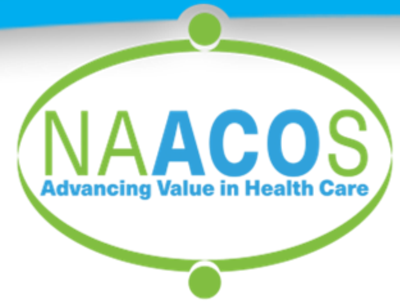


Written Statement for the Record
Of
The National Association of ACOs
For the
House Energy and Commerce
Subcommittee on Health
Legislative Hearing on
"Strengthening Patient Access to Care in Medicare"

October 19, 2023

The National Association of ACOs (NAACOS) appreciates the opportunity to submit comments in response to the House Energy and Commerce Subcommittee on Health's legislative hearing on strengthening patient access to care in Medicare. NAACOS represents more than 400 accountable care organizations (ACOs) in Medicare, Medicaid, and commercial insurance working on behalf of health systems and physician provider organizations across the nation to improve quality of care for patients and reduce health care cost. NAACOS members serve over 8 million beneficiaries in Medicare value-based payment models, including the Medicare Shared Savings Program (MSSP) and the ACO Realizing Equity, Access, and Community Health (REACH) Model, among other alternative payment models (APMs).

NAACOS appreciates the committee's leadership and commitment to improving access to health care and lowering costs. Our comments reflect the views of our members and our shared goals.

COMMENTS ON LEGISLATIVE PROPOSALS REGARDING APM INCENTIVES

Dunn Discussion Draft re APM Incentives

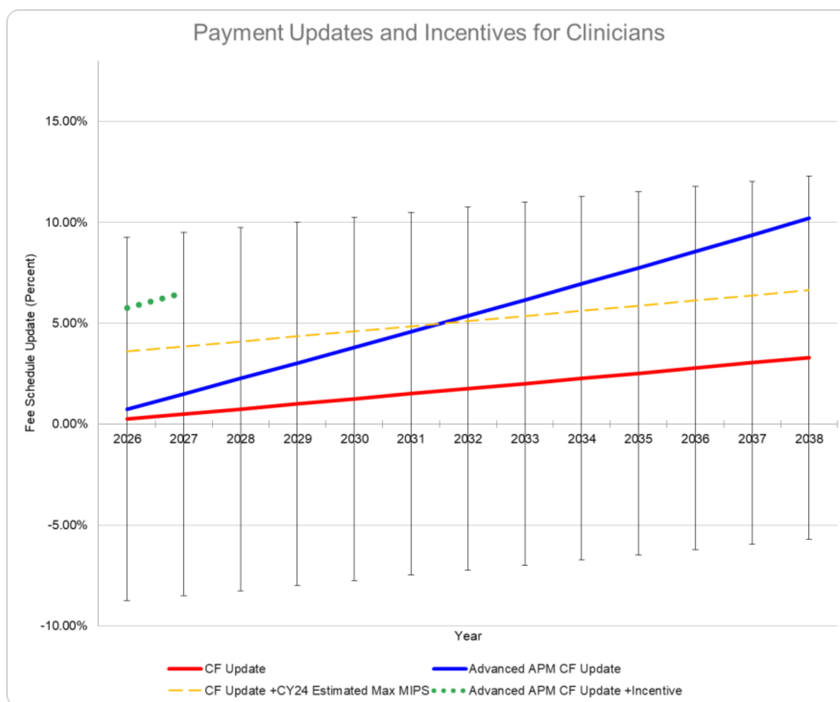
NAACOS is encouraged that the subcommittee is considering an extension of the Medicare Access and CHIP Reauthorization Act (MACRA) incentives for advanced alternative payment models (APMs). The draft bill extends the current 3.5 percent incentive for one year and extends the qualifying threshold freeze. The proposal also includes a retroactively applied 5-year participation cap that falls short as it would create unintended consequences including:

1. Slowing the transition to value-based care models that take on financial risk.
2. Disproportionately impacting patient access to care.
3. Creating an exodus of specialists who currently participate in APMs.
4. Encouraging greater consolidation in health care markets.

Instead of applying a participation cap, Congress should extend the APM incentive for all eligible clinicians and develop a longer-term plan for reforming MACRA's misaligned incentive structure. **Limiting the incentives to certain clinicians in advanced APMs could encourage a retreat to MIPS and will result in a significant setback for the movement to accountable care.**

Slowing the transition to value-based care models that take on financial risk
Recognizing that fee-for-service payments alone are insufficient to cover the expenses associated with building and maintaining the necessary infrastructure to engage in wholescale care delivery redesign, MACRA included 5 percent incentive payments to enable clinicians to transition to advanced APMs (i.e., models were clinicians take on down-side risk and accountability for patient costs). The committee's proposal to apply a retroactive cap on eligibility to earn APM incentive payments could lead to the vast majority (potentially upwards of 200,000 clinicians) losing access to these critical payments that have helped grow participation in value-based care models. This could significantly slow the ongoing transition to value-based care and cut off funding that helps practices provide additional services for Medicare patients. With physicians already facing steep cuts under Medicare's physician fee schedule, the inability for clinicians to qualify for incentives will only exasperate the challenges facing primary care, rural, and independent practices. These practices are already experiencing significant financial pressures and workforce shortages. Moreover, some physicians currently in advanced APMs may choose to voluntarily shift back to MIPS because the program will continue to offer opportunities for high performing APMs to qualify for MIPS adjustments in the coming years.

The best policy solution is to continue incentives for all clinicians in advanced APMs because beginning in 2024 (payment year 2026) incentives will favor MIPS until roughly 2031 (see chart below). At a minimum, any cap should be prospective so that clinicians can prepare. Additionally, the cap should not be in place until incentives no longer favor MIPS. Furthermore, the committee should support extending MACRA's original 5 percent incentive payment to shift incentives back in favor of clinicians in advanced APMs.



<u>Payment Year 2024 Snapshot</u>

- While maximum potential incentives under MIPS are 9 percent, the maximum MIPS adjustment is estimated to be around 3 percent. Accordingly, the total potential payment adjustment is an estimated 3.25 percent (yellow dashed line + red 0.25 percent CF update for MIPS).
- Clinicians in advance APMs will only receive a 0.75 percent CF update (blue line).
- The green line represents MACRA's original 5 percent incentives.

With impending physician cuts, providers are going to consider the options that result in the highest payment. Accordingly, clinicians are incented to return to MIPS to receive a higher payment update. If advanced APM clinicians move back into MIPS it will affect the availability and distribution of funds in the budget-neutral MIPS payment adjustment pool.

Disproportionately impacting patient access to care
ACOs account for the majority of Medicare's advanced APMs and have used these incentives to hire care managers to provide personal care to their sickest patients, provide transportation and meals, invest in technology, and create 24-7 phone lines so patients can call their primary care provider rather than going to the emergency room. These are services that cannot be reimbursed through Medicare but improve patient health outcomes and wellbeing. Sunsetting the incentives will eliminate this critical funding stream used by many APMs to enhance patient access to care.

Creating an exodus of specialists who currently participate in APMs
While ACOs are built on primary care relationships, specialist engagement is essential for effective cost and quality management. Since about 1/3 of participants in advanced APMs are specialists, the loss of incentives will make it more likely these types of physicians exit models and return to standard FFS, thus undermining the movement towards value-based care.

Encouraging greater consolidation in health care markets
ACOs allow practices to stay independent while collaborating and sharing resources with other physician groups and hospitals. Shared data management tools, clinician networks, and care management technology would not be possible without ACO arrangements (and APM models). If clinicians retreat from APMs, the best option for enhanced collaboration and resource sharing is to consolidate. We fear removing incentives to remain in advanced APMs will lead to more provider consolidation.

OTHER LEGISLATIVE PROPOSALS

Miller-Meeks/ Burgess MIPS Exemptions

NAACOS conceptually supports the Miller-Meeks/ Burgess discussion draft that would exempt certain practitioners from MIPS payment adjustments under the Medicare program based on participation in certain payment arrangements under Medicare Advantage. The Other Payer APM pathway has been challenging to implement and providers currently do not use this approach to meet the APM qualifying thresholds. More work needs to be done to determine how best to measure provider engagement in risk arrangements with other payers.

Moore/ Bilirakis Quality Burdens

NAACOS supports the Fewer Burdens for Better Care Act of 2023 that provides multi-stakeholder input on removal of quality and efficiency measures and adjusts pre-rulemaking timelines. NAACOS has met with the sponsors office to discuss how pre-rulemaking input should also explicitly consider MSSP and other APMs. MSSP is currently included in pre-rulemaking activities but is merged with review of MIPS measures. Other APM models are not included in the measure review processes. NAACOS looks forward to working with the sponsors and committee to make these changes should the bill be considered further.

Prior Authorization; CMS Technical Assistance; Benefits Info

Lastly, NAACOS supports the Improving Seniors Timely Access to Care Act of 2023, the SURS Extension Act, and the Arrington discission draft to promote provider choice using real time benefit information.

We thank the committee for this opportunity to provide feedback on this important hearing. NAACOS and its members are committed to providing the highest quality care for patients while advancing population health goals for the communities they serve. We look forward to our continued engagement

on improving health care access and lowering costs. If you have any questions, please contact Aisha Pittman, senior vice president, government affairs at aisha_pittman@naacos.com.