

2026 Issue Brief

Reforming the Medicare Reimbursement System

Issue

Over the past several years, medical groups and integrated systems of care across the country have faced declining Medicare reimbursement rates and rising labor and supply chain costs, making it increasingly difficult to provide quality care year after year. The Medicare Access and CHIP Reauthorization Act (MACRA) must be reformed to ensure patients maintain access to quality care. MACRA aimed to usher in a new era of Medicare payment policy that incentivizes high-value care. Its stated goals, including adding greater stability to the Part B payment system and promoting value-based payment models, however, have increasingly diverged from the on-the-ground reality providers face. At the end of MACRA's first decade, providers are unfortunately once again contending with instability in Part B reimbursements, shifting rules for alternative payment models, and a system that has fallen short of its original intent, even as AMGA medical groups and integrated systems of care have dedicated significant time and resources to implementing the law's requirements.

How to improve the current MACRA system has been a significant focus for AMGA members over the past several years. To properly address this question, AMGA assembled a national group of physician executives to form the AMGA MACRA and Value-Based Care Task Force, which developed policy recommendations to improve the future of care delivery. Informed by their experiences delivering care under MACRA's reimbursement and regulatory framework, the team examined all aspects of the care delivery reimbursement model. The Task Force identified six foundational pillars essential for reforming MACRA and advancing high-value care:

Enhance Patient Engagement

Empower patients to take an active role in their healthcare decisions: Policies include offering financial incentives to Medicare beneficiaries for healthy behaviors, eliminating cost-sharing requirements for chronic care management services, permanently removing geographic restrictions on telehealth, and mandating data sharing from commercial payers to providers to support coordinated, patient-centered care.

Improve Health Outcomes

Ensure all populations receive high-quality care: Support providers' ability to address social drivers of health, such as housing, food insecurity, and transportation, through enhanced reimbursement and community partnerships, while standardizing metrics and technology to track and improve outcomes across diverse populations.

Protect Patient Dignity at the End of Life

Promote compassionate care that respects patient preferences: Establish a total-cost-of-care

model that reimburses providers for advance care planning conversations, expands Medicare coverage for concurrent palliative and curative treatments, and supports community education programs to encourage end-of-life discussions.

Remove Regulatory and Statutory Barriers

Reduce administrative burdens that impede care delivery: Reform outdated regulations that hinder care delivery, including documentation and billing rules, prior authorization requirements, the three-day hospital stay requirement for skilled nursing facility care, and physician self-referral laws that prevent coordination in high-value care models.

Support Practices Serving Rural and Underserved Populations

Create Centers for Medicare and Medicaid Services (CMS) regional hubs to provide tailored assistance, develop scalable models with reduced risk and flexible timelines for small practices, and adopt phased approaches that allow small providers to build capacity before taking on financial risk.

Ensure the Long-Term Sustainability of High-Value Care

Establish a payment system that ensures long-term viability for providers: Establish baseline inflationary adjustments tied to the Medicare Economic Index, eliminate or increase budget neutrality thresholds that disproportionately harm primary care providers, and ensure risk model stability by avoiding mid-contract rule changes.

AMGA asks Congress to:

- **Utilize these six foundational pillars when reforming the Medicare system**

**AMGA MACRA and
Value-Based Care
Task Force Recommendations**



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