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Leading Health Groups Praise Introduction of Value in Health Care Act

WASHINGTON, D.C. – Thirteen national health stakeholder groups today declared their support for a newly introduced bipartisan House bill that will accelerate Medicare’s move to value-based payment by boosting accountable care organizations (ACOs) and other alternative payment models (APMs). The Value in Health Care Act was filed today by Reps. Peter Welch (D-Vt.), Suzan DelBene (D-Wash.), and Rep. Darin LaHood (R-Ill.).

The bill, called the Value Act for short, strengthens the Medicare Shared Savings Program (MSSP) by updating the program to recognize and reward ACOs. Specifically, the bill increases shared savings rates, updates risk adjustment rules, eliminates the artificial distinction between “high” and “low” revenue ACOs, addresses ACOs’ “rural glitch,” and restarts the ACO Investment Model. The bill also reinforces the shift to value-based care by extending the 5 percent Advanced APM bonus for an additional six years, modifying the threshold to achieve that 5 percent bonus, and authorizing a study of the overlap of various Medicare APMs.

“With estimates showing almost 40 percent of healthcare dollars are tied to value-based payment and goals to increase that percent moving forward, the value-based care movement is at a critical juncture,” states a letter sent to the bill’s co-sponsors by the 13 organizations. “The policies in this bipartisan bill are more important than ever given the acute needs of our nation’s health care system as we navigate the COVID-19 pandemic.”

The letter was signed by the American Academy of Family Physicians, American College of Physicians, American Hospital Association, American Medical Association, America’s Essential Hospitals, America’s Physician Groups, AMGA, Association of American Medical Colleges, Federation of American Hospitals, Health Care Transformation Task Force, Medical Group Management Association, National Association of ACOs, and Premier.

Individual organizations shared specific comments about the bill and how it will help the shift to value-based care.

“Since CMS’s ‘Pathways to Success’ changes in 2018, we’ve seen a dramatic decline in the formation of new ACOs and a flattening of ACO participation at a time when we need to grow accountable care models,” said Clif Gaus, Sc.D., president and CEO of the National Association of ACOs. “This bill addresses several critical issues that will reignite ACO growth by correcting incentives and better rewarding Advanced APM participation. We thank all the congressional offices, particularly Reps. Welch, DelBene, and LaHood, for their work on this bill and recognizing the need to improve the ACO model.”

“The current fee-for-service payment structure does not adequately support comprehensive primary care, and that’s become even more clear during the COVID-19 pandemic. Congress and CMS need to make it easier for family physicians to successfully participate in value-based payment models,” said Gary LeRoy, M.D., president of the American Academy of Family Physicians. “Through extension of the Advanced APM bonus and lowering the threshold for qualifying participants, this legislation ensures that physicians currently participating in APMs are compensated appropriately and incentivizes more physicians to make the move into APMs.”

“Right now, APMs are at a critical juncture,” said Jacqueline W. Fincher, M.D., MACP, president of the American College of Physicians. “This bill makes important changes that will align incentives and break down barriers to facilitate broader clinician interest and participation in APMs. The ACP strongly encourages members of Congress to act on this bill so we can continue moving toward new innovative payment structures that encourage high-value patient care while offering physician practices more predictable revenue streams, which is especially important now.”

“America’s hospitals and health systems have embraced the Medicare Shared Savings Program and accountable care organizations as ways to advance their ongoing efforts to transform the delivery system through improved care and to deliver better value for patients and communities,” said Tom Nickels, the American Hospital Association’s executive vice president. “The AHA supports the Value Act and thanks Reps. Welch, LaHood and DelBene for introducing this bill which will help accelerate the move to value-based care.”

"This legislation is a win for patients and physicians. Medicare alternative payment models are critical to supporting physician efforts to redesign the delivery of care in ways that improve patients' health care outcomes while saving taxpayer dollars. Alternative payment models can provide support for use of tools such as care coordination, telehealth and remote monitoring, data analysis and aggregation, and patient registries, that have proven vital during the COVID-19 pandemic. This legislation would help ensure that these models continue to facilitate high quality care for patients and savings for the Medicare program," said American Medical Association President Susan R. Bailey, M.D.

"Improving care coordination and quality while maintaining a safety-net mission is a delicate balance that requires resources for care redesign and interventions tailored to vulnerable patients," said Bruce Siegel, M.D., M.P.H., president and CEO of America’s Essential Hospitals. "We also need accurate risk adjustment, as included in this bill. The disproportionate impact of COVID-19 on racial and ethnic minorities has highlighted the need for this critical program improvement."

“America’s Physician Groups is pleased to support the Value Act because it includes several reforms that will go a long way toward strengthening the ACO model in the Medicare program,” said APG President and CEO Donald H. Crane. “The policy changes in this bill will help physicians continue providing high-quality, affordable health care for their patients, particularly during the ongoing COVID-19 crisis.”

“AMGA members are invested in the move to value-based care and ACOs are a critical part of that transition,” said AMGA President and CEO Jerry Penso, M.D., M.B.A. “This legislation strengthens the program by both by improving the incentives to participate and reforming the model’s framework so it supports providers’ ability to deliver care.”

“The AAMC greatly appreciates that Reps. Welch, DelBene and LaHood have introduced the bipartisan Value in Health Care Act aimed at improving and strengthening Medicare’s value-based care models and accountable care organizations through a number of beneficial reforms. This important bill will help the nation’s teaching hospitals and faculty practice plans as they continue their focus on providing care based on quality as opposed to volume. We especially appreciate the provisions that extend the Advanced APM (AAPM) bonus for six additional years and modify qualifying thresholds so that meaningful participation in AAPMs will be rewarded,” Karen Fisher, chief public policy officer at the Association of American Medical Colleges.

“The Value Act addresses many of the challenges that have limited the ability of hospitals and health systems to scale these initiatives for their Medicare patients and addresses several barriers to organizing programs for care that are sustainable,” said Chip Kahn, president and CEO of the Federation of American Hospitals. “FAH appreciates Rep. Welch, Rep. DelBene and Rep. LaHood’s leadership in bringing forward common-sense solutions that should be considered by Congress to improve patient care.”

“Now more than ever, the health care industry realizes the drawbacks of ongoing reliance on fee-for-service,” said Jeff Micklos, executive director of the Health Care Transformation Task Force. “The Value Act offers thoughtful reforms to existing value programs and provides meaningful incentives for providers to adopt and succeed in patient-centered alternative payment models.”

“Medical group practices remain committed to the central tenants of value-based payment reform. This legislation makes important updates to the ACO model and improves upon incentives for participating in value-based reimbursement models,” said Anders Gilberg, senior vice president of government affairs for the Medical Group Management Association. “We appreciate the work of these congressional offices to support physician practices transitioning to a Medicare payment system centered around high-quality, cost-effective care.”

“The COVID-19 pandemic has demonstrated that a fee-for-service system is unable to respond to evolving healthcare needs. The Value in Health Care Act will support healthcare providers in their transition to value-based arrangements that allow providers to innovate care, improve outcomes and lower cost,” said Blair Childs, Premier senior vice president of public affairs. “Premier applauds the leadership of Reps. Welch, DelBene and LaHood, especially in advancing incentives for risk-bearing APM adoption through extension of the MACRA bonus and altering thresholds to qualify for the bonus. Importantly, the bill also enables continued care transformation by fixing a benchmarking flaw in the MSSP that penalizes ACOs in certain communities that are achieving savings for the Medicare program.”

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About NAACOS. The National Association of ACOs (NAACOS) represents more than 12 million beneficiary lives through hundreds of organizations participating in population health-focused payment and delivery models in Medicare, Medicaid, and commercial insurance. Models include the Medicare Shared Savings Program (MSSP), Next Generation ACOs, and alternative payment models supported by a myriad of commercial health plans and Medicare Advantage. NAACOS is a member-led and member-owned nonprofit organization that works to improve quality of care, outcomes, and healthcare cost efficiency.