

## Bipartisan bill would extend 5% bonus for Advanced APMs

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**What's the news:** Bipartisan legislation intended to ensure that value-based care models continue to be viable for physician and hospital participants has been introduced in the U.S. House of Representatives.

The Value in Health Care Act of 2020 would strengthen the ability of physicians who participate in alternative payment models (APMs) and accountable care organizations (ACOs) to deliver high-quality care while generating savings for the Medicare program.

“We are pleased that the bill provides appropriate shared savings rates, modifies risk adjustment methodologies, removes barriers to participation, ensures fair and accurate benchmarks, and provides educational and technical support for ACOs,” states a letter from the AMA and 12 other leading health care organizations that applauds the bill’s sponsor, Vermont Democrat Rep. Peter Welch, and co-sponsors Reps. Suzan DelBene (D-Wash.), and Darin LaHood (R-Ill.).

The legislation would amend the Medicare Access and CHIP Reauthorization Act (MACRA) of 2015 that created APMs. MACRA provided a 5% bonus for participating in an Advanced APM through 2024. After the bonus expires, participating physicians will only receive a 0.75% bump in Medicare Part B payments.

The Value Act would extend these bonus payments for another six years, a key policy goal for the AMA. The bonus payments are intended to provide a glide path for physicians to expend the necessary resources needed to transform their practices into an advanced APM and transition to innovative value-based payment models. But “a dearth” of APM options has limited physicians’ ability to take advantage of this pathway, to date, then-AMA President Barbara McAneny, MD, told the U.S. Senate Finance Committee at a 2019 hearing.

Extending the bonus payments is crucial to incentivizing the creation of additional new APMs in hopes that physicians continue the ongoing transition away from fee-for-service and toward value-based care.

Other provisions of the Value Act include:

- | Increasing shared savings rates for certain ACOs.
- | Modifying risk adjustment to appropriate levels.
- | Eliminating the artificial distinction between “high” and “low” revenue ACOs.
- | Lowering the high thresholds for qualifying as an Advanced APM participant that are discouraging physicians from adopting advanced, risk-bearing models.
- | Authorizing a study of the overlap of various Medicare APMs, requiring the Centers for Medicare & Medicaid Services (CMS) to address overlap in a transparent manner when models are released to the public, and removing the statutory restriction to allow CMS to distribute savings for each program even when one is a temporary model being tested by the Agency.

**Why it’s important:** “This legislation is a win for patients and physicians,” said AMA President Susan R. Bailey, MD. “Medicare APMs are critical to supporting physician efforts to redesign the delivery of care in ways that improve patients’ health care outcomes while saving taxpayer dollars.”

Find out how physician proposals inspire new HHS pay models for primary care.

In a news release, the three legislative sponsors cited research showing that, after three years, 98% of ACOs met or exceeded quality measures and lowered spending by \$3.53 billion between 2013 and 2017.

But they also noted that 2019 marked the first time since its inception in 2012 that the Medicare Shared Saving Program, which serves nearly 11 million seniors, had fewer ACO participants than the year before (487 compared to 561 in 2018).

It states that “the value-based care movement is at a critical juncture,” and adds “The policies in this bipartisan bill are more important than ever given the acute needs of our nation’s health care system as we navigate the COVID-19 pandemic.”

Dr. Bailey agreed.

“APMs can provide support for use of tools such as care coordination, telehealth and remote monitoring, data analysis and aggregation, and patient registries that have proven vital during the COVID-19 pandemic,” she said. “This legislation would help ensure that these models continue to facilitate high quality care for patients and savings for the Medicare program.”

**Learn more:** Read about the AMA’s efforts to improve Medicare payment reform and encourage the development and implementation of better payment models.

Specifically, the AMA seeks to help develop models that:

- | Give physicians more resources and greater flexibility to deliver appropriate care to their patients.
- | Improve the financial viability of physician practices in all specialties and help independent practices remain independent.
- | Minimize administrative burdens that do not improve the quality of care.
- | Enable physicians to help control aspects of health care spending that they can influence, rather than having CMS use inappropriate mechanisms to control costs such as payment cuts, prior authorization or non-coverage of services.

The AMA advocates for APMs that improve care and are feasible for physicians to implement, for physicians to take a proactive role in defining APMs, and for physicians in each specialty to have at least one APM in which they could feasibly participate.

Learn the 3 must-do’s for the move to value-based care.