Congress of the United States

Washington, DC 20515

September 8, 2022

To Whom It May Concern:

Financial uncertainty in our nation's health care system has been growing for years, and further escalated during the COVID-19 pandemic. Despite spending significantly more on health care than other industrialized countries, the United States continues to face poorer health outcomes and is experiencing a critical shortage of health care providers. A contributing factor is our Medicare payment system, which has failed to maintain levels of provider reimbursement that adequately incentivize high-quality care. As we seek to further the transition toward value-based care, Congress should consider systemic reforms to our health care financing.

Ultimately, in order to keep our patients safe and our workforce strong, we need a payment solution that is consistent, and that pays for health outcomes. That's how we keep our communities healthy. We are soliciting feedback for a comprehensive solution that can bring our health care system into the 21st Century.

BACKGROUND AND PROBLEM

In 2015, the bipartisan Medicare Access and CHIP Reauthorization Act (MACRA) was signed into law. It replaced the sustainable growth rate (SGR) formula with the Quality Payment Program, consisting of a new Merit-Based Incentive Payment System (MIPS) and processes to adopt Advanced Alternative Payment Models (APMs). MACRA shifted Medicare's approach to physician payment: paying providers based on quality, value, and the results of care delivered rather than the number of services provided.

Unfortunately, logistical challenges have plagued MACRA almost since its inception. Incentive payments to encourage Medicare providers to participate in Advanced APMs are set to expire at the end of 2022. Furthermore, the thresholds to qualify for APM incentives and future payment adjustments are also scheduled for steep increases under current law. Together, these factors could result in fewer providers participating in value-based care models in the years to come.

Payments made to physicians who participate in value-based care models are affected by the Physician Fee Schedule (PFS) released by the Centers for Medicare and Medicaid Services (CMS) each year. Revisions of this fee schedule have caused certain providers to face significant decreases in their reimbursement. A projected 4.42 percent cut for calendar year 2023 is currently adding to physicians' financial instability and may further discourage participation in value-based care models in the future.

FINDING A SOLUTION

The experience of a pandemic has highlighted a need to reevaluate our nation's health care infrastructure, which cannot be done without considering its health care payment structure. MACRA was intended to support a health care system with greater value to both patients and providers, but it has become evident that further reforms are necessary.

Consequently, we are requesting input from health care providers, advocacy organizations, health economists, health finance experts, and others on the current state of MACRA and associated payment mechanisms.

Specifically, we seek your feedback on actions Congress could take to stabilize the Medicare payment system, without dramatic increases in Medicare spending, while ensuring successful value-based care incentives are in place. Responses could address (but are not limited to):

- 1. the effectiveness of MACRA;
- 2. regulatory, statutory, and implementation barriers that need to be addressed for MACRA to fulfill its purpose of increasing value in the U.S. health care system;
- 3. how to increase provider participation in value-based payment models;
- 4. recommendations to improve MIPS and APM programs.

Together, we are committed to working toward a more affordable, sustainable, and patientcentered health care system. We appreciate your time and attention to this important matter. Please direct any feedback to <u>macra.rfi@mail.house.gov</u> no later than October 31, 2022.

Sincerely,

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Kim Schrier, M.D.

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