

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