



# AMERICAN SOCIETY OF HEMATOLOGY

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## 2023

### President

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The Honorable Greg Murphy, MD  
Co-Chair, GOP Doctors Caucus  
407 Cannon House Office Building  
Washington DC, 20515

The Honorable Michael Burgess, MD  
Co-Chair, GOP Doctors Caucus  
2161 Rayburn House Office Building  
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### President-Elect

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The Honorable Brad Wenstrup, MD  
Co-Chair, GOP Doctors Caucus  
2335 Rayburn House Office Building  
Washington DC, 20515

The Honorable Jason Smith  
Chairman, Committee on Ways and Means  
1011 Longworth House Office Building  
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### Vice President

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Dear Drs. Murphy, Wenstrup, and Burgess, and Chairman Smith:

### Secretary

Cynthia Dunbar, MD  
NHLBI/NIH  
Translational Stem Cell Biology Branch  
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The American Society of Hematology (ASH) writes to provide comments on the recently released *Provider Reimbursement Stability Act of 2023* discussion draft to reform the budget neutrality policies applied to the Medicare Physician Fee Schedule (MPFS). ASH members applaud your efforts to address the budget neutrality policies that have steadily eroded Medicare physician payment in recent years.

### Treasurer

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ASH represents more than 18,000 clinicians and scientists worldwide who are committed to the study and treatment of blood and blood-related diseases. These disorders encompass malignant hematologic disorders such as leukemia, lymphoma, and multiple myeloma, as well as non-malignant conditions such as sickle cell anemia, thalassemia, bone marrow failure, venous thromboembolism, and hemophilia. In addition, hematologists are pioneers in demonstrating the potential of treating various hematologic diseases and continue to be innovators in the fields of stem cell biology, regenerative medicine, transfusion medicine, and gene therapy. Our mission is to foster high-quality, equitable care, transformative research, and innovative education to improve the lives of patients with blood and bone marrow disorders.

### Councillors

Christopher Flowers, MD, MS  
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### Executive Director

Martha Liggett, Esq.

ASH offers the following comments to the *Provider Reimbursement Stability Act of 2023* in order to promote the delivery of high-quality care to a growing population of Medicare beneficiaries, particularly those with complex medical conditions that require specialty care.

Importantly, this legislation would increase the budget neutrality threshold from \$20 million to \$53 million and provide for an increase every 5 years equal to the cumulative increase in Medicare Economic Index (MEI). This would represent the first adjustment to the budget neutrality calculation since 1992. By raising the threshold, CMS can ensure that the redistribution of funds across the MPFS is more equitable, preventing drastic cuts to the conversion factor when new services are added to the MPFS or high-volume services are revalued. This provision acknowledges the changing landscape of health care by pacing the budget neutrality threshold with evolving health care needs and ever-increasing health care costs.

For hematology, this is especially important as newer treatment options such as gene and cell therapy become more readily available. Additionally, if passed, this legislation will allow CMS to calculate the conversion factor more accurately by allowing corrections for over- or under- estimates in utilization of services added to the MPFS. These policies represent significant improvements to the MPFS' budget neutrality requirements and would mitigate some of the downward pressure on the conversion factor.

ASH strongly supports the provisions of this legislation that allow for regular updates to direct cost inputs that inform prices, no less than every 5 years. When CMS updated the clinical labor inputs in CY 2022, the existing inputs were almost two decades old, resulting in significant decreases for certain services. Practice expense (PE) relative value units (RVUs) data, which include clinical wage rates, prices of medical supplies and prices of equipment, must be updated on a regular basis to account for the inevitable changes in clinical labor rates, practice patterns, technology, and other factors that influence these inputs. Updating the data more regularly will provide more stability within the payment system.

The final provision in this legislation would require the Secretary to limit positive or negative increases in the conversion factor to no more than 2.5 percent annually. ASH appreciates your efforts to limit large decreases in MPFS reimbursement; however, we caution you from limiting positive conversion factor increases to 2.5 percent. By placing a cap on potential increases, the MPFS would not be able to keep pace with actual practice costs, particularly in times of high inflation. Physician payment has failed to keep pace with inflation and practice expenses over the last 20 years. As an example, the conversion factor in 1992 was \$31.0010 and yet, thirty years later, the conversion factor is only two dollars higher. If the conversion factor had been adjusted for inflation, the current conversion factor would be approximately \$67.00.

The lack of positive updates to the conversion factor places challenges on physicians as they provide critical high-quality care to their patients within a diminishing budget; as a result, physicians including hematologists who provide complex care, experience reimbursements as pay cuts. ASH believes the conversion factor should be updated annually to, at the very least, keep pace with inflation. Every Medicare fee schedule, except the MPFS, includes a statutory inflationary update. The MPFS should be treated similarly to promote Medicare beneficiary access to care and to reimburse physicians fairly for the care they provide. Therefore, we recommend that any changes to MPFS policy include an inflationary update to the conversion factor.

Thank you for the opportunity to provide these comments. ASH appreciates your leadership and welcomes the opportunity to work with you to reform Medicare physician payment to protect beneficiary access to care. Should you have any questions, please contact Carina Smith, Manager of Health Care Access Policy, at [casmith@hematology.org](mailto:casmith@hematology.org).

Sincerely,



Robert A. Brodsky, MD  
President