AMA
AMERICAN MEDICAL ASSOCIATION

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December 11, 2025

Michael E. Chernew, PhD
Chair
Medicare Payment Advisory Commission
425 I Street, NW, Suite 701
Washington, DC 20001

Re: American Medical Association Comments on December 2025 Meeting

Dear Dr. Chernew:

On behalf of the physician and medical student members of the American Medical Association (AMA), I appreciate the Medicare Payment Advisory Commission's (MedPAC) continued attention to the unsustainable trajectory of the current Medicare physician payment system. **The AMA strongly urges MedPAC to recommend that Congress update physician practice payment in 2027 by the full increase in inflation as measured by the Medicare Economic Index (MEI) to ensure predictability and stability for physician payment, to maintain private practice as a viable business model, and to maintain or improve access to care.**

During the December 2025 meeting, MedPAC discussed a recommendation for increasing 2027 Medicare physician payment rates by current law plus 0.5 percent, which would result in a 1.25 percent increase for qualifying participants in advanced alternative payment models and a 0.75 percent increase for all other physicians and qualified health care professionals. At the same time, the growth in the cost of providing care is expected to be 2.1 percent. This recommendation would allow the gap between what Medicare pays physicians and what it costs to provide care to grow. In its June 2025 Report to Congress, MedPAC expressed concern that "[t]his larger gap between input-cost and payment-rate growth could create incentives for clinicians to reduce the number of Medicare beneficiaries they treat, stop participating in Medicare entirely, or vertically consolidate with hospitals, which could increase spending for beneficiaries and the Medicare program."

These concerns are echoed by the Medicare Trustees who project that if physician payment does not change, access to Medicare-participating physicians will become a significant issue in the long term. As seen in MedPAC's own access-to-care data, discussed below, these problems are already manifesting for some patients who need a new primary care physician or specialist. We strongly urge the Commission to reconsider a recommendation that is less than the cost of providing care based on its own concerns about the unintended consequences of such a policy. **Instead, MedPAC should recommend that Congress update Medicare physician payment rates by the increase in MEI.**

Beneficiaries' Access to Care Challenges

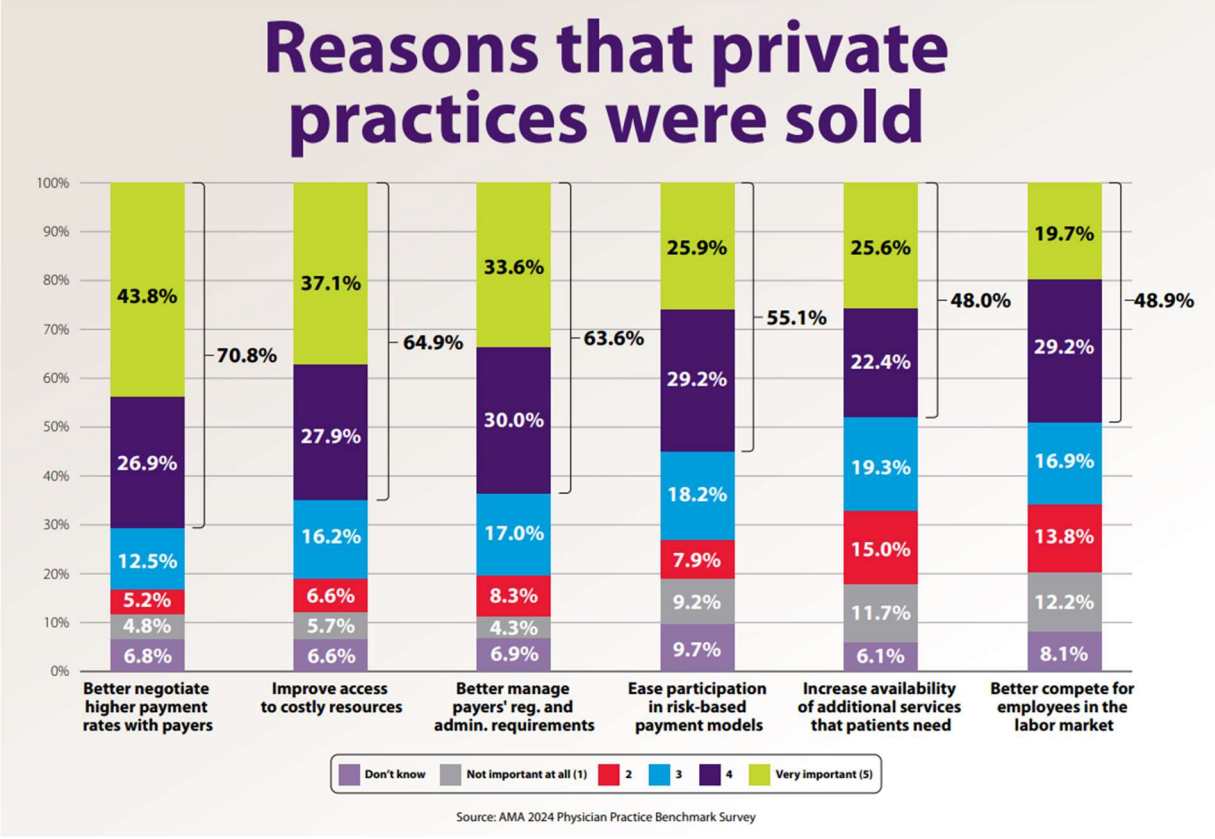
MedPAC's 2025 access-to-care survey results reveal ongoing challenges for older Americans seeking care. In 2025, 29 percent of Medicare beneficiaries waited six or more weeks to see a new primary care

physician, consistent with 28 percent waiting six or more weeks in 2024. Similarly, 31 percent of beneficiaries waited six or more weeks to see a new specialist in 2025, up from 29 percent in 2024.

These data show that there are cracks in the system. A 75-year-old Medicare beneficiary should not have to wait weeks to see a new physician after being discharged from the hospital or when facing a new diagnosis. Congress should not wait until there is worsening evidence of lack of access to care for Medicare beneficiaries as it would then be too late to reverse the complex market and economic drivers of those trends.

Inadequate Payment and Resources Driving Consolidation

We greatly appreciate Commissioner Miller's comments linking the increase in physician employment and inadequate payment rates. Small and independent physician practices are continuing to disappear due to rising financial and operational pressures, including diminishing Medicare payment rates, which are used as a benchmark for private payer rates, and increasing administrative burden. In fact, inadequate payment, access to costly resources, and managing burden are three of the drivers of consolidation according to the AMA 2024 Physician Practice Benchmark report, *Physician Practice Characteristics in 2024: Private Practices Account for Less Than Half of Physicians in Most Specialties* (see graphic below). Adequate payment that keeps up with rising costs would empower practices to hire enough staff and mitigate these burdens, strengthening private practice as a result.



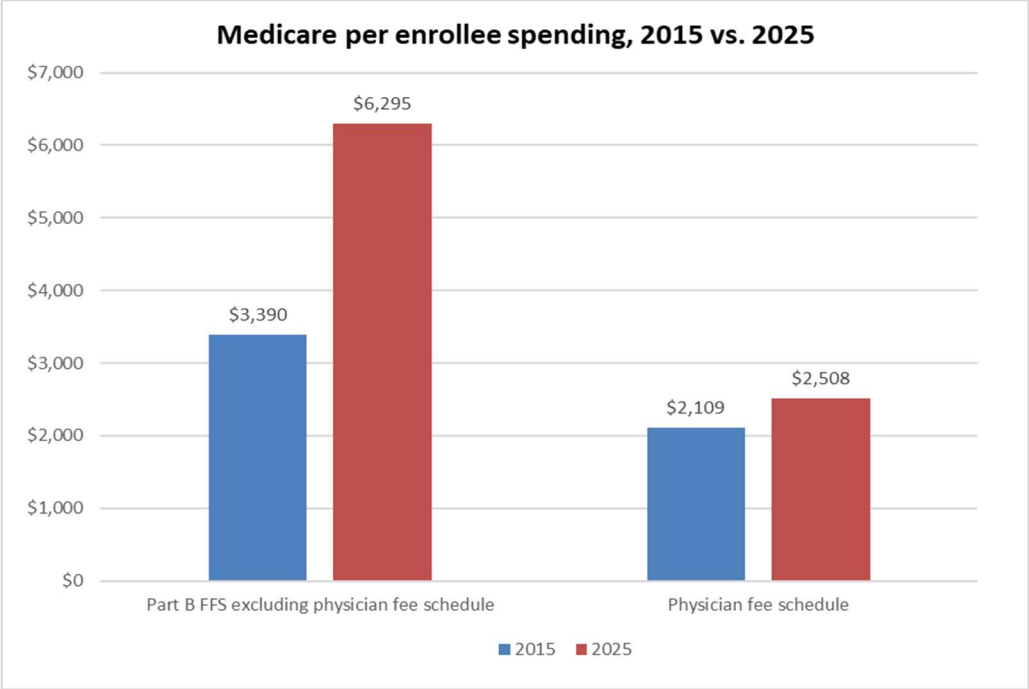
Medicare Physician Spending Per Enrollee is Stagnant

MedPAC spent a considerable portion of its December 2025 discussion of physician payment adequacy discussing the growth in Medicare Physician Payment Schedule (MPFS) spending per beneficiary between 2000 and 2024. While we recognize MedPAC's rationale for mapping from 2000 through 2024,

we encourage the Commission to focus on a more recent timeframe, as it is more relevant to the challenges physician practices face today. In 2015, the Medicare Access and Children's Health Insurance Program Reauthorization Act of 2015 was signed, repealing the flawed sustainable growth rate formula but leaving physician payments largely flat. In fact, since 2015, *inflation has grown faster* than spending per enrollee.

The graph below focuses on the period between 2015 to 2025 and shows how MPFS spending per enrollee growth is less than the rest of Part B in recent years. Specifically, MPFS spending per enrollee increased by 19 percent from 2015 to 2025 and had an average annual growth rate of 1.7 percent. In comparison, the rest of Medicare Part B, including hospital, physician-administered drugs, labs, and durable medical equipment, increased by 86 percent and had an average annual growth rate of 6.4 percent.

Furthermore, from 2015 to 2025, the MPFS share of Part B spending declined from 38 percent to 28 percent. That is, in 2025, for every $100 spent in Part B on a Medicare beneficiary, only $28 is from the physician payment schedule.



Medicare Investments in Primary Care

Finally, we appreciate MedPAC's discussion about Medicare's investments in primary care, including the significant increases in payment for evaluation and management (E/M) services that resulted from the Current Procedural Terminology Editorial Panel's coding guidelines overhaul and AMA/Specialty Society RVS Update Committee's revaluation. The 2021-2023 E/M improvements led to more than $6 billion in redistribution from other services within the MPFS to E/M. In fact, since the inception of the Resource-Based Relative Value Scale (RBRVS), Medicare payment for a mid-level office visit (99213) has increased from $31 in 1992 to $95 in 2026. In comparison, payments for cataract surgery (66984) have decreased from $941 to $463, and payments for MRI of the lumbar spine (72148) have decreased from $485 to $192. The table below shows a notable shift in payments away from surgeons, radiologists, and anesthesiologists toward primary care and internal medicine specialists since the inception of the RBRVS.

Medicare MFS Allowed Charges (% of Total)	1992	2024	% Difference
Primary Care Specialties	24%	28%	+4%
Internal Medicine Specialties	14%	15%	+1%
Surgical Specialties	30%	16%	-14%
Other specialties (Radiologist, Anesthesiology, etc.)	25%	22%	-3%
Other Health Care Professionals (Physical Therapy, etc.)	7%	19%	+12%

We look forward to MedPAC's continued review of these primary care payment changes.

Conclusion

We thank MedPAC for its ongoing commitment to improving Medicare physician payments and urge the Commission to recommend that Congress adopt an update in 2027 fully indexed to practice cost inflation via the MEI. Anything less will jeopardize patient access, threaten private practices, and undermine payment stability.

Please reach out to me directly at 312-464-5288 or John.Whyte@ama-assn.org if you have questions or need further information.

Sincerely,

John Whyte, MD, MPH