Bipartisan House group seeks Medicare pay fixes. AMA delivers.

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A physician-led, bipartisan group of members of Congress is seeking ideas on how to bring the “U.S. health care system into the 21st century,” and the AMA’s experts have provided a detailed action plan to help ensure older adults’ continued access to high-quality care.

Led by Reps. Ami Bera, MD, a California Democrat, and Larry Bucshon, MD, an Indiana Republican, the group of eight House members—most of them doctors—requested feedback from physicians and other health care experts on how “to stabilize the Medicare payment system.”

The AMA has provided a detailed response (PDF) that outlines how to:

- Address regulatory, statutory and implementation barriers in the Medicare Access and CHIP Reauthorization Act (MACRA).
- Grow physician participation in value-based payment models.
- Improve the Merit-based Incentive Payment System (MIPS) and the alternative payment model (APM) program.

“At a minimum, Congress must establish a stable, annual Medicare physician payment update that keeps pace with inflation and practice costs and allows for innovation to ensure Medicare patients continue to have access to physician practice-based care,” AMA CEO and Executive Vice President James L. Madara, MD, wrote in the letter.

“Physicians are the only Medicare provider not receiving an inflationary update in 2023,” the letter adds. “This is particularly destabilizing as physicians, many of whom are small business owners, contend with a wide range of shifting economic factors when determining their ability to provide care to Medicare beneficiaries.”
Leading the charge to reform Medicare pay is a critical component of the AMA Recovery Plan for America’s Physicians.

The AMA has challenged Congress to work on systemic reforms and make Medicare work better for you and your patients. Our work will continue, fighting tirelessly against future cuts—and against all barriers to patient care.

**Adjust budget-neutrality rules**

The AMA has been raising awareness about the financial instability of the Medicare physician payment system due to a confluence of fiscal uncertainties physician practices face related to the pandemic, statutory payment cuts, lack of inflationary updates and significant administrative burdens.

In addition to the immediate, short-term priority of stopping scheduled Medicare payment cuts totaling about 8.5%, the AMA is advancing a vision of Medicare payment reform (PDF) based on principles agreed upon by more than 120 state medical associations and national specialty societies.

More than half of the Medicare payment cut physicians are facing comes from the requirement that increases of more than $20 million for services listed in the Medicare physician payment schedule be offset by budget-neutrality reductions.

The AMA letter details several recommendations to change budget-neutrality rules. They include:

- Raising the $20 million trigger, which was set in 1989, to $100 million.
- Exempting certain services, such as those specifically designed to be used by an APM to lower Medicare spending, or services delivered through remote-patient monitoring or other new technologies.
- Allowing for adjustments when Centers for Medicare & Medicaid Services (CMS) actuaries overestimate how much will be spent on new services.

**Without reform, MIPS doomed to fail**

The AMA lists several faults with MIPS and pointed to the medical literature in doing so. For example, the program:

- Costs $12,811 and 201 hours per physician, per year to comply with the complex and ever-changing MIPS requirements.
Disadvantages small and independent practices, as MIPS-eligible clinicians affiliated with a health system were associated with significantly better 2019 MIPS performance scores.

- Exacerbates health inequities, as physicians with the highest proportion of patients dually eligible for Medicare and Medicaid had significantly lower MIPS scores compared with other doctors in the program’s first year.

“Congress must amend MIPS to allow a more flexible approach to incentivizing quality improvements and reducing unnecessary costs, while addressing health inequities,” Dr. Madara wrote. “The check-the-box requirements and zero-sum game of the existing MIPS program doom it to failure.”

The AMA and more than 800 other health care stakeholders are urging Congress (PDF) to pass H.R. 4587, the “Value in Health Care Act,” which would extend Advanced APM incentive payments for another six years.