

2023 Issue Brief Pathway to Value

Issue

Over the past several years, federal policymakers have embarked on bipartisan efforts to transition the current healthcare landscape from fee-for-service to value-based care and reimbursement. However, providers still face significant impediments to taking risk, which slow the progress to moving to an actual value-based healthcare system. Policymakers must address the significant obstacles and challenges that currently exist in the healthcare market to create a clear pathway to value-based care.

Improve and incentivize value-based models of care

Last August, the Centers for Medicare & Medicaid Services (CMS) announced that the Medicare Shared Savings Program (MSSP) saved the Medicare program \$1.66 billion.ⁱ This marked the fifth consecutive year that MSSP has generated overall savings compared to expected Medicare expenditures. The success of the MSSP demonstrates the importance of the 5% Advanced Alternative Payment Model (APM) incentive payment. When the Medicare Access to CHIP Reauthorization Act of 2015 (MACRA) was enacted, it set in motion a transition to value-based Medicare physician payment. Part of the law created a 5% Advanced APM payment, which incentivized providers to move toward value-based models. Eligibility to earn incentive payments was set to expire at the end of 2022. Congress intervened in the Consolidated Appropriations Act of 2023, which extended the bonus payment for an additional year but at a lower 3.5% rate. Policymakers need to continue to invest in value and create a more stable Advanced APM program that sends a clear signal to providers that this transition to value has the support of federal policymakers.

Invest in infrastructure

Transitioning to value requires capital investments in infrastructure. Under many value-based contracts, providers see reimbursement six to eight months after a measurement period ends. Systemic improvements require investments in technology and care management, leadership, and analytics to ensure patients get the right care at the right time. AMGA recommends that Congress support funding for programs that provide upfront cost support for the value-based care transition. AMGA believes that value-based payment models must fully support providers, medical groups, and healthcare systems in offering all patients the ability to receive high-quality care with access to innovative technology.

Incentivize patient engagement

A patient's overall health is not limited to the interaction within a provider visit, and patients need to be incentivized to take a more active role in their overall health. Financial rewards for patients to remain or become healthy provide tangible incentives to actively participate in their

well-being. Other policies that would assist patients in getting the proper care would be waiving co-pays for services and ensuring access to providers through technology such as telehealth. AMGA recommends that Congress pass legislation that encourages and supports patients and their ability to be engaged in their healthcare.

Promote end-of-life care

End-of-life care can be a stressful experience for patients and their loved ones. At this difficult time, patients need extra time and attention. Reimbursement must reflect the time it takes to engage with patients regarding the palliative care process. AMGA recommends that Congress implement provisions that will increase and provide adequate payment so providers can have critical end-of-life discussions with patients and their families.

AMGA asks Congress to:

- **Improve and incentivize value-based models of care by extending the 5% Advanced APM payment incentive**
- **Support funding for programs that provide upfront cost support for the value-based care transition**
- **Create strategies that support patient engagement**
- **Promote end-of-life care by providing adequate payment for providers when caring for their patients**

ⁱ <https://www.cms.gov/newsroom/press-releases/medicare-shared-savings-program-saves-medicare-more-16-billion-2021-and-continues-deliver-high>