

## A 'Perfect Storm' Hitting Health Care Providers

### Background

When Congress passed the federal *No Surprises Act* (NSA) in 2020 with strong provider support, it sought to protect patients from out-of-network surprise medical bills while safeguarding patient access to quality care. While important progress has been made on surprise billing, patient access is being jeopardized by a 'perfect storm' of unsustainable pressures placed on health care providers including:

- Higher Operating Costs: A shortage of physicians, a tight labor market and increasing costs for supplies are raising hospital and medical practice operating costs.
- Inadequate Reimbursement: The Medicare Physician Fee Schedule has not kept pace with the times. The conversion factor that CMS finalized for use in 2024 is lower than the rate in 1994 – 30 years earlier.
- Abusive Insurer Behavior: Since the NSA's implementation, private insurers have been aggressively slashing payment rates and terminating contracts, forcing many providers to curtail service delivery.
- No Inflation Updates: Low reimbursement at a time of high inflation means payment for health care services is not keeping pace with providers' operating costs, putting patient access at serious risk.

### How Insurers Are Piling On

With Medicare rates falling and operating costs rising, many insurers are engaging in abusive action that jeopardizes patient access to care. Based on the findings of AFHC's [national survey](#) of more than 48,000 clinicians, earlier [Impact Alerts](#) revealed evidence of abuse, including [slashed](#) reimbursement rates, [cost-shifting](#) to patients, [ignored](#) arbitration decisions, [financial ties](#) with IDREs, denial of NSA-covered services to [at-risk patients](#), and even denials of coverage that reduce access to [mammograms](#). These actions are exacerbating the Medicare reimbursement and inflationary pressures faced by many providers.

### Case-in-Point: Interventional Radiology (IR)



Interventional radiologists perform minimally invasive image-guided procedures, which avoid surgery, reduce complications, shorten lengths of stay, lower morbidity and mortality, and reduce the cost of care. However, cuts by public payers and private insurers are risking access to this life- and cost-saving care.

#### **Medicare Cuts to Interventional Radiology:**

- -4% in 2024; -35% since 2006

#### **Insurer Abuse to Interventional Radiology:**

- Rates cut to levels at or below Medicare