

June 3, 2019

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Washington, DC 20515

Dear Leader McConnell, Leader Schumer, Speaker Pelosi and Leader McCarthy:

Since the enactment of the Medicare Access and CHIP Reauthorization Act (MACRA), the undersigned organizations have worked closely with both Congress and the Centers for Medicare and Medicaid Services (CMS) to promote a smooth implementation of the Merit-Based Incentive Payment System (MIPS) and Alternative Payment Models (APMs). While MACRA represents an improvement over the flawed sustainable growth rate payment methodology and legacy quality and cost reporting programs, its implementation has been a significant undertaking for CMS and physicians. We strongly supported the improvements to MACRA included in the Bipartisan Budget Act of 2018, which allowed for a more gradual transition into the program and helped many physician practices avoid penalties they likely would have otherwise incurred under the MIPS program. However, further refinements are needed to improve the program and ensure physicians can be successful going forward.

In order to foster the continued success of MACRA, we urge Congress to implement positive payment adjustments for physicians to replace the payment freeze over the next six years, extend the Advanced APM bonus payments for an additional six years, and implement several additional technical improvements to MACRA, which are outlined below.

Implement Annual Positive Payment Updates

MACRA included modest positive payment updates in the Medicare Physician Fee Schedule, but it left a six-year gap from 2020 through 2025 during which there are no updates at all. Following this six-year freeze, the law specifies physician payment updates of 0.75 and 0.25 percent for physicians participating in APMs or MIPS, respectively. By contrast, other Medicare providers will continue to receive regular, more stable updates. As physician practice payments fall increasingly below their costs, patient access issues would arise.

The recent *2019 Annual Report of the Board of Trustees of the Federal Hospital Insurance and Federal Supplemental Medical Insurance Trust Funds* ([Medicare Trustees Report](#)) found that scheduled physician payment amounts are not expected to keep pace with increases in physicians' costs, which are forecast to average 2.2 percent per year in the long range. The *Medicare Trustees Report* also found that "absent a change in the delivery system or level of update by subsequent legislation, the Trustees expect access to Medicare-participating physicians to become a significant issue in the long term." We agree with this assessment—annual updates to the Medicare physician fee schedule need to reflect increases in practice costs, including compliance with health information technology regulations, quality reporting requirements, and a multitude of other regulatory requirements. According to CMS, current Medicare

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physician fee schedule payments only cover approximately 60 percent of the direct costs that CMS agrees are typical in the provision of services. Therefore, we urge Congress to replace the upcoming physician pay freeze with a stable and sustainable revenue source that allows them to sustain their practice and provides a margin to invest in the practice improvements needed to transition to more efficient models of care delivery and better serve Medicare patients.

Extend the Advanced APM Incentive Payments

The undersigned organizations also urge Congress to extend the Advanced APM incentive payments for an additional six years. One goal of MACRA was to provide physicians with a glide path to transition into more innovative payment models. Changing the way physicians deliver care requires significant investment in new technologies, workflow systems, personnel and training. To help physicians implement these changes, MACRA provided a five percent incentive payment for the first six years of the program for physicians who participate in Advanced APMs.

These payments were intended to create a margin for physicians to invest in changing the way they deliver care. Unfortunately, there were a limited number of Advanced APMs in which physicians could participate during the first three MACRA performance years, and there are only three years left in the program for physicians to receive an APM incentive. The dearth of Advanced APMs available for physicians limited their ability to take advantage of the APM incentive that Congress provided to assist physicians with moving to new, innovative payment models. Therefore, the AMA urges Congress to extend the Advanced APM payments for an additional six years to provide physicians with an onramp to move to APMs once they become available, as intended in the original legislation.

Implement Technical Improvements

The undersigned organizations urge Congress to continue to engage with the medical community to make additional technical changes to MACRA. There are numerous creative solutions that could be implemented to simplify MIPS and make reporting more clinically meaningful for physicians. For example, Congress and CMS could make the program more cohesive by allowing physicians to focus their participation around a specific episode of care, condition, or public health priority. By allowing physicians to focus on activities that fit within their workflow and address their patient population's needs, rather than segregated measures divided into four disparate MIPS categories, the program would be more likely to improve quality of care for patients, reduce Medicare spending, and be more meaningful and less burdensome for physicians.

CMS should also have explicit flexibility to base scoring on multi-category measures to make MIPS more clinically meaningful, reduce silos between each of the four MIPS categories, and create a more unified program. This provision could also allow CMS to award bonus points at the composite score level, which would allow for a simplified scoring methodology. The primary goal of this approach is to allow physicians to spend less time on reporting and more time with patients and on improving care, and to create a more sustainable MIPS program. It also creates a glide path towards participation in APMs by encouraging physicians to focus on more clinically relevant measures and activities, improvement, and providing better value care to patients.

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Other technical changes we urge Congress to pass to improve MACRA include:

- eliminating the requirement to set the MIPS performance threshold at the mean or median so CMS, rather than a pre-set formula, can determine whether physicians are ready to move to an increased threshold based on available data;
- allowing CMS to develop multiple performance thresholds, such as one for small and rural practices, to ensure a level playing field for all physicians;
- giving CMS authority to revise the participation thresholds needed to achieve Qualified Participant status for those participating in Advanced APMs;
- excluding Part B drug spending from calculations of APM financial risk, which would be analogous to technical corrections to MIPS made in the Bipartisan Budget Act of 2018;
- updating the Promoting Interoperability performance category to allow physicians to use certified electronic health record technology (CEHRT), health information technology that interacts with CEHRT, or a qualified clinical data registry (or a combination of all three technologies);
- prioritizing cost measures that are valid, reliable, and demonstrate variation by removing the requirement that episode-based cost measures account for half of all expenditures under Medicare Parts A and B;
- removing the total cost of care measure mandate as the existing measure is flawed and risks holding physicians accountable for costs that are outside their control, such as drug prices;
- allowing pay-for-reporting on new measures or when significant refinements to a measure or composite have been made (precedent already exists for introducing measures via pay-for-reporting in other value-based purchasing programs);
- providing authority for the Physician-focused Payment Model Technical Advisory Committee to provide technical assistance and data analyses to stakeholders who are developing proposals for its review; and
- aligning and improving the methodologies of MIPS and Physician Compare, as physicians currently receive two different scores and reports, which is confusing to physicians and patients and does not lead to quality improvement.

We appreciate your attention to these issues and look forward to working with you and your colleagues to foster the success of MACRA.

Sincerely,

American Medical Association
Advocacy Council of ACAAI
AMDA – The Society for Post-Acute and Long-Term Care Medicine
American Academy of Allergy, Asthma & Immunology
American Academy of Dermatology Association
American Academy of Family Physicians
American Academy of Hospice and Palliative Medicine
American Academy of Neurology
American Academy of Ophthalmology
American Academy of Otolaryngic Allergy
American Academy of Physical Medicine & Rehabilitation

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American Academy of Sleep Medicine
American Association for Hand Surgery
American Association of Clinical Endocrinologists
American Association of Neurological Surgeons
American Association of Orthopaedic Surgeons
American College of Allergy, Asthma and Immunology
American College of Cardiology
American College of Emergency Physicians
American College of Gastroenterology
American College of Obstetricians and Gynecologists
American College of Osteopathic Internists
American College of Osteopathic Surgeons
American College of Physicians
American College of Radiation Oncology
American College of Radiology
American College of Rheumatology
American College of Surgeons
American Geriatrics Society
American Medical Women's Association
American Osteopathic Association
American Psychiatric Association
American Society for Clinical Pathology
American Society for Dermatologic Surgery Association
American Society for Echocardiography
American Society for Gastrointestinal Endoscopy
American Society for Radiation Oncology
American Society of Addiction Medicine
American Society of Anesthesiologists
American Society of Cataract & Refractive Surgery
American Society of Clinical Oncology
American Society of Dermatopathology
American Society of Hematology
American Society of Interventional Pain Physicians
American Society of Neuroradiology
American Society of Nuclear Cardiology
American Society of Plastic Surgeons
American Society of Retina Specialists
American Urogynecologic Society
American Urological Association
American Vein and Lymphatic Society
Association of American Medical Colleges
Association of University Radiologists
College of American Pathologists
Congress of Neurological Surgeons
Endocrine Society

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Infectious Diseases Society of America
International Society for the Advancement of Spine Surgery
Medical Group Management Association
North American Neuromodulation Society
North American Neuro-Ophthalmology Society
Renal Physicians Association
Society for Cardiovascular Angiography and Interventions
Society for Vascular Surgery
Society of Cardiovascular Computed Tomography
Society of Critical Care Medicine
Society of Gynecologic Oncology
Society of Hospital Medicine
Society of Interventional Radiology
Spine Intervention Society
The Society of Thoracic Surgeons

Medical Association of the State of Alabama
Alaska State Medical Association
Arizona Medical Association
Arkansas Medical Society
California Medical Association
Colorado Medical Society
Connecticut State Medical Society
Medical Society of Delaware
Medical Society of the District of Columbia
Florida Medical Association Inc
Medical Association of Georgia
Hawaii Medical Association
Idaho Medical Association
Illinois State Medical Society
Indiana State Medical Association
Iowa Medical Society
Kansas Medical Society
Kentucky Medical Association
Louisiana State Medical Society
Maine Medical Association
MedChi, The Maryland State Medical Society
Massachusetts Medical Society
Michigan State Medical Society
Minnesota Medical Association
Mississippi State Medical Association
Missouri State Medical Association
Montana Medical Association
Nebraska Medical Association
Nevada State Medical Association

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New Hampshire Medical Society
Medical Society of New Jersey
New Mexico Medical Society
Medical Society of the State of New York
North Carolina Medical Society
North Dakota Medical Association
Ohio State Medical Association
Oklahoma State Medical Association
Oregon Medical Association
Rhode Island Medical Society
South Carolina Medical Association
South Dakota State Medical Association
Tennessee Medical Association
Texas Medical Association
Utah Medical Association
Vermont Medical Society
Medical Society of Virginia
Washington State Medical Association
West Virginia State Medical Association
Wisconsin Medical Society
Wyoming Medical Society