Aug. 11, 2023: Medicare Payment Reform Advocacy Update

100+ bipartisan representatives push for MACRA reform

On June 21, Representatives Ami Bera (D-CA), Larry Bucshon (R-IN), Kim Schrier (D-WA), Earl Blumenauer (D-OR), Mariannette Miller Meeks (R-IA) and Brad Schneider (D-IL) sent a bipartisan letter (PDF) with over 100 cosigners to House leadership in support of Medicare payment reform and specifically reforming the program established by the Medicare Access and CHIP Reauthorization Act (MACRA). This letter builds on the Congressional request for information (RFI) (PDF) by these members last September asking for stakeholder feedback on MACRA reform. The AMA sent an updated response (PDF) to the RFI in May.

The letter recognizes stakeholder feedback that the Medicare physician payment system is on a downward trajectory. The new payment program has not lived up to its promise largely because Medicare payments are not keeping pace with the cost of practicing medicine. Consequently since 2001 Medicare physician payments have fallen 26% below the Medicare Economic Index (MEI), which measures annual practice cost inflation. Congress needs to fix provisions of MACRA that are not working as intended and provide for stable payment updates in the Medicare program to maintain patient access to their physicians and allow the physicians who treat them to deliver on the promise of high-quality care that their Medicare patients deserve.

The AMA is continuing to build support of H.R. 2474, the Strengthening Medicare for Patients and Providers Act, to provide physicians in the Medicare program with an inflation update.

Bipartisan House bill introduced to address APM incentive payments

The AMA continues to press Congress to make key legislative changes that will help facilitate greater physician participation in Alternative Payment Models (APMs), which reimburse providers based on quality and care coordination as opposed to the number of services delivered to patients. On July 27, Reps. Darin LaHood (R-IL), Suzan DelBene (D-WA), Brad Wenstrup (R-OH), Kim Schrier, MD (D-WA), Larry Bucshon, MD (R-IN) and Earl Blumenauer (D-OR) introduced H.R. 5013, the Value in
Health Care Act, bipartisan legislation that would extend the 5% APM incentive payments for two years and freeze the 50% revenue threshold needed to qualify for the bonus. Historically, Congress provided 5% APM bonuses, which are paid two years after the conclusion of a specific performance year, for qualifying providers who earn a certain proportion of their revenue from these value-based care models. The Consolidated Appropriations Act, 2023, however, only provided a 3.5% incentive payment for 12 additional months. Absent congressional intervention, the 3.5% incentive payment expires on Jan. 1, 2024, and the APM revenue threshold jumps from 50% to a substantially more challenging 75%.

Since statutory requirements from the Medicare Access and CHIP Reauthorization Act (MACRA) of 2015 continue to present long-term challenges, the Value in Health Care Act would provide the Secretary of the U.S. Department of Health and Human Services (HHS) the permanent authority to gradually increase the APM revenue thresholds. Effective in 2027, the HHS Secretary would be precluded from increasing the APM revenue thresholds by more than 5% each year. Other key provisions within the Value in Health Care Act include:

- Authorizing the Centers for Medicare & Medicaid Services (CMS) to establish lower APM participation thresholds for episode models and similar APMs that, by definition, involve a lower percentage of a practice’s patient population
- Eliminating revenue-based distinctions within Medicare’s Accountable Care Organization (ACO) Program, which impacts certain rural and safety net providers’ share in the savings they earn and often forces them to accept greater levels of financial risk at a more rapid pace
- Establishing enhanced transparency to ensure that CMS sets appropriate spending benchmarks that do not penalize ACOs for their own success
- Creating a voluntary, full-risk model option for Medicare ACOs
- Providing additional technical support, including infrastructure investments, from HHS for ACOs, small practices, physicians or other providers that serve rural or medically underserved populations
- Requiring the Government Accountability Office to produce a study evaluating potential parity between APMs and Medicare Advantage reimbursement policies, flexibilities and financial benchmarks

“The movement toward value-based care—designing payment models to support quality and coordination of patient care rather than the number of services delivered—is gaining momentum,” said AMA President Jesse Ehrenfeld, MD, MPH, in a statement in support of the bill’s introduction. “We must build on that progress with more investment in these models and ensure that physicians in all specialties can be active participants in alternative payment models (APMs).”
In addition, the AMA joined 17 other national health care organizations, including the American Academy of Family Physicians, American Academy of Orthopedic Surgeons, American College of Physicians, National Association of ACOS (NAACOS) and Medical Group Management Association, as cosigners of a letter (PDF) in support of H.R. 5013.

2023 Medicare APM incentive payments

CMS is disbursing incentive payments to physicians and other health professionals who qualified for them through their participation in Advanced APMs during 2021. As required by MACRA, the lump sum incentive payments are set to equal 5% of the qualifying physicians’ Medicare fee-for-service revenues. The AMA and others have long criticized the lengthy delay in making these payments, which in previous years were not distributed until the fall. CMS again paid the payments in the second quarter—a significant improvement although still long after the APM participation period.

CMS has also published a list of about 6,300 physicians and other health professionals who are eligible to receive APM incentive payments based on their APM participation in 2021, but whom CMS has been unable to find in order to make the payments to them. The number with missing information is lower than in previous years. Physicians whose practices participated in APMs during 2021 but who have not yet received their lump sum incentive payment should review the list and follow the instructions for providing needed information to CMS to claim these payments. Even physicians who are no longer with the practice or whose group no longer participates in the APM may be entitled to payments based on their 2021 participation. Physicians must send their updated billing information to CMS no later than Sept. 1, 2023, to receive their incentive payment. Additional information about what to do if you have not received your incentive payment is available in this zip file.

Reminder: Fix Medicare Now August Congressional recess campaign in full swing

With the Congressional August recess almost upon us, the AMA’s top federal priority this summer is reforming Medicare’s broken physician payment system. The August recess provides physician advocates unique opportunities to engage on this important issue with their members of Congress “back home” in the district.

To make these interactions with your legislators as impactful as possible, the AMA has developed an online August recess resources site that is your one-stop-shop for toolkits and information on scheduling and preparing for in-district legislative meetings, hosting members of Congress at site visits, and best practices for interacting and conversing with them online. The site also contains issue

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one-pagers, a recording of a recent AMA grassroots webinar on August recess engagement and an easy to fill out feedback form once you have completed your in-district meetings and interactions.

Everyone agrees that the Medicare physician payment system is broken—let’s do something about it.

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