



September 12, 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: Critical Healthcare Policies Need Extension Prior to September 30

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 leadership in supporting medical group practices' ability to provide high-quality, cost-effective care. With the September 30th deadline to continue funding the federal government rapidly approaching, we write to you to underscore the need to extend critical healthcare policies that are scheduled to expire. The Full-Year Continuing Appropriations and Extensions Act, 2025 (H.R. 1968) extended important policies to medical group operations, such as the 1.0 work Geographic Practice Cost Index (GPCI) floor and telehealth flexibilities until September 30, 2025; we urge Congress to swiftly act to further extend these policies and more to promote Medicare patient access to care.

Congress also needs to rectify the 2.83% cut to Medicare physician payment that has been undermining the financial viability of medical groups since the beginning of this year. This cut has added significant financial strain to medical practices operating in an environment of high costs and staffing shortages. Additionally, 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 extending the Marketplace enhanced tax credits.

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.

Medicare Physician Payment Cut

We appreciate Congress passing a 2.5% increase to Medicare physician reimbursement for 2026; while this is a positive step to stem the tide of continuing cuts to Medicare reimbursement, we write to highlight the issues with the current cut of 2.83% that has been in place since January 1, 2025. Medical groups have been experiencing the adverse effects of this significant decrease in reimbursement that does not adequately cover the costs of providing care and has a cascading effect of undermining their commercial

contracts tied to Medicare rates, as well as Medicaid reimbursement in states that use Medicare as a benchmark. The Medicare Patient Access and Practice Stabilization Act of 2025 (H.R. 879; S. 1640) would alleviate this harmful cut. **MGMA urges Congress to pass this important bill as expeditiously as possible.**

While stopping the current cut is of foremost importance, permanent reform to the Medicare payment system 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 long-needed legislation is necessary to not only align with other payment systems, but also adequately account for the cost of operating a medical group.

Further, modernizing changes are needed to the antiquated budget neutrality policies in the Medicare Physician Fee Schedule to avoid this continual dance of physician practices staring down yearly cuts to reimbursement. **MGMA urges Congress to institute changes to budget neutrality in unison with the long-needed 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.

Extension of Telehealth Flexibilities

Maintaining access to telehealth services is essential to avoid unnecessary barriers to medical care, such as a patient having to travel significant distances. The expansion of telehealth following the COVID-19 Public Health Emergency (PHE) has been a demonstrable success and allowed medical groups to continue serving their communities through the appropriate utilization of telehealth services.

Many of the central policies that have allowed telehealth to flourish will expire soon without congressional action. It is essential to keep these flexibilities in place and permanently enshrine these policies, as the value of telehealth to patients has been widely established. H.R. 1968 extended many of these flexibilities through September 30, 2025. **Congress needs to act to further extend the removal of geographic and originating site restrictions, the expanded list of providers, and more to ensure Medicare beneficiaries can access care no matter where they are located. Not doing so would significantly hinder medical groups' ability to offer telehealth services nationwide and impede Medicare patient access to telehealth care.**

Extension of the 1.0 Work GPCI Floor

Congress must extend the 1.0 work GPCI floor. H.R. 1968 extended the work GPCI floor of 1.0 through September 30, 2025. Extending this floor to avoid needless additional payment reductions and the associated negative repercussions for medical groups in primarily rural areas impacted by the floor is crucial. Congress must keep the 1.0 work GPCI floor in place past the end of September at a minimum.

Extending Marketplace Enhanced Tax Credits

The termination of the enhanced 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, specifically around consumers eligible for the enhanced tax credits. However, provisions included in the One Big Beautiful Bill Act (OBBBA) and recent regulations have established critical eligibility and enrollment changes to combat waste, fraud, and abuse in the Marketplace. **With**

stricter eligibility and enrollment procedures now in place to ensure only eligible consumers are enrolling in the Marketplace, we urge Congress to extend the Marketplace enhanced tax credits.

Advanced APM Incentive Payment and QP Thresholds

The Advanced APM incentive payment is 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 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.

Congress must pass the Preserving Patient Access to Accountable Care Act (H.R. 786; S. 1460) to reinstate the Advanced APM incentive payment at 3.53% and freeze the 2025 QP thresholds at the 2024 level to ensure value-based care remains a financially viable option for practices.

Prior Authorization Reform

Onerous prior authorization requirements continuously rank as the number one regulatory burden facing medical groups.¹ The widely supported Improving Seniors' Timely Access to Care Act (H.R. 3514; S. 1816) — which previously passed the House of Representatives and had support from a majority of both the House and Senate in 2024 — would make commonsense changes to prior authorization and allow practices to focus resources on clinical care instead of dealing with these administrative processes.

This vital piece of legislation, as is, would implement changes to improve the transparency surrounding prior authorization utilization and expedite an often-laborious process. Despite this widespread support, this important bill has been left out of previous legislative vehicles. **Congress must pass the Improving Seniors' Timely Access to Care Act to alleviate this long-standing administrative burden to medical groups that diverts critical resources away from patient care.**

Conclusion

MGMA sincerely appreciates your enduring support of medical groups. We strongly urge you to pass the above-referenced legislation as soon as possible 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 M. Gilberg
Senior Vice President, Government Affairs

¹ MGMA, 2023 Annual Regulatory Burden Report, Nov. 2023, <https://www.mgma.com/federal-policy-resources/mgma-annual-regulatory-burden-report-2023>.