**Crapo Statement at Hearing on Medicare Clinician Payment Improvements**
*April 11, 2024*

**Washington D.C.--**U.S. Senate Finance Committee Ranking Member Mike Crapo (R-Idaho) delivered the following remarks at a hearing entitled " "Bolstering Chronic Care through Medicare Physician Payment."

*As prepared for delivery:*

"Thank you, Mr. Chairman.

"Across the country, more than 60 million Americans rely on Medicare to meet their health care needs. Over the next decade, this population will grow by more than 20 percent.

"Medicare's coverage and payment policies play a dominant role in setting benchmarks and baseline rules of the road not just for the program itself, but also for countless other payers, affecting hundreds of millions of working families.

"In short, ensuring a resilient and robust Medicare program has become more vital than ever.

"Unfortunately, our current policies seem poised to fall short of that goal.

"Today's hearing highlights the urgency of advancing durable clinician payment reforms—both for frontline medical providers and, more importantly, for patients.

"In the absence of proactive policy changes, tens of millions of seniors will suffer the consequences. The risks of inaction range from surges in wait times and delays—including for critical care—to clinician office closures and cutbacks in provider participation.

"Our Committee has an obligation to strengthen the Medicare program and avert these unacceptable outcomes.

"A successful legislative initiative must reckon with a range of challenges under the current paradigm, which has served to devalue and distort payments for vital services, as well as to exacerbate administrative burdens.

"In inflation-adjusted terms, Medicare Physician Fee Schedule payments have declined by more than 25 percent over the past two decades, even as clinicians continue to face skyrocketing costs for overhead, equipment, supplies and staffing needs.

"As the Medicare Trustees cautioned last year, the colossal gap between stagnant fees and steep inflation poses a dire threat to long-term patient access. The current

conversion factor update schedule cannot sustain an effective—or even adequate—clinical workforce moving forward.

“For many specialists, recent regulatory changes have further intensified these issues, as new billing codes and valuation shifts have triggered drastic cuts under the program’s budget-neutrality rules.

“Based on inflexible cost containment measures, a payment bump for primary care prompts payment reductions for entirely unrelated procedures and services, from brain surgery to advanced cancer care.

“From 2014 to 2023, for instance, even before adjusting for inflation, the fees for chemotherapy administration and IV infusions declined. Under these conditions, it should come as no surprise that many physicians have opted to sell their practices, join health systems or limit new Medicare patients.

“Structural fee schedule reforms should shift away from the status quo, which forces clinicians to vie for ever-dwindling resources, and move toward models that promote and reward team-based, patient-centered approaches.

“Nine years ago, Congress took concerted action to repeal the draconian Sustainable Growth Rate (SGR) system, which had threatened cascades of dramatic cuts. In enacting the Medicare Access and CHIP Reauthorization Act (MACRA), policymakers sought to stabilize the fee schedule and incentivize value-based care.

“In practice, these reforms have largely failed.

“The Merit-based Incentive Payment System aimed to establish an accessible on-ramp to participation in quality-driven alternative payment models, or APMs.

“Instead, this system has buried clinicians in dozens of hours of paperwork each year, all in exchange for potential, marginal payment bumps, based on ambiguous metrics that lack meaningful value for patients.

“A number of primary-care-focused APMs have shown promise, but countless specialties lack access to any clinically relevant models at all. While the MACRA-established committee to translate clinician-developed APM concepts into concrete policy options has worked through dozens of viable proposals, the Centers for Medicare & Medicaid Services (CMS) has largely rejected these opportunities.

“Reforms to advance value-based care thus demand a focus not just on financial incentives, but also on structural improvements that ensure meaningful options, informed by clinical experience and aligned with patient needs.

“I look forward to building on this Committee’s bipartisan work to bolster and modernize our clinician payment systems. The program’s current and future enrollees depend on it.

“Thank you to our witnesses for being here today, and thank you, Mr. Chairman.”