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## 2020 Issue Brief Implement MACRA

### Issue

AMGA appreciates Congressional passage of the Medicare Access and CHIP Reauthorization Act (MACRA) which repealed Medicare's sustainable growth rate payment mechanism and aimed to bring stability to physician reimbursement. The law granted providers predictable payments until 2019, when two new systems were fully implemented: the Merit-based Incentive Payment System (MIPS) and Advanced Alternative Payment Models (APMs). During this time of transition, AMGA members dedicated significant amounts of time and resources to deliver an even higher level of care under these new payment systems. However, AMGA has concerns and recommendations regarding the implementation of MIPS and Advanced APMs.

#### **Allow for More APM Participation**

Some Advanced APM requirements must be revised to ensure the model remains a viable option for providers. To qualify for the program, providers must meet or exceed minimum revenue thresholds from Advanced APMs or minimum numbers of Medicare beneficiaries in these models. For example, in the 2021 payment year, 50% of revenue must come from Advanced APMs- up from 25% in 2019. This threshold increases to 75% in 2023. These Advanced APM requirements are unlikely to be met and will not attract the critical mass of physicians and medical groups necessary to ensure success of the program. Among the challenges are a lack of access to commercial risk products and limited Medicare Advanced APM options. Congress must eliminate these thresholds to allow for more Advanced APM participation.

#### **Eliminate MIPS Exclusions**

The other system, MIPS, was designed as a transition tool to value-based payment in the Medicare program, where providers would be rewarded for their investments in health information technology, care management processes, and people. However, the Centers for Medicare & Medicaid Services (CMS) has not implemented MIPS as Congress intended.

By creating a system where high performers are rewarded and poor performers who received a lower payment rate are incentivized to improve, MACRA was designed to transition Medicare to a value-based payment system. Under the MIPS program, providers could earn an annual adjustment to their Medicare Part B payments based on their performance starting in 2019, with a positive or negative adjustment range of 4%. That range eventually increases to 9% in 2023. However, CMS continually excludes approximately 50% of providers from participating in MIPS. Because MIPS is budget neutral, these exclusions result in insignificant payment adjustments to high-performing providers. For example, last year high performers received an aggregate payment adjustment of 1.1% compared to a potential 4% allowed under the statute. This year, CMS expects a 1.5% payment adjustment for high performers, compared to a potential 5%

adjustment provided for in the law. In 2021, CMS expects a 2% adjustment for high performers, but the statute suggests a potential 7% adjustment. These insignificant payment updates fail to reward providers for superior performance in the MIPS program and provides a nominal return on investments.

**AMGA Asks Congress to:**

- ***Allow for increased Advanced APM participation:*** Congress must eliminate these arbitrary thresholds so that more providers can make the transition to value as envisioned under MACRA.
- ***Implement MIPS as Congress originally intended:*** Congress should instruct CMS to mandate more provider participation in MIPS to continue incentivizing providers to move to value-based care.