



August 8, 2024

The Honorable John Boozman  
U.S. Senate  
555 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Peter Welch  
U.S. Senate  
124 Russell Senate Office Building  
Washington, DC 20510

Dear Senators Boozman and Welch:

On behalf of the more than 90,000 members of the American College of Surgeons (ACS), I would like to express our support for the bipartisan *Physician Fee Stabilization Act* (S. 4935). This legislation is a critical step in providing stability for physicians while also ensuring that patients have continued access to high-quality care.

Since 2001, physicians have seen their Medicare payments decrease by nearly 30 percent after adjusting for inflation, including the most recent cut in 2024. The Medicare Physician Fee Schedule (PFS) is unique in its lack of a meaningful mechanism to account for inflation and is currently in a multi-year window through 2026 where any positive updates to physician payment must be directly legislated. Furthermore, the system remains constrained by a budget-neutral financing system, which means even modest changes in spending can result in across the board cuts to all services.

The *Physician Fee Stabilization Act* would provide a much-needed increase to the budget neutrality threshold, raising the trigger amount from \$20 million, where it has been since 1992, to \$53 million. It would then provide for inflationary increases every five years based on the Medicare Economic Index. As proposed, this \$33 million increase is proportional to the growth of Part B spending since the implementation of the PFS. This would be an important step forward to ensure greater flexibility in determining pricing adjustments for services without triggering re-occurring across-the-board cuts at the end of every year.

We were pleased to see this policy included as a provision in prior legislative efforts and are supportive of this necessary and important change. Adjusting the budget neutrality trigger would be a powerful step towards improving the functioning of the current Medicare system. Thank you for your efforts and leadership on this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Turner", with a long horizontal flourish extending to the right.

Patricia L. Turner, MD, MBA, FACS  
Executive Director & CEO

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