

## PROTECTING & PRESERVING MEDICARE’S PROMISE

### Medicare payment instability threatens access to emergency care

Emergency physicians are the frontline of America’s health care safety net, treating every patient who walks through the door — insured, underinsured, or uninsured — at every hour of the day.

They operate in a high-intensity environment that has grown increasingly challenging, with the financial foundation supporting emergency care is eroding.

### EMERGENCY PHYSICIANS CANNOT OPT OUT

Unlike most medical specialties, emergency physicians have no way to limit exposure to Medicare cuts:

- **Federal law (EMTALA)** requires treatment of all patients, regardless of ability to pay
- **Economic drivers and growing consolidation** have led hospitals to outsource specialties like emergency medicine, and contracts require participation in Medicare.
  - Emergency physicians therefore cannot decline Medicare patients or limit volume the way other specialties can.
- **Rising uncompensated care burden** and declining commercial reimbursement combined with the boarding crisis and workplace violence, are driving physicians away from the specialty. Medicare payments continue to decrease.

When Medicare pays less, emergency departments lose capacity. Patients wait longer, rural EDs close, and the workforce pipeline shrinks — even as the aging population drives more Medicare beneficiaries to the ED every year.

↓ **33%**

Inflation-adjusted decline in Medicare physician payment, 2001–2025

↑ **47%**

Physician practice operating costs over same period

**~140M**

Annual ED visits, nearly 1 in 4 covered by Medicare

**ACEP urges Congress to provide short-term relief and long-term stability for the Medicare physician payment system to ensure access to emergency care for all Americans.**

### THE CYCLE OF INSTABILITY

ACEP is grateful for the 2.5% relief Congress provided in the 2026 Medicare Physician Fee Schedule, offsetting some of 2025’s 2.83% cut. But that relief expires at the end of this year, leaving physicians facing a **projected 2.5% or possibly higher cut** in 2027, once CMS applies “budget neutrality” adjustments.

## LEGISLATIVE SOLUTIONS FOR STABILITY

GOAL	PROPOSED LEGISLATION / ACTION
<b>Stop the 2027 Cut</b>	<b>Prevent</b> the expiration of temporary relief to avoid a minimum 2.5% pay cut for emergency and primary care physicians.
<b>Establish Inflationary Updates</b>	<b>Support H.R. 6160:</b> Establish a permanent update to physician payments based on the Medicare Economic Index (MEI).
<b>Modernize Budget Neutrality</b>	<b>Support H.R. 8163:</b> Update "budget neutrality" thresholds and index them to inflation to mitigate year-to-year fluctuations.
<b>Reform MACRA</b>	<b>Update</b> the Medicare Access and CHIP Reauthorization (MACRA) framework to reduce administrative burdens and facilitate the transition to value-based care.

Year after year, physicians wait to learn whether Congress will avert the next cut. This uncertainty drives consolidation, early retirement, and reduced access for Medicare beneficiaries. Short-term patches are not enough. Structural reform is overdue.

### How Can Congress Help?

ACEP urges Congress to work with the physician and health care provider community to stabilize the Medicare physician payment system to:

- Stop the impending Medicare Physician Fee Schedule (PFS) conversion factor cut for 2027.
- Establish a permanent inflationary update to Medicare physician payments.
- Modernize and update PFS "budget neutrality" requirements.
- Update the MACRA framework to reduce physician burdens and facilitate the transition to value-based care.