



November 22, 2022

Dear Committee Member:

On behalf of the American Medical Rehabilitation Providers Association (AMRPA), we urge Congress to act before the end of the year on key legislative priorities for our members. Without action from Congress, rehabilitation providers face cumulative and unsustainable Medicare payment reductions of approximately 8.5%, which include the 4.5% physician fee schedule conversion factor (CF) cut and the 4% statutory Pay-As-You-Go (PAYGO) reduction. These payment threats, while not unique to our members, are particularly challenging for rehabilitation care providers who are confronting additional complexities and difficulties tied to rehabilitation medicine and post-acute care policies.

AMRPA is the national trade association representing more than 700 freestanding inpatient rehabilitation hospitals and rehabilitation units of general hospitals, commonly referred to as inpatient rehabilitation facilities (IRFs). Our members specialize in treating patients with some of the most complex and serious injuries, such as stroke, traumatic brain injury, and traumatic spinal cord injury. Continued rehabilitation is an essential component in recovery from these types of serious conditions to ensure individuals can return to work and live normal lives. We are concerned that, without Congressional intervention, our members will be facing significant payment cuts that will ultimately jeopardize patient access to critical rehabilitation care.

#### Medicare Physician Fee Schedule Conversion Factor (4.5% Cut)

As you are aware, the Centers for Medicare & Medicaid Services (CMS) finalized an approximately 4.5% cut to the 2023 physician fee schedule CF. For some types of specialties, the reduction to the CF is offset by the increase in the value of certain codes. In contrast, for rehabilitation providers, including physical therapists (PTs), occupation therapists (OTs), and speech-language pathologists (SLPs), this is not the case and results in a complete reduction in total Medicare reimbursement. CMS has also previously implemented a 15% payment reduction for therapy services that utilize a therapy assistant. Cumulatively, this means that most services will be cut by approximately 25% relative to 2020 levels. These cuts could not come at a worse time for rehabilitation providers as our hospitals and units face an extraordinary shortage of PTs, OTs, and SLPs nationwide, and the difficulty of securing clinical staff continues to grow due to salary demands and other competing inflationary pressures. These cuts also have the potential to exacerbate health equity issues for individuals with disabilities or complex chronic conditions since these patients often need the longest and most intensive services, and therapy clinics will be hard-pressed to take on such complex cases due to the lowered reimbursement levels. **For all**

**of these reasons, we ask that Congress fully offset the physician fee schedule cut. Even maintaining a small CF reduction could have devastating consequences for rehabilitation providers and patients given the combined impact of fee schedule policies.**

Statutory PAYGO (4% Cut)

In addition to the physician fee schedule challenges, the additional threat of an across-the-board 4% PAYGO cut creates even greater instability for our members and patients. Our members are facing a challenging environment in which they are dealing with the continuation of COVID-19 cases, an increase in seasonal respiratory and flu cases, and other health challenges. IRFs also are subject to high inflation and significant increases in costs for workforce, equipment, and supplies that jeopardize their financial stability and their ability to provide their communities and patients with access to high-quality care services. Many of our members are facing their worst financial situation since the COVID-19 pandemic began.

The failure to waive statutory PAYGO would result in additional Medicare reductions to providers that put at risk our members' ability to care for their patients. These reductions would be on top of the 2% Medicare sequester cuts, which had been waived for part of the pandemic but are in full effect as of July 1, 2022. **We appreciate that Congress has never allowed statutory PAYGO cuts to go into effect, and we urge Congress to again act before the end of this year to prevent any reductions from occurring.**

We look forward to working with you on this legislative effort. If you have any questions or comments related to this request, please contact Kate Beller, AMRPA Executive Vice President for Policy Development and Government Relations, at [KBeller@amrpa.org](mailto:KBeller@amrpa.org).

Sincerely,



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VP/Administrator, JFK Johnson Rehabilitation Institute