

November 22, 2024

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable Charles Schumer
Majority Leader
U.S. Senate
S-221, The Capitol
Washington, DC 20510

The Honorable Hakeem Jeffries
Democratic Leader
U.S. House of Representatives
H-204, The Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Republican Leader
U.S. Senate
S-230, The Capitol
Washington, DC 20510

Re: End-of-Year Legislative Priorities to Support Value-Based Patient Care

Dear Speaker Johnson, Leader Jeffries, Leader Schumer, and Leader McConnell:

As you and your colleagues address pressing issues before the 118th Congress adjourns, the undersigned organizations encourage you to pass an end-of-year health care package that includes an extension of Medicare's Advanced Alternative Payment Model (AAPM) incentive payments, ensures that AAPM qualifying thresholds remain attainable, and replaces a scheduled cut to Medicare's physician payments with an update reflective of inflationary pressures.

Since the enactment of the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA), Medicare's AAPM incentives have helped more than 500,000 physicians and other health care providers cover the investment costs of moving to new payment models, provided the financial resources to expand care teams, enabled adoption of population health infrastructure, and aided clinicians in providing services beyond those typically covered by traditional Medicare.

Accountable care models enable physicians, hospitals, and other health care providers to deliver high-quality, well-coordinated, cost-effective care to Medicare beneficiaries. These payment reforms have generated more than \$28 billion in gross savings for Medicare over the past decade. The Centers for Medicare & Medicaid Services (CMS) recently released results showing that the [Medicare Shared Savings Program](#) and [ACO REACH Model](#), the largest APMs in Medicare, generated \$2.8 billion in net savings for the Medicare program in 2023, while improving patient access and quality. **Medicare's AAPM incentive payments have produced a good return on investment that has [broad stakeholder support](#) from [physician and health care associations, health systems, provider practices, and ACOs](#).**

Even though these positive results show the benefits that APMs bring to the health care system, ongoing support is needed to help physicians and other health care providers transition into, remain in, and succeed in these payment models. **Continuing the incentives and maintaining the current qualifying thresholds beyond 2024 will help sustain and grow participation in value-based payment models and help extend the reach of APMs to new patient populations, as well as rural and underserved communities.**

Medicare's existing fee-for-service physician payment system has resulted in payment cuts over the past five years that are exacerbated by steep rises in costs over the same period. The resulting financial strain impairs the ability of physicians and other health care providers to transition to and succeed in APMs. Failing to adequately mitigate cuts to physician payments will also result in fewer resources that help practices manage patients with complex medical needs.

We call on lawmakers to prioritize addressing these critical physician payment issues during the lame duck session to ensure that physicians and other health care providers have the resources needed to support beneficiaries' continued access to high quality, patient-centered care.

We thank you for your leadership on these important issues and look forward to working with lawmakers on long-term solutions to improve Medicare's physician payment system to encourage greater participation in APMs.

Sincerely,

American Hospital Association
American Medical Association
America's Physician Groups
Health Care Transformation Task Force
National Association of ACOs
Premier Inc.
Accountable for Health
American Academy of Family Physicians
American Academy of Neurology
American Association of Orthopaedic Surgeons
American College of Physicians
American Osteopathic Association
American Society for Radiation Oncology
America's Essential Hospitals
AMGA
Association for Clinical Oncology
Federation of American Hospitals
Medical Group Management Association
National Rural Health Association
Partnership to Empower Physician-led Care
Primary Care Collaborative
Renal Physicians Association

cc:

Majority Leader-elect John Thune

Chairman Ron Wyden
Chairman Sheldon Whitehouse
Chairwoman Cathy McMorris Rodgers
Chairman Jason Smith
Chairman Jodey Arrington

Ranking Member Mike Crapo
Ranking Member Charles Grassley
Ranking Member Frank Pallone
Ranking Member Richard Neal
Ranking Member Brendan Boyle