

# Stop Further Cuts to the Medicare Fee Schedule



## Position

The American Physical Therapy Association supports H.R. 8800, the Supporting Medicare Providers Act. The bill was introduced in the House of Representatives by Ami Bera, D-Calif., and Larry Bucshon, R-Ind. H.R. 8800 would prevent cuts to dozens of health care disciplines under the 2023 Medicare Physician Fee Schedule, including physical therapy, by providing a 4.42% increase to the conversion factor through the end of 2023.

## Background

The Centers for Medicare & Medicaid Services' proposed 2023 Medicare Physician Fee Schedule rule includes deep cuts to critical services provided by dozens of health care providers, including physical therapists. The proposed 4.42% cut to the fee schedule's conversion factor would result in the conversion factor dropping below early 1990s levels. The primary driver of these drastic cuts is the "budget-neutrality" provision under the fee schedule, which also drove cuts in 2021 and 2022.

These year-over-year "budget-neutral" cuts are causing significant disruption to the health care system, especially given the ongoing public health emergency, and are being implemented without regard to patient outcomes, actual provider resource needs, or any other rational policy.

Thankfully, Congress intervened in December 2021 and provided additional funding to the 2022 schedule. The result was a 3% increase to the conversion factor that helped mitigate the 2022 cuts to providers. For physical therapy, the proposed payment cut of 3.5% under the fee schedule was reduced to approximately 1.2% for 2022, which is added to the 3.3% cut to physical therapy in the 2021 fee schedule. CMS also implemented an additional 15% cut in 2022 for services provided by a physical therapist assistant. On top of these are the 50% multiple procedure payment reduction policy and the return of the 2% Medicare sequestration, not to mention more planned cuts under the fee schedule in 2023 and 2024. These multiple cuts are simply not sustainable for therapy services.

## Solution

The additional funding provided by Congress in December 2021 to prevent deep cuts under the Medicare Fee Schedule runs out at the end of 2022. Without further congressional action and additional funding, another round of cuts will occur in 2023 to dozens of health care providers, including physical therapists. Congress should intervene and provide funding to the 2023 fee schedule

to offset the 4.42% cut to the conversion factor through calendar year 2023. Providing this level of funding will help ensure that physical therapists and other health care providers can continue to provide high-quality care focused on engaging patients, increasing the delivery of integrated, team-based care, expanding chronic disease management, and reducing hospital admission and readmission rates.

## Providers Still Are Recovering From the Pandemic

Physical therapy services are proven cost savers in treating pain, reducing use of opioids, preventing falls and readmissions, effectively managing chronic conditions, and improving the health and functional performance of the aging population. The physical therapists, physical therapist assistants, and therapy small businesses are still recovering from the devastating impact of COVID-19 on patients, and therapists continue to provide services during the public health emergency. The American Medical Association reported the early pandemic's effect on rehab therapy as among the hardest hit among the Medicare Physician Fee Schedule specialties, [with up to a 34% drop in spending for services](#).

APTA has serious concerns that a large percentage of the therapists and clinics will be unable to withstand multiple cuts at a time when so many are struggling to stay afloat and deliver high-quality care to their patients, including those who have survived COVID-19 only to experience the ongoing effects of long COVID.

## Long-Term Reform to the Medicare Fee Schedule Is Needed

Updates to the fee schedule have failed to keep pace with inflation, and the result is that the conversion factor today is only about 50% of what it would have been if it had been indexed to general inflation starting in 1998. Meanwhile, the cost of running a health care practice has increased.

Patients suffer as providers adjust to unpredictable and excessive reductions to payment that inhibit their ability to ensure beneficiary access to medically necessary services that improve outcomes and lower costs. While short-term funding assistance is required to prevent looming cuts, a long-term strategy and reforms are needed to ensure that future congressional intervention is not required. Moving forward, Congress must recognize the need for critical reforms to the Medicare fee schedule system.

# Facts About Physical Therapists and Physical Therapist Assistants



## Who We Are

Physical therapists are movement experts who help to optimize people's physical function, movement, performance, health, quality of life, and well-being. Physical therapists evaluate, diagnose, and manage movement conditions for individuals, and they also provide contributions to public health services aimed at improving population health and the human experience. Physical therapist assistants are educated and licensed or certified clinicians who provide care under the direction and supervision of a licensed physical therapist. PTs and PTAs care for people of all ages and abilities.

## What We Do

After performing an evaluation and making a diagnosis, physical therapists create and implement personalized plans based on best available evidence to help their patients improve mobility, manage pain and other chronic conditions, recover from injury, and prevent future injury and chronic disease. PTs and PTAs empower people to be active participants in their care and well-being. They practice collaboratively with other health professionals to ensure the best clinical outcomes.

## Where We Practice

PTs and PTAs provide services to people in a variety of settings, including outpatient clinics or offices; hospitals; inpatient rehabilitation facilities; skilled nursing, extended care, or subacute facilities; education or research centers; schools; community centers; hospices; industrial, workplace, or other occupational environments; and fitness centers and sports training facilities.

## Education and Licensure

As of 2016, all PTs must receive a doctor of physical therapy degree from an accredited physical therapist education program before taking and passing a national licensure exam that permits them to practice. Licensure is required in each state (or other jurisdiction, including the District of Columbia, Puerto Rico, and the U.S. Virgin Islands) in which a PT practices. PTAs must complete a two-year associate's degree from an accredited physical therapist assistant program and pass a national exam. State licensure or certification is required in each state (or jurisdiction) in which a PTA works.

## American Physical Therapy Association

The American Physical Therapy Association is a national organization representing more than 100,000 physical therapists, physical therapist assistants, and students nationwide. Our mission is to build a community that advances the profession of physical therapy to improve the health of society.



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