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March 31, 2026

The Honorable Greg Murphy, MD
407 Cannon House Office Building
Washington, DC 20515

The Honorable Tom Suozzi
203 Cannon House Office Building
Washington, DC 20515

The Honorable John Joyce, MD, FAAD
2102 Rayburn House Office Building
Washington, DC 20515

The Honorable Jimmy Panetta
200 Cannon House Office Building
Washington, DC 20515

The Honorable Robin Kelly
2329 Rayburn House Office Building
Washington, DC 20515

The Honorable Brad Schneider
300 Cannon House Office Building
Washington, DC 20515

The Honorable Mariannette Miller-Meeks, MD
504 Cannon House Office Building
Washington, DC 20515

The Honorable Kim Schrier, MD
1110 Longworth House Office Building
Washington, DC 20515

The Honorable Bob Onder, MD
1113 Longworth House Office Building
Washington, DC 20515

Dear Representatives Murphy, Suozzi, Joyce, Kelly, Miller-Meeks, Onder, Panetta, Schneider, and Schrier:

On behalf of the more than 18,000 U.S. members of the American Academy of Dermatology Association (AADA), we thank you for introducing *H.R. 8163, the Provider Reimbursement Stability Act*.

Dermatologists diagnose and treat more than 3,000 diseases, including skin cancer, psoriasis, immunologic diseases, and many genetic disorders.ⁱ We are committed to delivering high-value, cost-effective, and innovative care to patients. As dermatologists are at the forefront in the fight against skin cancer and treating numerous skin diseases, the AADA is deeply concerned that annual cuts to Medicare physician reimbursement jeopardizes physicians' ability to keep the doors open and care for patients in

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our communities, particularly those in rural and underserved communities. H.R. 8163 is a positive step towards keeping practices open for our patients.

Since 2001, the cost of operating a medical practice has increased 59%. During this time, Medicare hospital and nursing facility updates resulted in a roughly 70% increase in payments to these entities, significantly outpacing physician reimbursement. Adjusted for inflation in practice costs, Medicare physician reimbursement declined 33% from 2001 to 2025. This out-of-balance payment structure disproportionately threatens the viability of medical practices, especially smaller, independent, physician-owned practices, as well as those serving low-income or historically marginalized patients.

Dermatologists are seeing the real effect of cuts. In the past 8 years, private insurance patients for dermatologists have increased by 21% while Medicare patients are down 27%.

H.R.8163 raises the outdated budget neutrality threshold in the Medicare Physician Fee Schedule (MPFS). Additionally, indexing the budget neutrality threshold to inflation and capping variances in the conversion factor act as guardrails against volatile changes in payment. This legislation will help stabilize the Medicare physician payment system thereby helping physicians keep their doors open to continue providing lifesaving care for patients.

This legislation, reforming budget neutrality in the MPFS, is a critical component of long-term Medicare physician payment reform. The AADA also urges Congress to pass an inflationary update for Medicare physician payment and reduce regulatory burdens associated with the Merit-based Incentive Payment System.

On behalf of the Academy, thank you for your leadership and help ensuring that Medicare meet the needs of Americans. The AADA is committed to excellence in the medical and surgical treatment of skin diseases; advocating for high standards of clinical practice, education, and research in dermatology and dermatopathology; and driving continuous improvement in patient care and outcomes while reducing the burden of disease. The AADA welcomes the opportunity to continue working with Congress to identify opportunities to maintain patient access to care and improve outcomes. Together, we can make a positive difference for patients across the nation.

Sincerely,



Murad Alam, MD, MSCI, MBA, FAAD
President, American Academy of Dermatology Association

ⁱ The Academy's *Burden of Skin Disease* briefs are a set of informational resources that capture the scope and importance of various skin conditions and can be accessed at <https://www.aad.org/about/burden-of-skin-disease/burden-of-skin-disease-briefs>.