November 21, 2025

The Honorable Mike Johnson
Speaker
U.S. House of Representatives

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives

The Honorable John Thune
Majority Leader
U.S. Senate

The Honorable Chuck Schumer
Minority Leader
U.S. Senate

**Re: MGMA Legislative Priorities for the End of 2025**

Dear Speaker Johnson, Majority Leader Thune, Minority Leader Jeffries, and Minority Leader Schumer:

On behalf of our member medical group practices, the Medical Group Management Association (MGMA) thanks you for your longstanding leadership in supporting medical group practices' ability to provide high-quality, cost-effective care. As we approach the end of 2025, we write to emphasize the urgent need for Congress to pass stabilizing legislation on key issues to medical groups. The Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026 (H.R. 5371), reopened the federal government and extended many important healthcare policies that expired at the end of September, such as the 1.0 work Geographic Practice Cost Index (GPCI) floor and telehealth flexibilities, through January 30, 2026. The recent federal government shutdown demonstrated the confusion, administrative complexity, and impact to patient care that would result from allowing these critical policies to expire. With H.R. 5371 extending these policies through the end of January, it is essential to maintain these provisions, while working towards permanent solutions**.** It is also imperative that Congress address the impending expiration of the enhanced Affordable Care Act (ACA) tax credits as soon as possible to ensure continuity of coverage and mitigate the risk of rising uncompensated care.

In addition to extending policies set to expire, this is the time for Congress to address longstanding challenges facing physician practices. Inadequate Medicare reimbursement rates and the lack of inflationary update continues to undermine the financial viability of medical groups; Congress needs to make lasting Medicare payment reform to ensure Medicare beneficiaries can access high-quality care in their communities. Further, congressional action is needed to support medical groups by passing prior authorization reform legislation, extending the Advanced Alternative Payment Model (APM) incentive payment, freezing the qualifying APM participant (QP) thresholds, and preventing cuts to clinical laboratories.

With a membership of more than 60,000 medical practice administrators, executives, and leaders, MGMA represents more than 15,000 medical group practices ranging from small private medical practices to large national health systems, representing more than 350,000 physicians. MGMA's diverse membership uniquely situates us to offer the following legislative recommendations.

## Telehealth Flexibilities

The expiration of the central telehealth flexibilities, such as the removal of originating site and geographic restrictions, during the federal government shutdown starkly illuminated the need for long-term telehealth stability. Maintaining access to telehealth services is essential to avoid unnecessary barriers to medical care, such as a patient having to travel significant distances. Prior to the temporary COVID-19 Public Health Emergency (PHE) policies, telehealth services in Medicare were rarely used given geographic, originating site, and other restrictions. This expansion has been a demonstrable success and allowed medical groups to continue serving their communities through the appropriate utilization of telehealth services.

H.R. 5371 extended the telehealth policies that lapsed at the end of September through January 30, 2026. While we appreciate Congress's action, this short-term extension perpetuates instability for medical groups as their ability to provide remote care remains uncertain. It is essential to keep the telehealth flexibilities in place and permanently enshrine them into law as the value of telehealth to patients has been widely established and has broad bipartisan support.

Congress needs to extend the removal of geographic and originating site restrictions, the expanded list of providers, and other provisions scheduled to expire for a minimum of two years to ensure Medicare beneficiaries can access care no matter where they are located. Failing to extend these flexibilities would significantly hinder medical groups' ability to offer to telehealth services nationwide. Congress should pass legislation like the CONNECT for Health Act (S.1261; H.R. 4206) to permanently allow Medicare beneficiaries to continue accessing vital telehealth services.

## 1.0 Work GPCI Floor

Physician practices in rural areas are subject to myriad financial pressures undermining their ability to stay in operation. The recent expiration of the 1.0 work GPCI floor during the federal government shutdown underscores the need to permanently institute the floor to avoid future destabilizing cuts to reimbursement for these practices. It is essential to keep this floor in place to avoid needless payment reductions and the associated negative repercussions for medical groups in these localities. Congress must work towards a permanent policy and not allow the 1.0 work GPCI floor to lapse on January 30, 2026.

## Clinical Laboratory Cuts

We are thankful that H.R. 5371 delayed harmful, scheduled cuts of up to 15 percent in the Medicare Clinical Laboratory Fee Schedule (CLFS) until January 30, 2026. This temporary measure was needed to avoid undercutting labs' ability to be appropriately reimbursed for their services. Congress must act and at minimum continue preventing the scheduled lab cuts under The Protecting Access to Medicare Act (PAMA), while working to pass The Reforming and Enhancing Sustainable Updates to Laboratory Testing Services (RESULTS) Act (H.R. 5269), which will improve the data used to set sustainable rates for the CLFS and thereby support Medicare beneficiaries' access to laboratory testing and protect laboratory infrastructure and innovation. Enacting the RESULTS Act will help ensure that medical group practices can continue delivering efficient, high-quality lab testing and avoid disruptions that could delay diagnoses and treatment for America's seniors.

## Enhanced ACA Tax Credits

The expiration of the enhanced Marketplace premium tax credits is expected to make health care significantly less affordable for millions of Americans and lead to a loss of coverage that will result in practices providing more uncompensated care. We understand the Administration's concerns surrounding

waste, fraud, and abuse in the Marketplace, and appreciate provisions included in the One Big Beautiful Bill Act (OBBBA) and recent regulations that have established stricter eligibility and enrollment processes. With these policies in place to protect the integrity of the Marketplace, we urge Congress to extend the existing enhanced tax credit program. We appreciate the exploration of alternatives to the existing tax credit structure but with 2026 coverage beginning in less than six weeks, we have concerns about the logistical implementation of alternative policies as well as the lack of research into their impacts on uncompensated care. We welcome future opportunities in the coming year to work with Congress on different policies that would allow for the continuity of coverage.

Open enrollment for 2026 is currently underway, and given this late hour, it is imperative for Congress to act swiftly to mitigate the rising cost of premiums and avoid a potentially drastic increase in uncompensated care.

**Prior Authorization Reform**

Onerous prior authorization requirements continuously rank as the number one regulatory burden facing medical groups. The widely supported Improving Seniors' Timely Access to Care Act (H.R. 3514; S. 1816) — which has 63 cosponsors in the Senate and 235 in the House of Representatives — would make long-needed changes to prior authorization and allow practices to focus resources on clinical care instead of dealing with these administrative processes. A prior iteration of the bill passed the House unanimously, and the current version has a preliminary Congressional Budget Office score of $0.

This legislation has the support of hundreds of healthcare organizations as it would implement commonsense changes to improve the transparency surrounding prior authorization utilization and expediate an often-laborious process. The reintroduced version of the bill should be included in any legislative vehicle before the end of the year to provide much-needed reform.

**Medicare Physician Payment**

Medical groups have been dealing with a 2.83% cut to the Medicare conversion factor for all of 2025 that has compounded other financial pressures such as staffing shortages and rising operating costs. While we are grateful that Congress enacted a 2.5% increase to 2026 Medicare reimbursement in OBBBA, CMS's recently finalized payment rates for 2026, that incorporates the 2.5% increase, are barely above 2024 reimbursement levels. This small increase is undercut by other CMS policies that decrease reimbursement for certain specialties. Given the downward trajectory of Medicare reimbursement, with its frequent reductions and lack of an inflationary update, it is time to enact structural reform to stop the cascading negative effects of inadequate reimbursement that does not cover the cost of providing care.

The Medicare Patient Access and Practice Stabilization Act of 2025 (H.R. 879; S. 1640) would have alleviated the 2.83% cut and provided a modest inflationary update for 2025. As we look to 2026, MGMA urges Congress to pass similar legislation that will make lasting reform to the Medicare payment system that is needed to sustainably support medical groups and avoid these yearly threats to their financial viability. MGMA supports legislation that would provide an annual Medicare physician payment update tied to inflation, as measured by the Medicare Economic Index (MEI). This inflationary update is necessary to not only align with other payment systems, but also adequately account for the cost of operating a medical group. The antiquated budget neutrality policies in the PFS must be modernized; MGMA urges Congress to institute changes to budget neutrality in unison with the annual inflationary update. These policies work in concert to undermine the financial viability of medical practices — a holistic approach would go a long way toward establishing an appropriate reimbursement system.

## Advanced APM Incentive Payment and QP Thresholds

The Advanced APM incentive payment has been essential to medical groups attempting to transition to value-based care models, allowing them to make the necessary infrastructure investments to succeed in these arrangements. The lapse of the incentive payment in 2025 has contributed to increased financial instability for practices and prevented them from making critical investments in value-based care operations and technologies. If the incentive payment is not reinstated, it will become less feasible for practices to join and participate in APMs. Further exacerbating these challenges are the increases to QP thresholds that make it unreasonably difficult for clinicians to remain within an APM due to this drastic increase. The Preserving Patient Access to Accountable Care Act (H.R. 786; S. 1460) would have reinstated the Advanced APM incentive payment at 3.53% for the 2025 performance year and frozen the 2025 QP thresholds at the 2023 level. As we approach one year without the incentive payment and with increase QP thresholds, we urge Congress to act swiftly to pass similar legislation for not just the 2026 performance year, but through the 2030 performance year to spark growth and ensure stability for medical groups investing in value-based care.

## Conclusion

MGMA sincerely appreciates your enduring support for medical groups. We urge you to pass the above-referenced legislation to reinforce group practices' ability to provide high-quality, cost-effective care. If you have any questions, please contact James Haynes, Associate Director of Government Affairs, at jhaynes@mgma.org or 202-293-3450.

Sincerely,

/s/

Anders Gilberg
Senior Vice President, Government Affairs