



ARMA

ARIZONA MEDICAL ASSOCIATION

NADEEM KAZI, MD, AGAF
PRESIDENT

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CHIEF EXECUTIVE OFFICER

August 14, 2024

The Honorable Ruben Gallego
1114 Longworth House Office Building
Washington, DC 20510

Dear Congressman Gallego:

On behalf of the Arizona Medical Association (ArMA) and our nearly 4,000 member physicians, residents, and medical students, I write to urge you to support Arizona physicians and their Medicare patients by passing H.R. 2474. This important legislation will finally stop the cycle of annual cuts ensuring that physicians are provided an annual inflationary update so they can continue to provide high quality care to their patients.

ArMA advocates for economically sustainable medical practices, the freedom to deliver care in the best interests of patients, and health for all Arizonans. Our organization has been the strongest voice for medicine in Arizona for over 130 years and we are proud of our patient-centered approach to advocacy and our passion for advancing access to quality health care.

Physician reimbursement is not a new problem. Physicians remain the only providers whose Medicare payments do not automatically receive an annual inflationary update. As a result, Medicare physician payments have lagged 29% behind the rate of inflation growth since 2001. Many physician practices simply cannot keep up, particularly given the rapidly rising costs of running a practice. In fact, both the [Medicare Payment Advisory Commission \(MedPAC\)](#) and the [Medicare Trustees](#) have recently issued reports recognizing the growing gap between Medicare reimbursement and the actual costs of running a practice. Ultimately, the 1.4 million Arizona patients on Medicare will pay the price.

We applaud Congress for passing the delayed appropriations package in March of this year, which included a 1.68% reduction to the 3.37% cut that had gone into effect on January 1. This relief was desperately needed and appreciated, but it remains insufficient to fully address our concerns.

H.R. 2474 is championed by a bi-partisan group of physician members of Congress and has the support of over a hundred cosponsors. This important legislation would reform the flawed system by providing annual inflationary updates based on the Medicare Economic Index (MEI), for Medicare physician services, like the updates received by other health care providers.

ArMA is deeply concerned by the ever-increasing financial instability of the Medicare physician payment system. We hope you will support Congressional action to finally address this crisis in a timely manner. In the meantime, we hope to be a resource for you and your staff and stand ready to answer any questions you may have.

Sincerely,

Nadeem Kazi, MD, AGAF
President, Arizona Medical Association

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