



# MEDICARE PHYSICIAN PAYMENT

## THE ISSUE

Each year, the U.S. Centers for Medicare & Medicaid Services (CMS) releases the Calendar Year (CY) Medicare Physician Fee Schedule (MPFS) rule that establishes payment rates used to reimburse health care practitioners serving the Medicare population. For calendar year 2025, there was a 2.83% reduction to the MPFS conversion factor (CF)—marking the fifth consecutive year of cuts.

**2.83%**

**REDUCTION TO  
MPFS IN 2025**

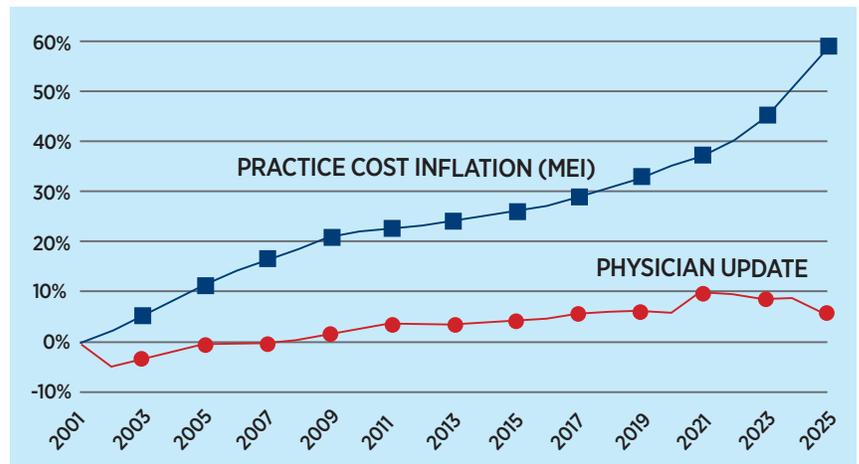
**5<sup>th</sup>**

**CONSECUTIVE  
YEAR OF CUTS**

In 2025, practices are expected to face a 3.6% increase in medical practice cost inflation, as measured by the Medicare Economic Index (MEI).

**The MPFS is the only Medicare payment system without an annual inflationary update.**

The absence of an inflationary update, coupled with the recurring payment decreases, places a significant strain on medical practices. This is an unsustainable system that threatens the healthcare system and the delivery of patient care.



*With inflation, Medicare reimbursement has declined by 33% from 2001.*



### THE IMPACT

- These cuts have the ability to destabilize medical institutions and compromise the availability of resources required to provide necessary, life-saving care to Medicare patients.
- The cumulative financial strain leads to uncertainty within practices and can result in closures, staffing reductions, and worsening disparities in care delivery.



### ASE RECOMMENDATION

- Congress must pass legislation eliminating the annual CF cut to payments in the yearly MPFS to stop the five-year run of cuts.
- Congress and CMS need to work together on solutions that prevent further reductions, such as an annual inflation adjustment to the CF based on the MEI to ensure practices can keep pace with rising health care costs.

*American Society of Echocardiography (ASE) is the Society for Cardiovascular Ultrasound Professionals™. It is the largest global organization for cardiovascular ultrasound imaging serving physicians, sonographers, nurses, veterinarians, and scientists and as such is the leader and advocate, setting practice standards and guidelines for the field.*