



Congressional Priorities

A major pathway for improving access to health care and lowering costs is through advancing alternative payment models (APMs). Over the last two decades, APMs have demonstrated that when providers are accountable for costs and quality and provided flexibility from fee-for-service (FFS) constraints, they are able to generate savings for taxpayers and improve beneficiary care. This emphasis on outcomes allows physicians and other clinicians to improve care delivery and prioritize primary and preventive care, keep patients healthy, and coordinate care across the continuum. **Value-based payment reforms have a long history of bipartisan support and have generated over \$22 billion in gross savings for Medicare over the last decade and improved the quality of care for millions of patients.** While the bipartisan Medicare Access and CHIP Reauthorization Act (MACRA) was a step in the right direction, ongoing support is needed to help physicians and other health care providers transition and succeed in value-based payment models.

End-of-Year Priorities

✓ Continue Financial Incentives to Join APMs

- MACRA's APM incentives have helped nearly 400,000 clinicians (over 70 percent of ACOs) transition into APMs that take on downside risk. These payments also help providers expand services beyond what's covered by traditional Medicare and cover shortfalls that physician practices encounter due to cuts to fee schedule reimbursements. With these incentive payments expiring at the end of 2024, continuation of incentives will help maintain and grow participation in value models.
 - **Congress should provide a multi-year commitment to reforming care delivery by supporting the Value in Health Care Act (S. 3503/ H.R. 5013), which would extend the APM incentives for two years and freeze qualifying thresholds.**

✓ Ensure APM Benchmarks Do Not Penalized Providers for Prior Success

- Now that we are nearly 13 years into the transition to APMs, benchmarks that are based predominately on historical spending are beginning to fail providers. Since benchmarks are based on patients' previous spending, they are lowered over time as ACOs lower costs. Eventually, benchmarks will be low enough that ACOs can't generate sufficient savings and may drop out of the program.
 - **Congress should fund a report exploring overall financial goals of APMs and redesigning Medicare ACO benchmarks to retain existing participants and expand accountable care to more providers and patients.**

✓ Remove Regulatory Burden and Increase Flexibility for Providers

- Increased program flexibility and reduced oversight for clinicians in APMs is needed. Although MACRA exempted clinicians in APMs that take on downside risk from certain Merit-based Incentive Payment System (MIPS) reporting requirements, CMS has reinstated certain MIPS reporting while also significantly changing the ACO quality reporting program to be more burdensome by requiring ACOs to adopt technologies ahead of Certified Electronic Health Record Technology and 21st Century Cures implementation timelines. ACOs will be required to report quality measures on care provided to patients covered by other payers.
 - **Policymakers should reverse these burdensome requirements by requiring CMS to extend the Web Interface reporting approach for at least 3 years and exempt clinicians in APMs from any MIPS reporting promoting interoperability category.**

Medicare Payment System Reform Priorities

✓ **Stabilize Medicare's Physician Payment System**

- Medicare's existing physician payment system has resulted in payment cuts in recent years. Failing to adequately adjust payments in line with rising costs results in fewer resources to manage complex patient needs. To ensure that patients continue to have adequate access to care and that health care providers have the resources to continue investing in value-based care initiatives, Congress needs to pursue long-term reform options.
 - **Congress should pursue Medicare reforms that eliminate the MIPS bonus structure and replace it with a performance-based payment update that will better account for increasing practice costs while maintaining higher payment updates for clinicians in APMs and redesigning incentive payments to better encourage clinicians to join and meaningfully participate in APMs that take on higher levels of risk.**

✓ **Expand Non-Financial Incentives for APMs**

- MACRA created non-financial incentives for clinicians in APMs by exempting them from regulatory burdens associated with the FFS payment system through exemption from MIPS and waivers to payment rules. Unfortunately, nonfinancial incentives have not been strong enough and some have been scaled back in recent years and Congress should:
 - **Exempt all clinicians in APMs from MIPS reporting requirements, increase program flexibility in APMs, provide additional technical assistance, eliminate arbitrary distinctions that place certain providers at a disadvantage, and improve alignment between APMs and Medicare Advantage.**

✓ **Provide More Opportunities for Health Care Providers to Engage in APMs**

- Over the past decade, the Center for Medicare and Medicaid Innovation (CMMI) has advanced multiple successful models focused on improving care for patients, while addressing Medicare costs. While population health models have seen encouraging growth and positive results, only a few of the models tested have subsequently been expanded or extended, a reality that can create significant uncertainty for participants and make them hesitant to invest in new payment models.
 - **Congress should work with CMMI to ensure that promising models have a more predictable pathway – both for initial implementation and for permanent adoption into Medicare – rather than being cut short due to overly stringent criteria.**
 - *Direct CMS and CMMI to focus on filling the current gaps in APM opportunities for all types of health care providers.*
 - *Broaden the criteria by which CMMI models qualify for expansion based on enhancing the quality of patient care or access to care, rather than making expansion contingent on achieving short-term cost savings.*
 - *Direct CMMI to engage stakeholder perspectives during APM development.*
 - *Improve evaluation strategies by providing more data on the effectiveness of specific innovations and waivers and better controlling for other variables such as complications due to model overlap.*