Statement for the Record

Subcommittee on Health of the Committee on Energy and Commerce
Proposals To Reform Medicare Provider Payment and Bolster Health Care Cybersecurity

September 15, 2026

On behalf of the American Osteopathic Association, alongside the 62 undersigned osteopathic specialty colleges and divisional societies – collectively representing more than 207,000 osteopathic physicians and medical students across the United States – we write to express our sincere appreciation for the Subcommittee's interest in improving patient access to care and reforming a Medicare provider payment system that is currently unsustainable.

Our organizations share an unwavering belief that everyone deserves access to quality, affordable health care. As a result, we strongly support the introduction of the *Patients First Act*, which would bring Medicare physician payment into the 21st century while strengthening access to care for patients across the country. We urge you to pass this bipartisan legislation to ensure that your constituents can access the care they need.

Osteopathic physicians play a critical role in our health care system, disproportionately practicing in rural and underserved areas. In 2023, 92 percent of rural counties were within federally designated primary care health professional shortage areas.[1] These communities face significant access-to-care challenges across the continuum. These challenges are due in large part to consistent, year over year cuts to the Medicare Physician Fee Schedule (MPFS), which is the only part of the Medicare payment ecosystem that does not include an inflationary update. Since 2001, Medicare physician payment has decreased by 33 percent, after adjusting for inflation.[2] Chronic undervaluing of physician services has made practicing medicine increasingly challenging, especially in rural and underserved communities. The *Patients First Act* is an essential first step toward making health care more accessible and physician practices more sustainable across the country.

The *Patients First Act* would make numerous long-overdue reforms that would drastically improve the Medicare payment ecosystem. First and foremost, it would include a permanent inflation-based update to the MPFS that is tied to the Medicare Economic Index, allowing physician payment to more accurately reflect the cost of providing care. This provision is something our organizations have long championed, and it would represent a significant and necessary change that is supported by the Medicare Payment Advisory Commission (MedPAC).[3] Without predictable, sustainable payment reform, access to care in rural and underserved areas will continue to suffer.

The bill also would make a much-needed adjustment to the budget neutrality threshold, which has not been updated in decades. The current budget neutrality threshold of $20 million all but guarantees that specialties will be pitted against each other every time a new procedure or service is added, or essential services receive payment adjustments. The budget neutrality adjustment to $57.6 million would account for inflation since the threshold was established in 1989, with an additional inflationary increase every 5 years that will ensure codes can be implemented and adjusted in a manner that best meets the needs of patients and physicians.

Additionally, the bill would increase the Geographic Practice Cost Index (GPCI) work floor with additional considerations for high-inflation years. This will provide modest payment updates for physicians in rural areas, further strengthening the viability of practices in these communities.

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[1] Commonwealth Fund. "The State of Rural Primary Care in the United States." Available here.
[2] AMA. "Medicare Physician Payment Continues to Fall Further Behind Practice Cost Inflation." Available here.
[3] MedPAC. "Reforming Physician Fee Schedule Updates and Improving the Accuracy of Relative Payment Rates." Available here.

Furthermore, the bill would implement sweeping changes to the Medicare Merit-Based Incentive Payment System (MIPS). Both physicians and the Centers for Medicare and Medicaid Services (CMS) agree: MIPS is too burdensome and does not provide sufficient incentives or accurate metrics to drive high quality, value-based care or payment. The *Patients First Act* would transition MIPS to the Patient Outcome Improvement National Tabulation System (POINTS). The new system would rely on a physician-led task force at CMS that would identify key metrics for each medical specialty. Each specialty would have a role in the task force as it decides the metrics for the specialty, ensuring that the data being measured is relevant. Additionally, it would eventually pull the necessary data from electronic health records (EHRs), reducing administrative burden and improving data quality. The POINTS system would also reduce the spread of payment penalties from +/-9 percent to +/-5 percent with new bonus programs for high-performing independent practitioners. If enacted, this system would not only modernize data collection, but it would also drive Medicare toward a sustainable, value-based payment system that our organizations strongly endorse.

If enacted, this legislation would provide a more reliable payment system that ensures physicians across the country can invest in the staff, technology, and resources needed to provide the highest quality care for patients. We applaud the Subcommittee for working quickly to consider this vital legislation.

Again, thank you for the opportunity to submit comments for the record. The AOA and the undersigned osteopathic organizations are committed to finding policy solutions that will improve public health and patient access while modernizing care delivery. We stand ready to assist both the Subcommittee and the Committee at large as you consider policies that will achieve those goals. If you have any questions, or if the AOA can be a resource to you, please contact AOA Vice President of Public Policy and Federal Affairs, John-Michael Villarama at jvillarama@osteopathic.org.

Sincerely,

American Osteopathic Association
American Academy of Osteopathy
American College of Osteopathic Family Physicians
American College of Osteopathic Internists
American College of Osteopathic Neurologists and Psychiatrists
American College of Osteopathic Obstetricians and Gynecologists
American College of Osteopathic Pediatricians
American College of Osteopathic Surgeons
American College Osteopathic Emergency Physicians
American Osteopathic Academy of Addiction Medicine
American Osteopathic Academy of Orthopedics
American Osteopathic Academy of Sports Medicine
American Osteopathic Association Prolotherapy Regenerative Medicine
American Osteopathic College of Allergy and Immunology
American Osteopathic College of Anesthesiology
American Osteopathic College of Occupational and Preventive Medicine
American Osteopathic College of Pathologists
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American Osteopathic College of Radiology
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Texas Osteopathic Medical Association
Vermont State Association of Osteopathic Physicians and Surgeons
Virginia Osteopathic Medical Association
Washington Osteopathic Medical Association
West Virginia Osteopathic Medical Association
Wisconsin Association of Osteopathic Physicians & Surgeons

CC: Office of Representative John Joyce, MD
Office of Representative Kim Schrier, MD
Office of Representative Gregory Murphy, MD