

Strengthening Medicare for Patients and Providers Act (H.R. 2474)



Position

The American Physical Therapy Association supports H.R. 2474, the Strengthening Medicare for Patients and Providers Act. The bipartisan legislation was introduced in the U.S. House of Representatives by Reps. Raul Ruiz, D-Calif., Larry Bucshon, R-Ind., Ami Bera, D-Calif., and Mariannette Miller-Meeks, R-Iowa. H.R. 2474 would provide an annual inflationary payment update to the Medicare Physician Fee Schedule conversion factor by tying it to the Medicare Economic Index, or MEI. The MEI is a measure of inflation faced by health care providers with respect to their practice costs and general wage levels.

Background

The legislation applies a permanent inflation-based update to the Medicare Physician Fee Schedule conversion factor, which will provide much-needed stability to the Medicare payment system. Health care providers, including physical therapists, continue to face an increasingly challenging environment for providing Medicare beneficiaries with access to timely and quality care. Congress has taken action to mitigate some of the recent physician fee schedule cuts on a temporary basis, however, payment continues to decline. According to an American Medical Association analysis of [Medicare Trustees data](#), when adjusted for inflation, Medicare payments to clinicians have declined by 26% from 2001-2023. The failure of the fee schedule to keep pace with the true cost of providing care, combined with year-over-year cuts resulting from the application of budget neutrality requirements, sequestration, and the lack of alternative payment or value-based care models, clearly demonstrates the Medicare payment system is broken. Increasingly thin operating margins disproportionately affect small, independent, and rural practices, as well as those treating low-income or other historically minoritized or marginalized patient communities.

H.R. 2474 is supported by over 100 health care provider organizations including:

American Medical Association
American Academy of Family Physicians
Academy of Physical Medicine and Rehabilitation
American College of Cardiology
American College of Emergency Physicians
American College of Osteopathic Family Physicians
American Occupational Therapy Association
American Speech-Hearing-Language Association

Solution

Providers under the Medicare Physician Fee Schedule do not receive the annual inflationary update that virtually all other Medicare providers can rely on to better weather periods of fiscal uncertainty. The addition of an inflationary update will provide budgetary stability as clinicians – many of whom are small business owners – contend with a wide range of shifting economic factors, such as increasing administrative burdens, staff salaries, office rent, and costs of essential technology. Providing an annual inflation update equal to the MEI for fee schedule payments is essential to enabling practices to better absorb payment distributions triggered by budget neutrality rules, performance adjustments, and periods of high inflation. It will also help providers invest in their practices and implement new strategies to provide high-value care.

Providing an annual adjustment based on MEI aligns with the Medicare Payment Advisory Commission recommendation that Congress increase 2024 Medicare payments above current law by linking the payment update to the MEI. Also, the Medicare Trustees Report recently said lawmakers should “expect access to Medicare-participating providers to become a significant issue in the long term” unless Congress takes steps to bolster the payment system.

Long-Term Reform to the Medicare Physician Fee Schedule Is Needed

While the temporary and partial patches that Congress has provided through 2024 to prevent cuts to dozens of providers, including physical therapists, were necessary under the current payment system, Congress should focus on meaningful reforms to the fee schedule. APTA supports a long-term payment solution that centers on annual inflationary updates as well as addressing other outdated and onerous Medicare policies that impact patient access to physical therapist services. A long-term strategy and reforms are needed to ensure that future congressional intervention is not required. Moving forward, Congress must recognize the need for critical reforms to the fee schedule.

Facts About Physical Therapists and Physical Therapist Assistants



Who We Are

Physical therapists are movement experts who help to optimize people's physical function, movement, performance, health, quality of life, and well-being. Physical therapists evaluate, diagnose, and manage movement conditions for individuals, and they also provide contributions to public health services aimed at improving population health and the human experience. Physical therapist assistants are educated and licensed or certified clinicians who provide care under the direction and supervision of a licensed physical therapist. PTs and PTAs care for people of all ages and abilities.

What We Do

After performing an evaluation and making a diagnosis, physical therapists create and implement personalized plans based on best available evidence to help their patients improve mobility, manage pain and other chronic conditions, recover from injury, and prevent future injury and chronic disease. PTs and PTAs empower people to be active participants in their care and well-being. They practice collaboratively with other health professionals to ensure the best clinical outcomes.

Where We Practice

PTs and PTAs provide services to people in a variety of settings, including outpatient clinics or offices; hospitals; inpatient rehabilitation facilities; skilled nursing, extended care, or subacute facilities; education or research centers; schools; community centers; hospices; industrial, workplace, or other occupational environments; and fitness centers and sports training facilities.

The Economic Value of Physical Therapy in the United States

A September 2023 report from the American Physical Therapy Association outlines the cost-effectiveness and economic value of physical therapist services for a broad range of common conditions. "The Economic Value of Physical Therapy in the United States" reinforces the importance of physical therapists and physical therapist assistants in improving patient outcomes and decreasing downstream costs. Policymakers should use this report to inform legislative and regulatory efforts for health care delivery and payment under Medicare, Medicaid, and commercial payers. **Review the findings at [ValueofPT.com](https://www.valueofpt.com).**

Education and Licensure

As of 2016, all PTs must receive a doctor of physical therapy degree from an accredited physical therapist education program before taking and passing a national licensure exam that permits them to practice. Licensure is required in each state (or other jurisdiction, including the District of Columbia, Puerto Rico, and the U.S. Virgin Islands) in which a PT practices. PTAs must complete a two-year associate's degree from an accredited physical therapist assistant program and pass a national exam. State licensure or certification is required in each state (or jurisdiction) in which a PTA works.

American Physical Therapy Association

The American Physical Therapy Association is a national organization representing more than 100,000 physical therapists, physical therapist assistants, and students of physical therapy nationwide. Our mission is to build a community that advances the profession of physical therapy to improve the health of society.



Co-sponsor H.R. 2474 today!

For more information and contact info for APTA Government Affairs staff, scan here or visit [apta.org/position-paper](https://www.apta.org/position-paper).

