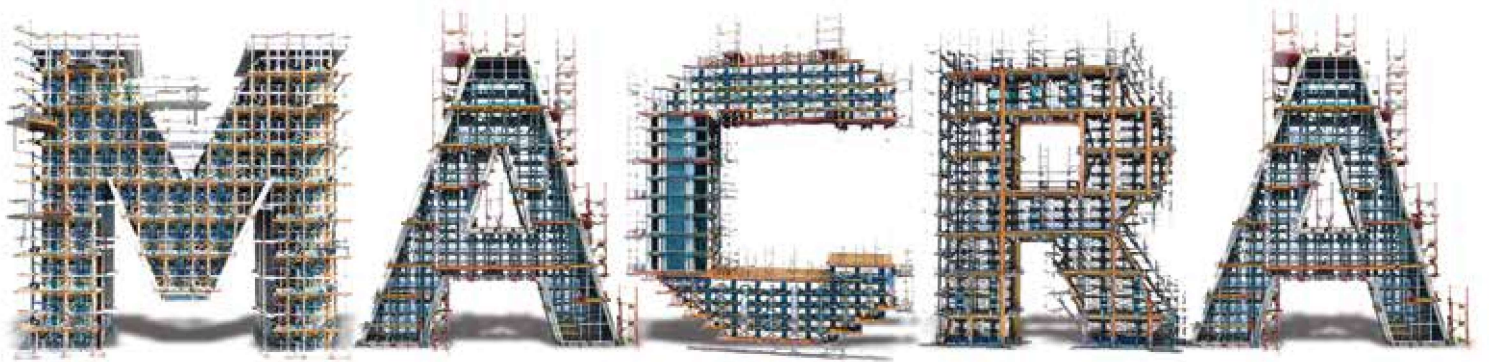




A Fixer-Upper...



...or a Tear-Down?

AMGA joins the task force for value-based care **By Darryl Drevna, MA**

The Medicare Access and CHIP Reauthorization Act (MACRA) significantly changed how Medicare pays physicians. Passage of the law permanently repealed the sustainable growth rate (SGR) and established the Quality Payment Program (QPP), a dual-track program that emphasizes value-based payment models. As the 10-year anniversary of MACRA's enactment nears, Congress is beginning the process to evaluate the effectiveness of MACRA and determine what aspects of the law need improvement.

As part of this process, key member of Congress requested input from AMGA and other stakeholders on how to improve MACRA and continue the transition to value-based care. AMGA and its members offer a unique perspective on MACRA, which has not fulfilled its intended purpose of providing a stable financing mechanism in Medicare Part B while

also helping providers succeed in value-based care. As Congress begins considering reforms to MACRA, AMGA is launching a MACRA and Value Task Force, which will develop and endorse policy recommendations to improve pathways to value and Part B physician payments.

Replacing SGR

At the time of MACRA's enactment, Congress was focused on repealing the flawed Sustainable Growth Rate (SGR) formula, which controlled the growth of aggregate Medicare expenditures for physicians' services. The SGR was designed to address spending growth driven in part by incentives in a fee-for-service reimbursement system that favored volume and intensity. To account for this, the SGR formula reduced fees for Medicare physicians if their total spending exceeded a target based on overall economic growth.

However, Congress—after repeatedly voting to prevent a cut based on the SGR formula—realized the SGR amounted to little more than a blunt tool to control aggregate spending; the system did not provide incentives for physicians to improve quality, coordinate care, or control costs. MACRA replaced this system with modest annual payment updates and new programs designed to transition Medicare to be based on the value of care provided. By explicitly linking quality and accountability for costs to what Medicare would pay, MACRA was considered a step toward rewarding high-performing providers.

Almost 10 years later, however, MACRA has not performed as intended, and systematic changes are necessary. AMGA's MACRA and Value Task Force will evaluate the effectiveness of the law and will then develop and endorse policy recommendations to incentivize AMGA members' transition to and success in value-based care.

The Task Force's Mission

Over the next several months, the Task Force will develop policies to improve the financial viability of group practices and

give them the foundation to invest in the staffing and technology needed to participate effectively in value-based care. As part of this effort, the Task Force also will identify obstacles to value-based care and recommend policy changes to eliminate the regulatory, statutory, and other barriers that need to be addressed for MACRA to fulfill its purpose of increasing value in the U.S. healthcare system.

As part of its efforts to advance value-based care, AMGA is leading the movement in the transformation of the healthcare system. The Task Force will align with this larger goal and have an opportunity to provide valuable insight and expertise to Congress on how to improve MACRA while concurrently advancing AMGA's value goals. The reauthorization of MACRA offers an opportunity for AMGA and its members to reshape Medicare's reimbursement system, and our new Task Force will lead the effort to develop and advocate for the reforms needed for our members to succeed in value-based care models. [GRJ](#)

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