

May 21, 2026

The Honorable Greg Murphy, MD  
U.S. House of Representatives  
407 Cannon House Office Building  
Washington, DC 20515

The Honorable Tom Suozzi  
U.S. House of Representatives  
203 Cannon House Office Building  
Washington, DC 20515

Dear Representatives Murphy and Suozzi:

The undersigned physician organizations representing national medical specialty societies and state medical associations write to express our strong support for H.R. 8163, the “Provider Reimbursement Stability Act.” This legislation represents a necessary step toward building a more rational, predictable Medicare physician payment system that preserves patient access to care and reflects the true cost of delivering high-quality medical services.

Medicare physician payment has eroded dramatically over the past two decades. When adjusted for inflation, physician practice payments from Medicare have fallen by approximately 33 percent since 2001, even as the costs of running a medical practice have continued to climb. Physicians are the only Medicare provider type that does not receive an annual payment update tied to inflation. At the same time, the budget neutrality requirements governing the Medicare Physician Fee Schedule (MPFS) have compounded this problem, triggering across-the-board conversion factor reductions that undermine the financial stability of physician practices year after year. These persistent payment cuts have real consequences for patient access to physician services. This important legislation directly addresses the structural flaws driving these outcomes and advances several targeted, complementary reforms to improve the stability and accuracy of the MPFS.

We strongly support the two-year look-back period for the Centers for Medicare & Medicaid Services (CMS) to prospectively correct utilization misestimates for newly unbundled codes. This targeted modification addresses statutory budget neutrality requirements within the MPFS, which currently implement certain services based on sometimes inaccurate utilization predictions, leading to compounding financial losses. Currently, there is no systematic process to reconcile the difference, meaning physicians may be penalized indefinitely for estimation errors that have nothing to do with the care they provide. We have long advocated for this type of correction mechanism, and we are pleased to see it incorporated into this legislation.

Clinical staff wage rates, medical supply prices, and equipment prices often reflect data that is years out of date, creating inaccurate signals about the relative resource costs of different services and leading to large, disruptive redistributions when updates eventually occur. By requiring CMS to update all categories of direct cost inputs simultaneously and at least once every five years, as well as mandating the Agency consult with physician specialty societies when undertaking this task, the bill introduces a systematic, transparent, and less disruptive approach to keeping practice expense data current and accurate. We strongly support this provision and encourage robust stakeholder engagement as CMS implements these updates.

The Honorable Greg Murphy, MD  
The Honorable Tom Suozzi  
May 8, 2026  
Page 2

The current \$20 million threshold, unchanged since 1992, is woefully outdated and bears no relationship to the size and complexity of today's MPFS. By raising the threshold to \$54.3 million beginning in 2027 and indexing it every five years to the Medicare Economic Index (MEI), the legislation introduces long-overdue modernization.

The bill also includes a cap on year-to-year variance in the conversion factor at 2.5 percent, providing guardrails against dramatic swings in either direction. This limitation excludes statutory increases for the Merit-based Incentive Payment System or Alternative Payment Models and future MEI adjustments, offering a degree of predictability in the financial environment for physicians.

We strongly support the Provider Reimbursement Stability Act and urge its prompt passage. This legislation should be understood as part of a broader reform agenda, and we continue to call for an annual inflationary update to Medicare physician payments tied to the MEI. Together, these reforms would go far toward establishing a Medicare physician payment system that is adequate, stable, predictable, and reflective of the actual costs of delivering care.

We commend your leadership in introducing H.R. 8163 and urge your colleagues to cosponsor it and show strong House support for passage. Physicians and their patients cannot afford further delay. Thank you for your commitment to ensuring a stable, sustainable Medicare program. We look forward to working with you to advance this critical legislation.

Sincerely,

American Medical Association

cc: The Honorable John Joyce, MD  
The Honorable Bob Onder, MD  
The Honorable Mariannette Miller-Meeks, MD  
The Honorable Brad Schneider  
The Honorable Jimmy Panetta  
The Honorable Kim Schrier, MD  
The Honorable Robin Kelly