



STATEMENT FOR THE RECORD

“MACRA Checkup: Assessing Implementation and Challenges that Remain for Patients and Doctors.”

U.S. Committee on Energy and Commerce Subcommittee on Oversight and Investigations

July 7, 2023

The Partnership to Empower Physician-Led Care is an advocacy coalition supporting value-based care to reduce costs, improve quality, empower patients and physicians, and increase access to care for millions of Americans through a competitive health care provider market. We believe that it is impossible to achieve truly value-based care without a robust independent practice community. Our members include Aledade, American Academy of Family Physicians (AAFP), California Medical Association, and Medical Group Management Association (MGMA). We also have individual and small medical group supporters across the country, many of whom are independent physicians/practices and wish to remain so.

We commend the Committee for its attention to reform of the Quality Payment Program (QPP) created by the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). We are also pleased that the Subcommittee recognizes the vital role of independent physicians and practices in our health care system, and the opportunity to work with this important group of providers to transform health care payment and delivery.

As highlighted in our [response](#) to the Congressional Request for Information on MACRA, **we believe that Congress must prioritize Medicare payment reform to help control health care costs, ensure better outcomes for patients, and reduce physician burnout.** This includes:

- Doubling down on the role of physicians and physician-led practices in leading delivery system transformation initiatives;
- Ensuring robust Medicare fee-for-service (FFS) reimbursement as a platform for value-based care, and advancing policies that support provider competition;
- Aligning the Medicare QPP to reward physicians and practices that invest in payment and delivery system transformation, including physicians and practices that are just beginning the transition away from FFS; and,
- Re-focusing the CMS Innovation Center on transparent model design and development.

As the Committee continues its work, PEPC wishes to reiterate and emphasize the role of physicians and physician-led practices in leading delivery system transformation initiatives. As indicated by the witnesses at this hearing, MACRA has not achieved its intended goal of increasing the number of Medicare providers in alternative payment models.

As such, there is an urgent need for Congress to ensure that value-based care models are fully leveraged to keep provider markets competitive and offer a sustainable path for independent physicians and practices to thrive. In particular, PEPC strongly suggests the Congress consider how to leverage and encourage more physician-led models. The evidence is clear that physician-led models have generated superior results compared to other models. For example:

- *Medicare Shared Savings Program*: Physician-led accountable care organizations (ACOs) are creating a better experience for patients while lowering costs across the entire system. MSSP results show that, across the health care system, ACOs led by physicians, often called “low

revenue,” typically create more than twice the Medicare savings per beneficiary than hospital-led ACOs, often known as “high revenue.”

- According to CMS data, in 2021, physician-led ACOs in the MSSP achieved net savings that were [nearly double](#) than hospital-led ACOs (\$237 per capita in net savings versus \$124 per capita net savings). Further, ACOs comprised of 75 percent primary care clinicians or more, saw \$281 per capita in net savings compared to \$149 per capita in net savings for ACOs with fewer primary care clinicians.
- In an independent [analysis](#), Avalere found that physician-led ACOs produced almost seven times the amount of Medicare savings per beneficiary than hospital-led ACOs in 2018.

- *Comprehensive Primary Care+*: CPC+ is an example of a model where physicians and physician practices demonstrated their ability to reduce emergency room and acute care visits through advanced primary care medical homes.
 - Independent practices [outperformed](#) system-owned practices by 15 percent in performance year (PY) 2017 and 18 percent in PY2019, even though both practice types improved their performance on overall utilization.
 - In [track 2](#) of CPC+, independent practices reduced expenditures and hospitalizations, while practices that were hospital- or system-owned did not.
 - During the COVID-19 pandemic, independent practices participating in the CPC+ model were [better able to respond](#) to rapidly changing conditions and were less likely to report that the pandemic had a strong adverse impact on their finances.

- *ACO Investment Model (AIM)*: The AIM model showed that physician-led groups demonstrate [better results](#) than groups led by other types of providers. Across all three performance years of AIM, the first cohort of AIM ACOs reduced both spending and utilization relative to comparison beneficiaries. These AIM ACOs saved \$39 per beneficiary per month by 2018 and generated \$119.7 million in net Medicare savings. By the third performance year, ACOs that were not partnered with a hospital had a 78 percent greater reduction in Medicare spending compared to those affiliated with a hospital.

- *Next Generation Accountable Care Organization (NGACO) Model*: Physician practices participating in NGACO were more likely to [reduce spending](#) in acute care hospital and outpatient facility spending compared to hospital-led NACOs. Physician-led ACOs reduced spending in acute care hospitals by over 37 percent and outpatient facilities by nearly 20 percent. In total, the model was associated with \$667 million in gross Medicare savings.

We hope you will consider this evidence and recommendations as Congress looks to take legislative and regulatory action to reform and improve MACRA, supporting our nation’s physicians in providing high-quality, value-based care. Thank you for your work on this topic.

Sincerely,

Kristen McGovern
Executive Director