



January 16, 2025

The Honorable John Joyce
Chair, GOP Doctors Caucus
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kim Schrier
Chair, Democratic Doctors Caucus
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairs Joyce and Schrier:

Thank you for the opportunity to share feedback on Medicare Access and CHIP Reauthorization Act (MACRA) modernization. We appreciate your leadership in ensuring that providers are adequately reimbursed for their efforts to improve quality, reduce costs, improve clinical practice, and promote interoperability, and that our regulatory structures create meaningful incentives to adopt and deepen engagement in new payment and delivery system reform initiatives.

The Partnership to Empower Physician-Led Care (PEPC) is a membership organization dedicated to supporting independent physicians and practices in adopting 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 truly achieve value-based care without a robust independent practice community.

To help control health care costs, ensure better outcomes for patients, and reduce physician burnout, Congress must prioritize Medicare payment reform. This includes:

- Ensuring robust Medicare fee-for-service (FFS) reimbursement as a platform for value-based care, and advancing policies that support provider competition;
- Doubling down on the role of physicians and physician-led practices in leading delivery system transformation initiatives;
- Aligning the Medicare Quality Payment Program (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 free-for-service; and,
- Re-focusing the CMS Innovation Center on transparent model design and development.

Our comments below are focused on these topics, and we look forward to serving as a resource for you on these topics as you consider legislative priorities moving forward.

CMS Innovation Center

What legislative reforms are most needed to ensure future CMMI models deliver real improvements in cost and quality, while also ensuring successful scaling of innovations?

We support the work of the CMS Innovation Center as a laboratory for testing models and model design components that can be expanded to other programs throughout CMS. With the release of the CMS Innovation Center's 2025 strategy, we were pleased to see that the CMS Innovation Center is committed to making model design choices that ensure its models are accessible to a range of providers, including small providers, independent practices, and physicians practicing in rural and/or underserved areas. Policies that reflect providers' varying abilities to assume risk, programs that provide upfront funds for investment, and metrics that reflect a wider array of transformational policy goals will encourage smaller,



independent practices to consider participating in value-based payment innovations. We encourage Congress to do the following:

- **Ensure that there is a clear “glidepath” for providers that have invested in value-based care.** The CMS Innovation Center should focus on ensuring that physicians and practices participating in its models clearly understand how to leverage their population health investments into a sustainable, scalable practice change. Practices should understand the options for “leveling up” their participation, for example, by moving from a care management model to a model that requires risk or by deepening the amount of risk taken among other options.
- **Ensure physician leaders across specialties have different model options, prioritizing multi-payer models and models that are designed to interact or nest within each other to build on existing successes.** Providers should have at least one opportunity to join a value-based care model per year, ideally with more than one opportunity available at various points on the risk-based glidepath.
- **Establish a consistent, transparent mechanism for getting feedback from a range of stakeholders, including independent physicians and practices.** Transparency builds trust by ensuring stakeholders clearly understand how decisions are made and how their input is considered. It also promotes accountability and more constructive collaboration by reducing uncertainty and aligning expectations among all parties involved.
- **Require decisions around model design, terms, and conditions to be transparent and communicated to the broader stakeholder industry, including those who are not participating in the model.** Today, many of these communications are made through IT systems used to implement models, which are behind a firewall for everyone except program participants. Increasing transparency related to program implementation is a way to level the playing field across provider types, and participants and participant partners.

Quality Payment Program

If MIPS were to be reformed or replaced entirely, what would a new physician-led quality program look like? How can we ensure a new program reduces administrative burdens and is applicable to all types of clinicians in all settings, while focusing meaningfully on real outcomes.

A primary objective of MACRA was to change the way that Medicare rewards clinicians to drive them to value over volume. Under MACRA, physicians and practices have three options: 1) remain in FFS and receive a nominal and/or no annual payment adjustment; 2) participate in the Merit-Based Incentive Payment System (MIPS) and receive a greater payment adjustment based on performance on indicators related to cost, quality, clinical practice improvement, and promoting interoperability; or 3) receive a 5 percent bonus for participating in an advanced alternative payment model (AAPM) that requires taking on “more than nominal risk” for the patient panel.

Implementation of the MACRA framework has fallen short of congressional intent and has become a reporting exercise rather than a true driver of transformation. There is broad consensus across the health care industry that the QPP increased administrative burden and complexity. QPP requirements continue to change year after year. Since there is a dearth of APMs and the MIPS requirements do not



closely align with any existing APMs, MIPS is primarily a reporting program with arbitrary requirements that do not meaningfully contribute to improved patient outcomes. The significant burden associated with these programs forces practices to direct their time and resources on complying with reporting requirements rather than building the skills and infrastructure that would allow them to succeed in value-based payment.

To address these issues and encourage providers to both adopt and deepen their value-based care arrangements across payers, **Congress should pass legislation establishing a middle track for providers who are doing more than is required under MIPS and who have adopted value-based care, but who are not yet deriving the majority of their revenue from those models.** The incentive offered to these providers should be more than what is available under MIPS and should reflect the accountability and reporting requirements already present through those models. If MIPS is eliminated, this middle track could become a floor of requirements for fee-for-service providers seeking to move into accountable care relationships.

In addition to this “leveling” up, we also wish to reiterate that **Congress must take action to ensure robust reimbursement in the Medicare program and to implement policies that level the playing field across practice settings.** This includes investing in the Medicare physician fee schedule to ensure that Medicare providers are appropriately reimbursed for their services and to ensure that reimbursement accounts for rising overhead costs and inflation.

Please do not hesitate to contact me if PEPC can be a resource as you think about how MACRA modernization may impact independent practices and physicians. I can be reached at kristen@physiciansforvalue.org.

Sincerely,
Kristen McGovern
Executive Director