Advancing High Performance Health

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September 25, 2024

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
Washington, DC 20514

The Honorable Chuck Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Hakeem Jeffries
Minority Leader

U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

Dear Speaker Johnson, Leader Schumer, Minority Leader Jeffries, and Minority Leader McConnell:

On behalf of AMGA and our members, I appreciate the opportunity to detail critical healthcare issues that Congress needs to address by the end of the year. AMGA members are currently at an uncomfortable impasse, with many of our organizations faced with falling reimbursement rates, changes in the healthcare workforce, and increasing costs. It is imperative that Congress not only address the end of the year cuts to Medicare reimbursement but also invest in long-term strategies to provide consistent payment across the Medicare program. These investments are critical in ensuring patient access to quality care.

Founded in 1950, AMGA is a trade association leading the transformation of healthcare 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. Over 177,000 physicians practice 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.

As we approach the end of the 118th Congress, we want to highlight some key issues that must be addressed by the end of the year. The following are critical actions Congress must take for multispecialty medical groups and integrated systems of care and the communities we serve:

- Sustain Medicare by Preventing Further Payment Cuts by:
  - Eliminating the Cuts to Medicare Part B Payments
  - Eliminating Medicare Pay-As-You-Go (PAYGO) Cuts
- Extend the Current Telehealth Waivers
- Improve and Incentivize Value-Based Models of Care
- Ensure Provider Access to Administrative Claims Data
- Extend the Hospital at Home Program

**Sustain Medicare by Preventing Further Payment Cuts**

Over the past few years, the cumulative effect of decreasing reimbursement rates, coupled with increased labor and supply chain costs, make providing quality care increasingly difficult. A more sustainable reimbursement system must be created so providers are not subject to similar cuts during this critical time and medical groups can continue caring for their communities. These reductions stem from the following:

***Changes to the Medicare Conversion Factor***

In 2025, the Centers for Medicare & Medicaid Services (CMS) proposes to decrease Part B reimbursement payments by 2.8%. The scheduled 2.8 % reduction represents the *fifth* consecutive year that CMS issued a fee schedule regulation that lowers payments to physician and other clinicians. While we are grateful for Congress' intervention to provide partial, temporary patches to the Medicare Part B conversion factor, more must be done to ensure that providers have long-term financial stability.

AMGA recently conducted a survey of its members, which illustrated the implications of these potential cuts. For instance, 69% of respondents reported they will be forced to implement hiring freezes/delay hires. Sixty-seven percent of members indicated that they will have to eliminate patient services in 2025. The survey also indicated what steps medical groups have already taken. In 2024, 54% of AMGA respondents instituted hiring freezes or delayed hires of staff. Forty-two percent of groups have already eliminated services to Medicare patients in 2024. Forty-two percent of respondents instituted delays in social drivers of health investments, and 54% are expected to continue these delays in 2025.

Congress must eliminate the 2.8% cut to Medicare Part B cuts in 2025 so providers can get back to fully staffing their practices and provide care to their communities. Multi-year cuts to Part B payments are beginning to seriously erode the ability of providers to care for their patients.

***Medicare PAYGO Cuts***

The American Rescue Plan Act (ARP) of 2021 increased spending without offsets to other federal programs. Under statutory PAYGO rules, any increases to the federal deficit automatically trigger an additional series of across-the-board deductions to federal programs. According to the Congressional Budget Office (CBO), ARP triggered PAYGO, creating a 4% cut or $36 billion in cuts to the Medicare program annually, which significantly impacts the ability of medical groups and integrated systems of care to deliver care to the patients in their communities.[i] For the past three years, Congress delayed these PAYGO cuts, but by Dec. 31, 2024, policymakers must once again address this issue to ensure that providers' Medicare reimbursements are not cut substantially.

Given the actual and potential impacts continued Medicare cuts will have on providers and their patients, Congress must act to prevent these PAYGO cuts.

**Extend the Current Telehealth Waivers**

This is the fourth year that current telehealth waivers passed by Congress during the COVID-19 pandemic have been in place. The waivers, which paused Medicare's telehealth originating site and geographic limitations regulations, created a dramatic shift in the future of care delivery in this country. The law also extended recognition of audio-only payments in that same period. These policies should be extended permanently to ensure that patients have greater access to care. Due to the waivers, patients in rural and underserved areas who lack transportation can now receive care from their providers within the confines of their homes. An increase in remote

patient monitoring created a new wave of care treatments for patients with chronic care issues who can now conveniently access their provider via telehealth. As a result, patients have come to expect telehealth services as is providing innovative, efficient solutions to patient access, especially in select specialties and behavioral health.

delivered by their provider.

Congress must ensure that this service remains available to all patients permanently, and that AMGA members can use the technology as part of their innovative delivery models, which promote patient convenience and safety. Payment parity between in-office, telehealth, and audio-only services should continue permanently, as AMGA members have made significant investments in telehealth modalities and platforms to ensure patients have access to care.

Congress should pass a comprehensive telehealth legislative package that includes permanent waivers for the expiring provisions, as well as maintains payment parity between in-office, telehealth, and audio-only services to ensure patients have greater access to care.

**Improve and Incentivize Value-Based Models of Care**

Last year, CMS announced that the Medicare Shared Savings Program (MSSP) saved the Medicare program $1.8 billion in 2022 compared to spending targets. This marked the sixth consecutive year the MSSP generated overall savings compared to expected Medicare expenditures. It represents the second-highest annual savings accrued for Medicare since its inception over 10 years ago. About 63% of participating Accountable Care Organizations (ACOs) earned shared savings payments for their performance in 2022.[ii]

The success of the MSSP demonstrates the importance of the Advanced Alternative Payment Model (APM) incentive payment. When the Medicare Access to CHIP Reauthorization Act of 2015 was enacted, it set in motion a transition to value-based Medicare physician payment. Part of the law created a 5% Advanced APM incentive, which motivated providers to move toward value-based payment. Congress temporarily extended the eligibility to earn incentive payments to the end of this year. However, without additional Congressional action to extend the program by the end of the year, the Advanced APM incentive will expire.

The Value in Healthcare (VALUE) Act (H.R. 5013/S. 3503) reinforces the shift to value-based care by extending the 5% Advanced APM incentive payments for an additional two years. This legislative proposal also strengthens the MSSP by updating it to recognize and reward ACOs. Specifically, the bill eliminates the artificial distinction between high- and low-revenue ACOs, revises benchmark development and shared savings policies, and mandates more technical assistance from the federal government. This legislation also establishes a voluntary ACO track to enable participants to take on higher levels of risk. Congress must extend the Advanced APM incentive payments and implement reforms to the ACO program by approving the VALUE Act.

**Ensure Provider Access to Administrative Claims Data**

AMGA has conducted five risk-readiness surveys of its membership to obtain a snapshot of the progress and challenges providers face during this transformation of the U.S. healthcare system. In the annual surveys, AMGA members repeatedly stated that the most significant obstacle to moving to value-based payment models was the lack of access to timely federal and commercial payer administrative claims data. Last year, the Senate Health, Education, Labor and Pensions Committee approved an AMGA-

endorsed amendment to S. 133, the Pharmacy Benefit Manager Reform Act by Sen. Markwayne Mullin (R-OK), to require commercial payers to provide claims data to providers. Congress should pass this provision into law as soon as possible. The administration has already made strides in this policy realm for payer claims data. Earlier this year, CMS finalized a rule to require Medicare Advantage, select Affordable Care Act plans, and other public payers to share claims and other patient data with providers through an application program interface (API). CMS acknowledges that accurate and comprehensive data is crucial to value-based care. We urge Congress to continue CMS' work by requiring commercial payers to share their data to providers as well.

**Extend the Hospital at Home Program**

Congress needs to continue its support for the Hospital at Home program. This innovative model allows healthcare organizations to provide hospital-level care in a patient's home. Congress should pass the Hospital Inpatient Services Modernization Act (H.R. 8260/ S. 4350), which would grant a five-year extension to the hospital-at-home program, and include it in any end-of-the-year legislative package.

Thank you for considering our recommendations. If we can provide you with more information, please contact me or AMGA's Director of Government Relations Lauren Lattany at llattany@amga.org.

Sincerely,

Jerry Penso, MD, MBA
President and Chief Executive Officer
AMGA

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[i] Congressional Budget Office, (2021, February 21), Letter to Honorable Kevin McCarthy, Potential Statutory Pay-As-You-Go Effects of the American Rescue Plan Act of 2021, cbo.gov/system/files/2021-02/57030-McCarthy.pdf

[ii] Centers for Medicare & Medicaid Services, (2023, August 24), Medicare Shared Savings Program Saves Medicare More Than $1.8 Billion in 2022 and Continues to Deliver High-quality Care (Press Release), cms.gov/newsroom/press-releases/medicare-shared-savings-program-saves-medicare-more-18-billion-2022-and-continues-deliver-high