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April 22, 2026

The Honorable Greg Murphy, MD
United States House of Representatives
Washington, DC 20515

The Honorable Tom Suozzi
United States House of Representatives
Washington, DC 20515

Re: H.R. 8163, the Provider Reimbursement Stability Act

Dear Representatives Murphy and Suozzi,

On behalf of The Society of Thoracic Surgeons (STS), I would like to thank you for introducing H.R. 8163, the Provider Reimbursement Stability Act. Founded in 1964, STS is a not-for-profit organization representing more than 8,000 surgeons, researchers, and allied healthcare professionals worldwide who are dedicated to ensuring the best possible outcomes for surgeries of the heart, lungs, and esophagus, as well as other surgical procedures within the chest.

We deeply appreciate your leadership on this legislation that aims to make targeted reforms to the budget-neutrality policies that have been consistently decreasing Medicare physician payments and is needed to create stability and predictability for Medicare physician payments. This bill includes three important reforms.

First, the bill would update the spending threshold that initiates a budget neutrality adjustment, which has not been adjusted for inflation since 1989. This bill would raise this threshold from \$20 million to \$54 million and adjust it every 5 years based on the cumulative increase in MEI during that time. This change would allow for greater flexibility in determining relatively minor pricing and policy changes for services without triggering across-the-board cuts.

Second, it would ensure that budget neutrality adjustments are based on the actual utilization of new codes, rather than arbitrary assumptions. As we have seen, CMS can overestimate utilization assumptions related to code revaluations in its budget neutrality estimates, resulting in permanent and untenable Medicare cuts to physician payments across-the-board. This legislation would provide a lookback period that would allow CMS to reconcile erroneous utilization projections based on actual claims and adjust the conversion factor as necessary.

Third, the legislation would require the Secretary of Health and Human Services to limit budget neutrality adjustments to 2.5% each year. This would provide greater stability for the Medicare physician payments by removing relatively large and abrupt changes in conversion factor calculations in any given year.

Enactment of each of these policies would positively impact the financial viability of physician practices and increase access to Medicare services. Thank you once again for your commitment to reforming Medicare physician payment. We look forward to working with you and your colleagues in this endeavor.

Please contact Molly Peltzman, Associate Director of Health Policy, at mpeltzman@sts.org should you need additional information or clarification.

Sincerely,

A handwritten signature in black ink, appearing to be 'V. Badhwar', with a long horizontal flourish extending to the right.

Vinay Badhwar, MD
President