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April 10, 2023

The Honorable Raul Ruiz, MD
U.S. House of Representatives
2342 Rayburn HOB
Washington, D.C. 20515

The Honorable Larry Bucshon, MD
U.S. House of Representatives
2313 Rayburn HOB
Washington, D.C. 20515

The Honorable Ami Bera, MD
U.S. House of Representatives
172 Cannon HOB
Washington, D.C. 20515

The Honorable Mariannette Miller-Meeks, MD
U.S. House of Representatives
1034 Longworth HOB
Washington, D.C. 20515

Dear Representative Ruiz, Representative Bucshon, Representative Bera, and Representative Miller-Meeks:

On behalf of the American Academy of Dermatology Association (Academy), which represents more than 17,000 dermatologists in the U.S., I write to express our support for H.R. 2474, the *Strengthening Medicare for Patients and Providers Act*, which would provide for an inflationary update under the Medicare physician fee schedule tied to the Medicare Economic Index beginning in 2024. The Academy appreciates this legislation and your recognition that this is a critical step toward ensuring financial stability in the Medicare physician payment system so that patients have continued access to high-quality care.

Since 2001, the cost of operating a medical practice has increased 47%, while economy-wide inflation has risen 73%. During this time, Medicare hospital and nursing facility updates have increased by roughly 70%, significantly outpacing physician reimbursement. *Adjusted for inflation in practice costs, Medicare physician reimbursement declined 26% from 2001 to 2023.*¹ This payment structure threatens the viability of medical practices, especially smaller, independent, physician-owned practices. The current payment structure has contributed to consolidation and increased hospital-ownership of physician practices, which are more costly, reduce competition, and are less patient-centered.

¹ Federal Register, Medicare Trustees' Reports, Bureau of Labor Statistics, Congressional Budget Office

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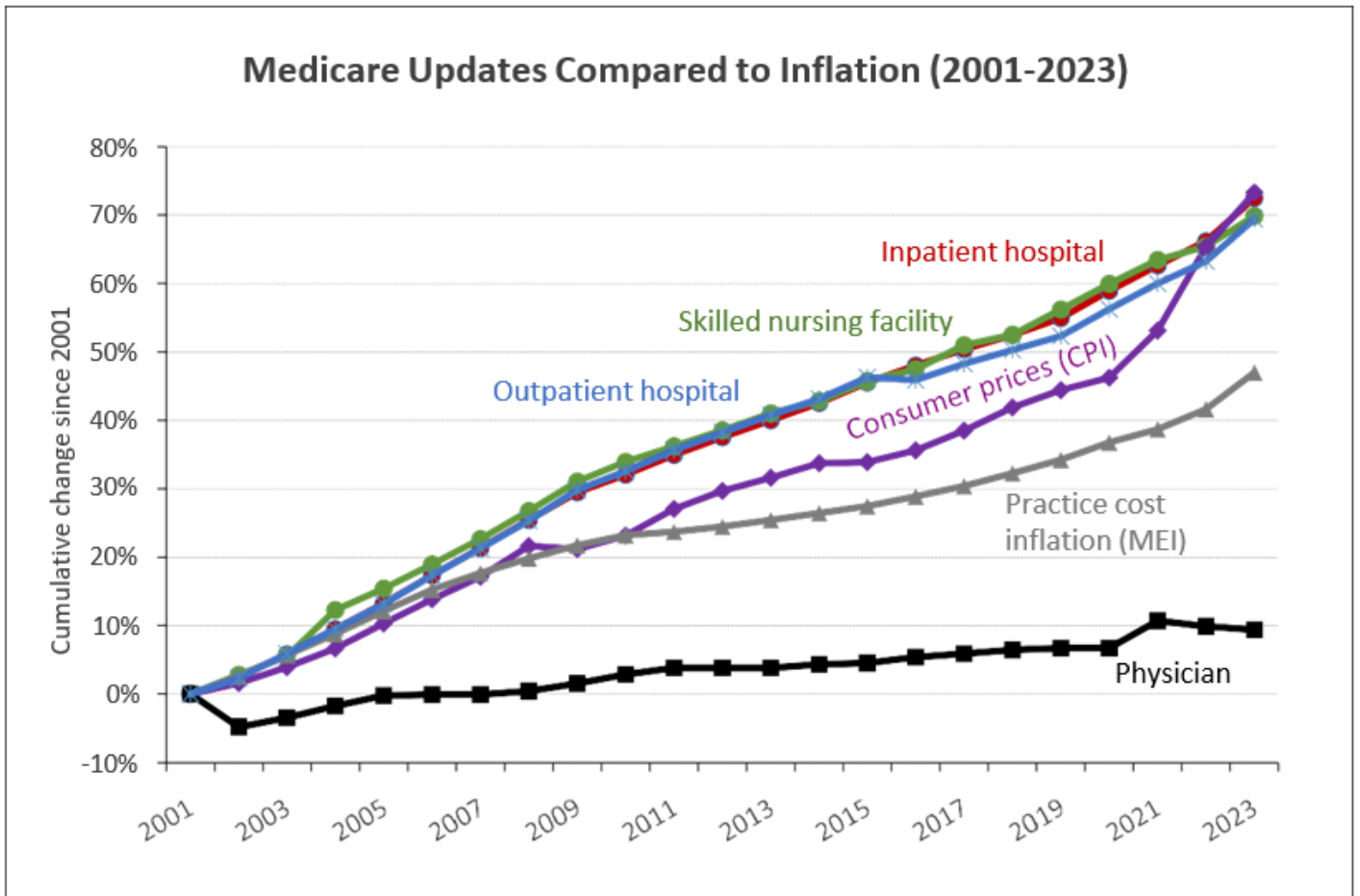
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Sources: Federal Register, Medicare Trustees' Reports, Bureau of Labor Statistics, Congressional Budget Office

As fellow physicians, we know you appreciate that physicians rely on reimbursement to cover a multitude of practice expenses and that year-over-year cuts to Medicare physician reimbursement jeopardizes physicians' ability to keep the doors open and to care for patients in our communities. Fewer physicians in our communities means longer wait times for patients to receive care. When those patients do receive care, their only option may be clinical staff with less training. Patients will suffer in the end.

The Academy and our dermatologists are committed to working with you and your colleagues in the coming months to work toward a more affordable, sustainable, and patient-centered health care system. Thank you again for your continued commitment to mitigating the financial distress facing physician practices through your introduction of H.R. 2474, the *Strengthening Medicare for Patients and Providers Act*.

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Please feel free to contact Christine O'Connor, the Academy's Associate Director, Congressional Policy at coconnor@aad.org or (202) 609-6330 if you have any questions or if we can provide additional information.

Sincerely,

A handwritten signature in black ink that reads "Terrence A. Cronin Jr. MD FAAD". The signature is written in a cursive style with a large, sweeping initial 'T'.

Terrence A. Cronin, Jr., MD, FAAD
President, American Academy of Dermatology Association