



2018 Issue Brief

Access to Capital

Issue

Policymakers in Congress and the Administration have made clear their intent to transform the way health care is financed and delivered in this country. Congressional passage of the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) charts our system on a path to payment risk for providers over the next few years.

In the past three years, AMGA conducted three risk readiness surveys of our membership to obtain a snapshot of the progress and challenges providers face during this transformation of the U.S. healthcare system. There remain significant obstacles in the healthcare market that must be addressed to ensure the successful transition from volume to value.

Access to capital is a major impediment for AMGA members, particularly independent medical groups that are private practices. The cost to invest in the infrastructure necessary to take risk is in the millions of dollars. However, the current tax code provides a significant disincentive for medical groups to invest in value based infrastructure or enter into value based payment models.

AMGA Asks Congress to:

Allow providers to use income on a tax-free basis to invest in taking downside risk. These funds would be tax-free if used to make the multi-million dollar investments in the infrastructure necessary to take downside risk or if used to offset losses in risk contracts.