SOLUTIONS

THE ISSUE:

The ACC is committed to developing and advancing solutions to optimize the delivery of cardiovascular care by increasing access to care, decreasing health inequities and improving patient health. Much of this work is dependent upon appropriate valuation and payment of clinician work, especially when caring for one of our most vulnerable patient populations – Medicare beneficiaries. However, year after year, the Centers for Medicare and Medicaid Services (CMS) has proposed reductions to the Medicare Physician Fee Schedule (PFS) as practice expenses continue to rise.

Since 2001, the costs of running a practice have increased by 60%, and when adjusted for inflation, Medicare payments have decreased by more than 33%. Most recently, clinicians saw a 2.8% cut to the Medicare PFS that went into effect at the beginning of this year, preceded by cuts of 2% in 2024, nearly 2% in 2023, 0.8% in 2022 and 3.3% in 2021.

Although a 2.5% update to payment for 2026 was included in the **One Big Beautiful Bill Act**, this increase is nearly nullified by the introduction of a new efficiency adjustment along with other structural changes in the 2026 PFS proposed rule, including a decrease in indirect practice expense payments for facility-based services. A notable example of how these changes will impact reimbursement is the proposed 27% reduction in the work relative value unit for Left Atrial Appendage Occlusion (LAAO) procedures. When accounting for the new structural changes – efficiency adjustment and indirect practice expense reduction – the result is a total reduction of roughly 35%. Clinicians cannot continue to absorb such drastic cuts.

ACC'S POSITION:

Stagnant and declining payment for Medicare services exacerbates financial uncertainty for practices and further threatens access to care, particularly for those residing in rural or underserved areas. Meaningful reform of the Medicare payment system, like adding automatic inflationary updates and increasing the budget neutrality threshold, is critical to ensure clinician work is appropriately valued so that practices can keep their doors open, retain their staff and provide patients with ample access to care from the entire cardiovascular care team.

ACC'S ASK:

Support long-term legislative solutions to reform the Medicare reimbursement system, like an annual inflationary update and increase to the budget neutrality threshold.

KEY TAKEAWAYS



Since 2021, reductions to Medicare physician payment have resulted in a loss of over \$700 million to cardiology services.



MedPAC recommended that Congress increase Medicare physician payments by linking the payment update to the Medicare Economic Index.



Ensuring that a built-in mechanism exists for an inflationary update would help clinicians keep pace with rising costs and remove the need for Congress to take legislative action each year to ensure reimbursement rates remain consistent.



The current \$20 million budget neutrality threshold has not been adjusted for inflation since its establishment in 1989.