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Welcome to "Washington Update," the weekly e-newsletter on the latest health care happenings in the nation's capital that affect APG's members.

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APG Members Provide Legislative Input, Guidance During Two-Day 'Fly-In'

Key members of Congress are seeking ways to incentivize further moves to value-based care by repurposing federal budget savings derived from other measures, such as enacting more site-neutral payment policies (see final item below) in Medicare, Congressional staff advised APG member groups this week. The insight emerged from meetings that APG members held with House and Senate staff from eight offices, including committees that have jurisdiction over Medicare, Medicare Advantage (MA), and Medicaid.

As Congress rushes to complete key legislation before the long August recess, the in-person meetings provided APG members with important updates on top

congressional concerns. Health staff, for example, are keenly aware of frustrations about Medicare physician payment and the weaknesses of the MACRA law – but given federal budget constraints, are uncertain about how much can be done to address these issues in the near term.

Meanwhile, they listened with interest as APG members shared their perspectives on how participating in value-based care models has enabled care transformation to benefit patients. APG members focused on three main themes: Changing elements of value-based models to make them more stable and predictable; overhauling physician payment so that it better rewards primary care providers; and ensuring the viability of MA.

These midsummer congressional visits constituted APG's third major trip to Congress this year, following February 2023 calls to discuss risk-adjustment changes in MA and APG Board Chair Anas Daghestani's MACRA [testimony](#) before a House Energy and Commerce subcommittee on June 22.

APG will continue to provide opportunities for its members to help inform Congressional staff and provide input into legislation. Those interested in arranging in-person or virtual meetings should contact APG Vice President of Congressional Affairs Matt DoBias at mdobias@apg.org.

CMS Releases Medicare Physician Fee Schedule and Medicare Shared Savings Program Proposed Rule

Multiple positive changes in the Medicare Shared Savings Program (MSSP) and requests for input for a potential new MSSP track that would allow higher levels of risk are among changes that the Centers for Medicare & Medicaid Services (CMS) sets forth in the 2024 Medicare Physician Fee Schedule (MPFS) and Medicare Shared Savings Program (MSSP) [proposed rule](#) released this week.

Although CMS proposes overall payment reductions of 1.25 percent in 2024, the agency also proposes significant increases in payment for primary care and other kinds of direct patient care, according to a CMS [news release](#) accompanying the release of the proposed rule.

APG and other organizations are now beginning the long process of sorting through the more than 1,000-page rule to digest its elements. Among the rule's key highlights:

- The same formula and timetable adopted earlier this year for phasing in a new risk adjustment model in Medicare Advantage will also apply as of next year to MSSP. Thus, the new model, dubbed "v28," will be phased in during 2024 and 2025 and will be fully in place in 2026.
- Also, in MSSP, CMS proposes a more transparent method for prospectively determining quality goals that participants must meet to qualify for shared savings. Under the proposed approach, the 40th percentile standard for the maximum sharing rate would be based on historical submission data of a three-year rolling average with a one-year lag.
- ACOs will continue to move toward digital measurements of quality through the establishment of a new Medicare Clinical Quality Measure (CQM). In 2025, ACOs would have the option to report quality data utilizing the Electronic Clinical Quality Measures (eCQMs), the Merit-based Incentive

Payments (MIPS) CQMs, and/or the Medicare CQMs collection types. This new measure collection type is expected to assist MSSP participants in reporting all payer/all patient data.

- CMS seeks comment on the potential creation of a new two-sided risk model ACO that would allow participants to take on even greater levels of risk (80-100%) than in the current Enhanced track (75%).
- Other requests for comments include how to improve collaboration with community-based organizations (CBOs) that provide social services to Medicare beneficiaries; refinements to implementation of the Accountable Care Prospective Trend (ACPT), a prospectively projected administrative growth factor that CMS adopted in 2022 to modify updates in ACO benchmarks; and changes CMS also made last year to adjust benchmarks for renewing or reentering ACOs for prior attained savings.

Additional changes proposed for the MSSP, and the proposed rule's impact on physician practices, will be the subject of an APG Deep Dive Webinar on Thursday, August 3, 2023, at 2:00 ET. Presentations will be made by Valinda Rutledge, APG Executive Vice President of Education and Strategic Initiatives, and Jennifer Podulka, APG Vice President of Federal Policy. Please register for the webinar [here](#); all are welcome. Also please stay tuned for additional opportunities to provide feedback for the APG comment letter on the proposed rule.

MedPAC Recommends Site-Neutral Payments for Selected Services

[MedPAC](#) commissioners have recommended that Congress embrace more site-neutral payment policies by more closely aligning payment rates for selected services across ambulatory settings. Medicare's fee-for-service payment rates are typically higher for services provided in hospital outpatient departments than they are for when the same services are provided in ambulatory surgical centers and physician offices. But a superior approach would reflect "the principle that if the same service can be safely provided in different settings, Medicare should not pay more for that service in one setting than in another," the commission wrote in its June 2023 report.

MedPAC emphasized that the Centers for Medicare & Medicaid Services (CMS) should make final decisions regarding which services are appropriate for site-neutral payment. In addition, the Commission urged that "CMS should include only services that would not result in hospitals reducing beneficiaries' access to care or acting in other unintended and undesirable ways."

As previously [reported](#) in Washington Update, despite some stakeholder opposition to site-neutral payments, members of both political parties are keenly interested in the potential for cost savings for Medicare. The bipartisan [Site-based Invoicing and Transparency Enhancement \(SITE\) Act](#) (S-1869) has not yet been officially scored by the Congressional Budget Office but could potentially save [billions of dollars](#). APG will continue to closely track and support the SITE Act.

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