



Congress Should Act Now to Protect Value-Based Care Incentives

- The Medicare Access and CHIP Reauthorization Act (MACRA) encouraged adoption and continued participation in alternative payment models (APMs) by rewarding physicians and other health care providers with higher payment updates.
 - In the initial years, clinicians in risk-bearing (advanced APMs) received an incentive payment for participation in advanced APMs. Beginning in 2026, clinicians in advanced APMs would receive a 0.75 percent update while clinicians not in risk-based models received a 0.25 percent update.
- The House Energy & Commerce Committee's budget reconciliation bill proposes to eliminate the differential conversion factor for a uniform Medicare Economic Index (MEI) update, which would eliminate all financial incentives to manage downside risk of populations.
- **As CMS begins to outline new plans to Make America Healthy Again by re-focusing programs on prevention, patient empowerment, competition, and financial accountability, Congress should maintain financial incentives that encourage adoption and reward participation in risk-based payment models where providers are accountable for costs and patient outcomes.**
- MACRA's financial incentives cover the investment costs of moving to new payment models, provide financial resources to expand care teams and coordinate care, enable adoption of population health infrastructure, and aide clinicians in providing services beyond traditional Medicare.
 - **MACRA's incentives have increased participation in APMs.** More than 500,000 clinicians have moved into payment models bearing downside financial risk for their Medicare patients and [53.4 percent of beneficiaries](#) with Traditional Medicare now in an accountable relationship with their clinician.
 - **Adoption of APMs has generated savings and reduced growth in spending.** Medicare ACOs, the largest APM in Medicare, [lowered spending by more than \\$28 billion](#) over the last decade. APMs also focus on management of chronic conditions and reward prevention across the continuum of care. A CBO [study](#) estimated a 9% reduction in spending growth due to enhanced care management.
- **In the absence of MACRA's incentives, the fragmented fee-for-service (FFS) system will remain the stronger financial incentive for clinicians.**
 - Currently, there is no additional opportunity for clinicians to earn an advanced APM incentive as this expired at the end of 2024. The highest performing clinicians in FFS, who are required to participate in Merit-based Payment Incentive System (MIPS), can earn up to 3 percent positive payment adjustment. There is no opportunity for positive payment adjustments for clinicians in advanced APMs, yet these clinicians bear financial risk for their populations.



**NAACOS Statement on Energy and Commerce Reconciliation Text
Attributed to Emily Brower, CEO, National Association of ACOs**

“While we appreciate that the Energy and Commerce reconciliation text acknowledges the importance of addressing inflation in physician payment updates, we are deeply concerned that this progress comes at the expense of advancing value-based care.

Accountable care keeps Americans healthier by equipping patients and providers with tools to focus on prevention, manage chronic conditions, and access services not traditionally covered by Medicare. These models have consistently demonstrated better outcomes and lower overall costs. With the passage of MACRA, Congress affirmed accountable care as the future of our healthcare system—providing critical incentives to support the upfront and ongoing investments required to bear risk for the cost and quality of care for a population.

Unfortunately, the proposed physician payment updates would eliminate these essential incentives. We should not be forced to choose between fair physician reimbursement and continued progress toward a more effective, patient-centered healthcare system. We strongly urge Congress to preserve and strengthen support for advanced risk arrangements as a core component of any physician payment reform strategy—ensuring that accountable care remains central to our path forward.”

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