AMGA
Advancing High Performance Health

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Michael Chernew, Ph.D.
Chairman
Medicare Payment Advisory Commission
425 I Street, NW, Suite 701
Washington, D.C. 20001

Dear Dr. Chernew:

On behalf of AMGA, we appreciate the opportunity to comment on MedPAC's December 7, 2023 discussion of payment adequacy for physicians and other health professional services.

Founded in 1950, AMGA is a trade association leading the transformation of health care in America. Representing multispecialty medical groups and integrated systems of care, we advocate, educate, innovate, and empower our members to deliver the next level of high-performance health. AMGA is the national voice promoting awareness of our members' recognized excellence in the delivery of coordinated, high-quality, high-value care. There are over 177,000 physicians practicing in our member organizations, delivering care to more than one in three Americans. Our members are also leaders in value-based care delivery, focusing on improving patient outcomes while driving down overall healthcare costs.

AMGA appreciates that the commission's draft recommendation would tie some of the Physician Fee Schedule (PFS) payment update to the Medicare Economic Index (MEI) and applauds the commission's work on evaluating payment rate updates for clinician services. We would like to thank Dr. Casalino for raising how the unpredictability of Medicare payment updates negatively affects physicians. We believe the impact of physician morale, though difficult to quantify, is significant, and left unaddressed will eventually hinder both access to care for Medicare beneficiaries and the transition to value-based care.

AMGA agrees with Dr. Casalino's assessment that the lack of an inflation update in the PFS and the unpredictability of payment updates are incredibly damaging to physician morale. The current system requires congressional intervention on a seemingly annual basis. Combined with the constant changes to value-based care programs under MACRA, it has been extremely difficult for physicians to plan and budget for the future. As we head into 2024, our members are waiting to see if Congress will provide relief to the PFS conversion factor and at the same time are prepping for the transition to the new HCC V28 risk adjustment model in both the Medicare Advantage program and the Medicare Shared Savings Program. This change will have major financial ramifications and came after participants made the upfront investment necessary to enter the programs. We cannot stress the importance of predictability in reimbursement and

program rules enough. Our members are excited about the opportunity to transition to value-based care. This transition requires investment, and making investments requires confidence in the Medicare reimbursement system. Eroding that confidence via constantly changing the rules to value-based programs and relying on congressional relief to maintain adequate reimbursement rates breeds cynicism, especially in the wake of the COVID-19 pandemic, one of the most harrowing periods in the history of American healthcare.

Including an inflation based annual update to the PFS is important not only for maintaining payment adequacy, but also for maintaining predictability. While the current annual update of 0%, and the future updates of .25% to .75% are predictable in theory, we have seen in practice how these insufficient updates require Congressional action, which is inherently unpredictable.

Value-Based Care

CMS plans to have 100% of traditional Medicare members in a value-based model by 2030. AMGA supports this goal wholeheartedly, as we believe that transitioning to value-based care will allow us to drive down healthcare costs while improving quality of care. Stable value-based care programs that avoid unnecessary complexity will also allow for much better data on quality of care. We need to provide all clinicians with the ability to ease into value-based care, as opposed to exempting them from programs. Currently, MIPS undermines the value-based care transition by including a low-volume threshold, which prevents hundreds of thousands of providers from participating in the program and diminishes payments among those that do because clinicians who meet some but not all participation criteria can simply opt out if they anticipate negative adjustments.

Conclusion

We thank you for your consideration of our comments. Should you have questions, please do not hesitate to contact AMGA's Darryl M. Drevna, Senior Director of Regulatory Affairs, at 703.838.0033 ext. 339 or at ddrevna@amga.org.

Sincerely,

Darryl Drevna
Senior Director of Regulatory Affairs
AMGA