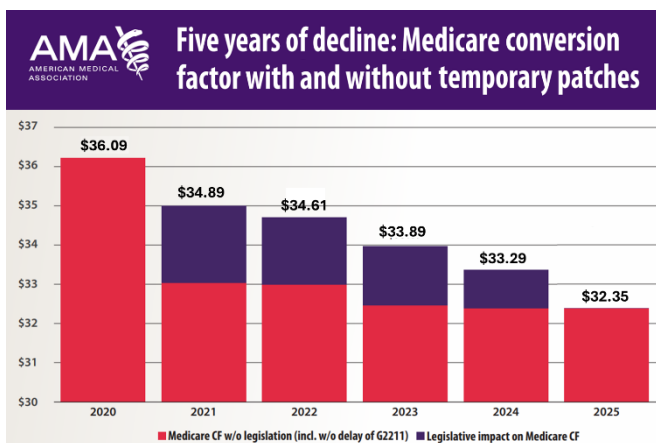


## The Impact of Insurer Abuse in an Era of Medicare Cuts

### Background

As documented by the [American Medical Association](#), the 2025 Medicare Physician Fee Schedule conversion factor (CF) will decrease in 2025 absent Congressional action. The CF is the rate which Medicare uses to pay its providers of care, and if this cut goes into effect, it will mark the fifth straight year of rate cuts (see [chart](#)). Making matters worse, this cut would occur as physician practices are struggling with inflation-fueled cost increases in delivering care. The [Medicare Payment Advisory Commission \(MedPAC\)](#) and the [Medicare Trustees](#) warn that this crisis could reduce access to care for Medicare beneficiaries. Hundreds of Congressional lawmakers are [calling for action](#) to address the dual threat of Medicare cuts and rising costs to physicians and their patients.



### Insurer Abuse Is Making the Situation Worse – Much Worse

Physician practices have generally been able to withstand prior Medicare cuts due to the availability of reasonable insurer reimbursement. Since implementation of the federal *No Surprises Act*, however, insurers have been manipulating the law in ways that add tremendous strain to the healthcare delivery system. As documented by AFHC [Impact Alerts](#), these tactics include [slashing](#) reimbursement rates, [shifting costs](#) to patients, [ignoring](#) arbitration decisions, and the infamous [“Shared Savings” Kickback Scheme](#). Representing 50,000 clinicians, AFHC also conducted a national [survey](#) that demonstrates this abuse extends to canceling commercial contracts – jeopardizing access to timely, in-network care. Specifically, the AFHC survey reveals:

- **More than half of providers** were threatened with contract termination in 2023.
- That year, **nearly 1-in-4** providers had at least 1 contract terminated by insurers.
- Payments to providers were **cut 51%** after insurers terminated their contracts.
- **In 57% of IDR rulings for providers**, insurers paid nothing or paid the incorrect amount.
- **Only 7% of disputes**, on average, were resolved during Open Negotiations.

### Congress Must Pressure Insurers to Stop Exacerbating Medicare Cuts

Members of Congress are rightly concerned about the impact Medicare cuts have on patients and providers. While they work to fix the Physician Fee Schedule, it's essential that insurers be made to stop their abuse and once again make fair and stable payments. **Congress, End Insurer Abuse!**