

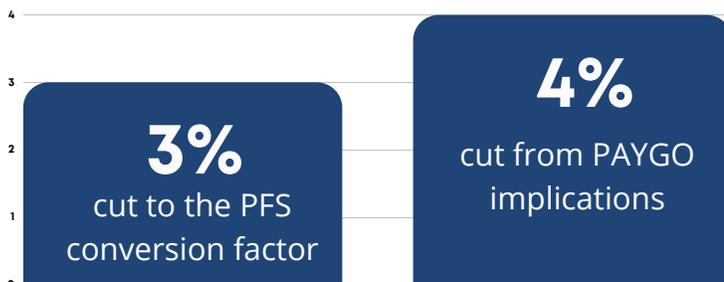


The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) sought to stabilize physician payment rates in the Medicare fee-for-service (FFS) system and incentivize physicians to move into new value-based payment models. Despite its positive intent, the quality component of the program has proved burdensome and costly due to excessive reporting requirements and inadequate alternative payment model (APM) participation options. Under MACRA’s revised methodology for annually updating the Medicare physician fee schedule (PFS), physician payments have not kept up with inflation or the cost of running a medical practice. MGMA’s Medicare physician payment reform efforts are focused on finding long-term solutions to addressing quality and payment, while averting significant near-term cuts to Medicare reimbursement of at least 7% scheduled for Jan 1, 2023.

SHORT-TERM LEGISLATIVE PRIORITIES

- ➔ Extend the Congressionally-enacted **3% increase to the PFS conversion factor**. Congress appropriated funds for 2022, which helped mitigate the slated cuts due to budget neutrality requirements associated with evaluation and management PFS policy changes that went into effect in 2021.
- ➔ Waive the **4% PAYGO sequester** resulting from legislation unrelated to Medicare (American Rescue Plan in 2021).
- ➔ Maintain the **Merit-based Incentive Payment System (MIPS) \$500 million annual pool** for exceptional performance.
- ➔ Replace anticipated cuts with positive, inflation-based updates for **at least the next two years**, while innovative models are developed.
- ➔ Pass legislation supporting value-based care that would:
 - Extend the expiring **5% bonus** for participating in an Advanced APM; and
 - Extend the lower thresholds required for Advanced APM participation at **50% instead of 75% level**.

ANTICIPATED CUTS TO MEDICARE REIMBURSEMENT WITHOUT CONGRESSIONAL INTERVENTION FOR 2023 AS COMPARED TO 2022:



LONG-TERM REFORM SHOULD INCLUDE POLICIES THAT:

- ➔ Ensure financial stability and predictability
- ➔ Promote value-based care
- ➔ Safeguard access to high-quality care

With a membership of more than 60,000 medical practice administrators, executives, and leaders, MGMA represents more than 15,000 medical groups in which more than 350,000 physicians practice. These groups range from small private practices in rural areas to large regional and national health systems and cover the full spectrum of physician specialties and organizational forms.

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