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December 1, 2023

The Honorable Chuck Schumer  
Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Washington, DC 20510

The Honorable Mike Johnson  
Speaker  
United States House of Representatives  
Washington, DC 20515

The Honorable Hakeem Jeffries  
Minority Leader  
United States House of Representatives  
Washington, DC 20515

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

The Society of General Internal Medicine (SGIM) appreciates your leadership and efforts to avert physician payment cuts in the past. **Physicians again are facing a payment cut of 3.37% beginning on January 1, 2024, and we urge you to take additional action to prevent these cuts and stabilize physician payment before the end of the year.**

SGIM is a member-based medical association of more than 3,300 of the world's leading academic general internists, who are dedicated to improving the access to care for all populations, eliminating health care disparities, and enhancing medical education. Our members are committed to ensuring patients have equitable and affordable access to the highest quality of care possible.

The looming payment cut of 3.37% is a result of the budget neutrality adjustments finalized in the calendar year (CY) 2024 Medicare Physician Fee Schedule final rule and the expiration of 1.25% of the payment increase provided by the Consolidated Appropriations Act (CCA) of 2023. Medicare physician payment has stagnated over the past two decades without receiving necessary increases or adjustments for inflation, in stark contrast to other Medicare fee schedules. According to an American Medical Association (AMA) analysis of Medicare Trustees data, Medicare physician payment has declined by 26% percent when adjusted for inflation from 2001–2023.

This erosion of the value of Medicare reimbursement poses a serious threat to the sustainability of primary care, hindering the ability of general internal medicine physicians to deliver quality care to patients. A 3.37% cut to the conversion factor threatens the viability of primary care practices more so than other specialties. Primary care practices have been operating on minimal or even negative profit margins in recent years. The financial challenges, as well as the long hours and administrative burden associated with the practice of primary care have brought the United States to the point that there is a persistent shortage of general internal medicine and other primary care physicians. Congress must take immediate action to prevent this cut to



preserve patient access to primary care, which is a key piece of high-performing healthcare systems.

Reversing the 3.37% cut to the conversion factor alone will not be sufficient to support primary care and reverse these alarming workforce trends. The Centers for Medicare & Medicaid Services has taken steps in recent years to support primary care by creating new services, like those for chronic care management, and revising and revaluing evaluation and management services. However, the significantly lower payment rates for primary care compared to those for procedural specialties discourage medical students from choosing primary care specialties, as they are attracted to higher-paying specialties particularly considering their growing amounts of medical school debt. Many Americans do not have a primary care physician with whom they can schedule timely visits and receive longitudinal, comprehensive care; instead, they receive care from urgent care clinics and emergency rooms. Further, the persistent shortage of primary care physicians nationwide, particularly in rural communities, exacerbates existing disparities among vulnerable populations that are already facing significant challenges. Therefore, it is imperative that Congress not only prevent the cut scheduled for January 1 but also develop comprehensive reform legislation to reverse the alarming trends in primary care to ensure that our healthcare system remains capable of meeting the evolving needs of our aging population.

**SGIM urges Congress to work with other primary care organizations and us to develop more comprehensive reforms to support primary care and stabilize the Medicare physician payment system.** Specifically, Congress must address the reimbursement disparity between primary care physicians and procedural specialists. To do this, Congress must provide inflationary updates to the conversion factor, reform the Medicare Physician Fee Schedule's budget neutrality requirements, and develop a hybrid payment system for comprehensive primary care.

SGIM welcomes the opportunity to work with you to reform the Medicare payment system to best support patients and providers. Should you have any questions, please do not hesitate to contact Erika Miller at [emiller@dc-crd.com](mailto:emiller@dc-crd.com).

Sincerely,

A handwritten signature in black ink that reads "Martha S. Gerrity". The signature is written in a cursive style with a loop at the end of the last name.

Martha S. Gerrity, MD, MPH, PhD, FACP  
President, Society of General Internal Medicine