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AMERICA'S PHYSICIAN GROUPS =

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ADVOCACY PRIORITIES

• Launch of the Third Option

Our nation's current fee-for-service (FFS) reimbursement system is inadequate to meet healthcare needs or manage resources wisely. We need a healthcare system that works for all Americans. In order to achieve that goal, it is critical that we move towards new, alternative payment methodologies that reimburse clinicians based on quality, efficiency, and patient outcomes rather than the number of services provided.

While some such models have been introduced in both FFS Medicare and Medicare Advantage (MA) – the Medicare Accountable Care Organization (ACO) program among others – these models have critical flaws that act as barriers to improving both quality of care and value. Accordingly, APG drafted a new model that takes the best features of the ACO program in FFS Medicare and population-based capitated payment arrangements in MA and combines them into a “Third Option” for Medicare beneficiaries. This model would qualify as an Advanced Alternative Payment Model (APM) under the Medicare Access and CHIP Reauthorization Act (MACRA), creating an important option for providers seeking to move out of FFS and into accountable, risk-based care. More importantly, it offers Medicare beneficiaries access to the kind of high quality, coordinated care they want and deserve.

• Strengthen and Protect MACRA

Implementing MACRA is central to the goal of moving away from FFS and toward a system that reimburses clinicians based on value. APG is calling for timely MACRA implementation, with greater access to participation in both the Merit-based Incentive Payment System (MIPS) and APMs for a wide variety of clinicians at various stages of the transformation journey.

Central to this goal is:

- The expansion of additional Advanced APMs including APG's Third Option
- Improved participation in MIPS by lowering the low volume threshold
- Increased integration of MA and Medicaid into MACRA beyond the “other payer” option
- Partnerships between CMS, Congress, and healthcare stakeholders to improve quality metrics and data sharing in current value-based models, including the Medicare ACO program
- The extension of the Advanced APM bonus beyond 2024

• Improve Value in MA

APG and the wider stakeholder community recognize the importance of the care coordination tools MA provides both clinicians and patients. MA offers an important avenue for physicians to better address social determinants of health and unique behavioral and mental health needs, and data shows that these plans consistently deliver higher quality care at lower costs than traditional FFS Medicare.

However, APG recognizes that not all MA plans are equal. In that vein, APG is committed to working with Congress and the Administration to implement “carrots and sticks” to reward providers and plans who engage in high-value MA risk contracts that improve overall quality in the MA program. Currently, only 14 percent of all MA contracts with providers are based on two-sided risk arrangements and qualify as an Advanced APMs. Congress, CMS, and stakeholders must work together to put in place incentives that further drive the value evolution in MA just as they are working to do in traditional Medicare.