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April 23, 2024

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The Honorable Ron Wyden, Chair
Senate Finance Committee
U.S. Senate
221 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Michael Crapo, Ranking Member
Senate Finance Committee
U.S. Senate
239 Dirksen Senate Office Building
Washington, DC 20510

RE: Statement for the Record, Hearing on “Bolstering Chronic Care through Medicare Physician Payment”

Dear Chair Wyden and Ranking Member Crapo:

The American Urological Association (AUA) applauds the Senate Finance Committee for holding the recent hearing, *Bolstering Chronic Care through Medicare Physician Payment*. The Medicare program, its sustainability, and its payment policies are of great importance to our members and the Medicare beneficiaries they treat. The AUA commends the Committee for holding this hearing to examine policies to update and strengthen the Medicare program to improve beneficiary access to high-quality care.

The AUA is a globally engaged organization with more than 22,000 physicians, physician assistants, and advanced practice nursing members practicing in more than 100 countries. Our members represent the world’s largest collection of expertise and insight into the treatment of urologic disease. Of the total AUA membership, more than 15,000 are based in the United States and provide invaluable support to the urologic community by fostering the highest standards of urologic care through education, research, and the formulation of health policy.

Urologists play a crucial role in the care of patients with both chronic and acute urologic conditions, providing vital services that improve quality of life and often prevent serious complications. Despite the critical nature of urologists’ work in enhancing patients’ well-being, the existing Medicare reimbursement structure often fails to adequately compensate urologists for the advanced and specialized care they deliver. This discrepancy not only

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undermines the financial viability of urology practices but also jeopardizes patient access to high-quality care and innovative treatments.

Physician payments have stagnated for the last two decades while hospitals and physician practices must continue to pay market rate for supplies, equipment, and staff wages.

For the last several years, Congress has intervened to prevent or mitigate cuts to the Medicare Physician Fee Schedule (MPFS), and the AUA is grateful for these actions. However, our members and the patients they treat deserve better than the unstable and uncertain reimbursement and access environment the annual threat of cuts creates.

The statutory constraints placed on the Centers for Medicare & Medicaid Services (CMS), including the lack of statutory updates and the budget neutrality requirement, limits the agency's ability to stabilize the MPFS and ensure appropriate access to the full range of specialty care without Congressional intervention. To address these constraints and protect Medicare beneficiary access to care, we recommend the following solutions.

Implement Inflationary Updates

According to an American Medical Association (AMA) analysis of Medicare Trustees data, Medicare physician payment has declined by approximately 30% percent when adjusted for inflation from 2001–2024. The MPFS does not receive necessary increases or adjustments for inflation, in contrast to other Medicare fee schedules with the last statutory update of 0.5% implemented in 2019. The decline in reimbursement over the last two decades undermines physicians' ability to deliver essential medical services, jeopardizing patient access to timely and high-quality care. **Therefore, AUA recommends Congress provide a statutory update to the MPFS based on the Medicare Economic Index (MEI)** to reflect the inflation in practice costs, including but not limited to clinical staff, rent, medical supplies and equipment, and insurance. It is important to note that greater financial stability will lead to improved physician retention ensuring patients have access to timely and high-quality care, and allowed investments in infrastructure, which can contribute to improved efficiency and quality of care delivery.

Address Budget Neutrality

Current Medicare statute requires changes to the MPFS be implemented in a budget neutral manner, which means that policies that increase or decrease Medicare spending by more than \$20 million require that upward or downward adjustments be made by that excess amount to all physician services. Budget neutrality places unreasonable constraints on MPFS payments and potential policies. **Therefore, AUA recommends that Congress consider raising the budget neutrality threshold from \$20 million to \$53 million to accommodate changes in Medicare spending since this threshold has not been increased since 1992.** This will allow for more flexibility in adjusting physician payments and prevent different specialties from being pitted against one another. Additionally, it will mitigate the dynamic where specialties feel they are pitted against each other when new



codes are added to the MPFS or values for existing codes are proposed to be increased. **Congress should also provide for an increase equal to the cumulative increase in the MEI every five years to allow this threshold to keep pace with inflation.**

Improving Quality Payment Programs

AUA was pleased that the Committee is interested in improving the Merit-based Incentive Payment System (MIPS) and identifying strategies to bolster more widespread adoption of advanced alternative payment models (APMs). The Medicare Access to CHIP Reauthorization Act (MACRA) authorized the CMS Quality Payment Program (QPP) in to encourage physicians', including specialists like urologists, engagement in innovative healthcare delivery models, fostering a system that rewards improvements in the quality of care delivered. AUA believes that APMs, if implemented well, can incentivize improved quality and better care coordination, which can be especially valuable for conditions like prostate and bladder cancer that may require surgery, radiation, and medical oncology to treat. Unfortunately, MACRA's statutory requirements have impeded Congress' goals for the program and Congress must strive to revise the QPP such that its requirements support the delivery of value-based care and improved quality.

There is a significant administrative burden and financial risk involved with participation in MIPS and APMs. Additionally, the large investment in training takes away time and resources that should be devoted to patient care. In addition, with so many variations in practices, including practice size, specialty type, practice location, and population demographics, a one-size fits all model simply does not work. **To improve the MIPS program, CMS must have the authority and resources to create programs that are meaningful to all providers and patients regardless of specialty type, while lowering the burden to participate in these programs.** Specialty physicians looking to participate in these programs will find few physician-focused APMs are available for them.

Additionally, CMS has stated its intent to sunset traditional MIPS and move to MIPS Value Pathways (MVPs). The agency is continuing to roll out new pathways each year; however, specialties like urology do not yet have MVP options to participate. While we understand the constraints under the current payment system, we believe that collaboration with stakeholders will assist in creating more meaningful programs and reducing burden for providers.

Additionally, the AUA recommends that quality payment incentives be large enough to cover the costs of the time and resources that are devoted to participating in a quality program while also rewarding physicians for their participation. This is important because it ensures that healthcare providers are adequately compensated for the efforts they put into improving patient care. Not only can financial incentives be used to improve patient care, but this can also be used to provide incentives to urologists and other physicians to practice in underserved areas. **Therefore, Congress must ensure that quality payment incentives are commensurate with the investment of time and resources necessary**



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for sustaining effective quality improvement efforts and ultimately enhancing the quality of care delivered to patients.

The AUA appreciates your leadership and welcomes the opportunity to work with you to improve Medicare beneficiary access to care and ensure the care delivered by urologists and other physicians is reimbursed equitably. For any questions please contact paymentpolicy@auanet.org.

Sincerely,

A handwritten signature in black ink that reads "Eugene Rhee, MD, MBA".

Eugene Rhee, MD, MBA
Chair, Public Policy Council