Characteristics of a Rational Medicare Payment System

Simplicity, relevance, alignment, and predictability, for physician practices and the Centers for Medicare and Medicaid Services (CMS).

Ensuring financial stability and predictability

- **Provide financial stability** through a baseline positive annual update reflecting inflation in practice costs, and eliminate, replace or revise budget neutrality requirements to allow for appropriate changes in spending growth.

- **Recognize fiscal responsibility.** Payment models should invest in and recognize physicians’ contributions in providing high-value care and the associated savings and quality improvements across all parts of Medicare and the health care system (e.g., preventing hospitalizations).

- **Encourage collaboration, competition and patient choice rather than consolidation** through innovation, stability, and reduced complexity by eliminating the need for physicians to choose between retirement, selling their practices or suffering continued burnout.

Promoting value-based care

- **Reward the value of care provided to patients,** rather than administrative activities—such as data entry—that may not be relevant to the service being provided or the patient receiving care.

- **Encourage innovation,** so practices and systems can be redesigned and continuously refined to provide high-value care and include historically non-covered services that improve care for all or a specific subset of patients (e.g., Chronic Obstructive Pulmonary Disease, Crohn's Disease), as well as for higher risk and higher cost populations.

- **Offer a variety of payment models and incentives tailored to the distinct characteristics of different specialties and practice settings.** Participation in new models must be voluntary and continue to be incentivized. A fee-for-service payment model must also remain a financially viable option.

- **Provide timely, actionable data.** Physicians need timely access to analyses of their claims data, so they can identify and reduce avoidable costs. Though Congress took action to give physicians access to their data, they still do not receive timely, actionable feedback on their resource use and attributed costs in Medicare. Physicians should be held accountable only for the costs they control or direct.

- **Recognize the value of clinical data registries** as a tool for improving quality of care, with their outcome measures and prompt feedback on performance.

Safeguarding access to high-quality care

- **Advance health equity and reduce disparities.** Payment model innovations should be risk-adjusted and recognize physicians’ contributions to reducing health disparities, addressing social drivers of care, and tackling health inequities. Physicians need support as they care for historically marginalized, higher risk, hard to reach or sicker populations.

- **Support practices where they are** by recognizing that the high-value care is provided by both small practices and large systems, and in both rural and urban settings.
Endorsed by:

- American Medical Association
- AMDA - The Society for PALLTC Medicine
- American Academy of Allergy, Asthma, and Immunology
- American Academy of Dermatology Association
- American Academy of Facial Plastic and Reconstructive Surgery
- American Academy of Family Physicians
- American Academy of Hospice and Palliative Medicine
- American Academy of Neurology
- American Academy of Ophthalmology
- American Academy of Otolaryngology- Head and Neck Surgery
- American Academy of Physical Medicine & Rehabilitation
- American Academy of Sleep Medicine
- American Association of Neurological Surgeons
- American Association of Orthopaedic Surgeons
- American College of Allergy & Immunology
- American College of Cardiology
- American College of Emergency Physicians
- American College of Gastroenterology
- American College of Lifestyle Medicine
- American College of Mohs Surgery
- American College of Obstetricians and Gynecologists
- American College of Osteopathic Internists
- American College of Osteopathic Surgeons
- American College of Physicians
- American College of Radiation Oncology
- American College of Radiology
- American College of Rheumatology
- American College of Surgeons
- American Gastroenterological Association
- American Geriatrics Society
- American Medical Group Association
- American Medical Women’s Association
- American Osteopathic Association
- American Psychiatric Association
- American Rhinologic Society
- American Society for Clinical Pathology
- American Society for Gastrointestinal Endoscopy
- American Society for Laser Medicine and Surgery
- American Society for Radiation Oncology
- American Society for Surgery of the Hand
- American Society of Anesthesiologists
- American Society of Breast Surgeons
- American Society of Cataract and Refractive Surgery
- American Society of Dermatologic Surgery Association
- American Society of Hematology
- American Society of Hematology
- American Society of Neuroimaging
- American Society of Neuroimaging
- American Society of Nuclear Cardiology
- American Society of Plastic Surgeons
- American Society of Retina Specialists
- American Society of Transplant Surgeons
- American Urogynecologic Society
- American Urological Association
- American Venous Forum
- Association for Clinical Oncology
- College of American Pathologists
- Congress of Neurological Surgeons
- Endocrine Society
- Heart Rhythm Society
- International Society for Advancement of Spine Surgery
- Medical Group Management Association
- North American Spine Society
- Outpatient Endovascular and Interventional Society
- Renal Physicians Association
- Society for Cardiovascular Angiography and Interventions
- Society for Pediatric Dermatology
- Society for Vascular Surgery
- Society of Cardiovascular Computed Tomography
- Society of Interventional Radiology
- Society of Gynecologic Oncology
- Society of Thoracic Surgeons
- Spine Intervention Society
- Medical Association of the State of Alabama
- Alaska State Medical Association
- Arizona Medical Association
- Arkansas Medical Society
- California Medical Association
- Colorado Medical Society
- Connecticut State Medical Society
- Medical Society of Delaware
- Medical Society of the District of Columbia
- Florida Medical Association Inc
- Medical Association of Georgia
- Hawaii Medical Association
- Idaho Medical Association
- Illinois State Medical Society
- Indiana State Medical Association
- Iowa Medical Society
- Kansas Medical Society
- Kentucky Medical Association
- Louisiana State Medical Society
- Maine Medical Association
- MedChi, The Maryland State Medical Society
- Massachusetts Medical Society
- Michigan State Medical Society
- Minnesota Medical Association
- Mississippi State Medical Association
- Missouri State Medical Association
- Montana Medical Association
- Nebraska Medical Association
- Nevada State Medical Association
- New Hampshire Medical Society
- Medical Society of New Jersey
- New Mexico Medical Society
- Medical Society of the State of New York
- North Carolina Medical Society
- North Dakota Medical Association
- Ohio State Medical Association
- Oklahoma State Medical Association
- Oregon Medical Association
- Pennsylvania Medical Society
- Rhode Island Medical Society
- South Carolina Medical Association
- South Dakota State Medical Association
- Tennessee Medical Association
- Texas Medical Association
- Utah Medical Association
- Vermont Medical Society
- Medical Society of Virginia
- Washington State Medical Association
- West Virginia State Medical Association
- Wisconsin Medical Society
- Wyoming Medical Society