Policymakers in Congress and the U.S. Department of Health and Human Services have made it clear that they are embarking on an ambitious transformation of the way healthcare is financed. Congressional passage of the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) essentially mandates healthcare providers to take on payment risk over the next several years. AMGA members, which include multispecialty medical groups (MSMGs) and integrated delivery systems (IDSS), support transformation to a value-based payment system, realizing that volume-based, fee-for-service payment models are unsustainable.

While there has been much discussion on where the system needs to go, there has been far less discussion on how it gets there. Most providers have little experience operating in a risk environment. For that matter, few payors have extensive experience sharing risk with providers. What are the current impediments to accepting risk that could hinder the transition to value? And what tools do providers need to successfully deliver care in a value-based system? Federal policymakers need to understand and act on these two critical issues or their laudable goal of transitioning to a value-based healthcare system will, at best, stall, or at worst, fail.

If done right, value-based payment has the potential to improve care and reduce healthcare costs. However, this transition will be challenging, and truly collaborative partnerships between government, providers, payors, and patients must be developed to make this transition successful. Indeed, alignment between Federal and commercial settings on value-based payment will result in a faster and more successful transition.

AMGA Asks Congress to:

AMGA’s risk readiness survey provides data that demonstrates that MSMGs and IDSSs are already transitioning from volume of services to value but there are significant impediments, both structural and policy-related, that make it challenging for these groups to take risk. However, the survey respondents also listed several tools that address these impediments—among them, full access to claims data, standardized data exchange formats, improved attribution and improved risk-adjustment methodologies. In fact, the respondents provide policymakers with a blueprint that will accelerate the transition to a value-based payment system. And, importantly, almost all of the tools cited by the survey are unlikely to increase Federal spending nor diminish stakeholder value.