



Advancing High Performance Health

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## 2022 Issue Brief

### Pathway to Value

#### Issue

Over the past several years, federal policymakers have embarked on bipartisan efforts to transition the current healthcare landscape to value-based care and reimbursement. However, providers still face significant impediments to taking risk which slow the progress to moving to an actual value-based healthcare system. Policymakers must address the significant obstacles and challenges that currently exist in the healthcare market to clear a clear pathway to value-based care.

#### Extending Hospital at Home

During the COVID-19 pandemic, the Centers for Medicare & Medicaid Services (CMS) implemented the Acute Hospital Care at Home (AHCAH) flexibilities to allow Medicare beneficiaries to receive acute-level healthcare services in their home environment. The AHCAH Program also allows for greater acute care management, covering the treatment of more than 60 acute conditions such as asthma, congestive heart failure, pneumonia, and chronic obstructive pulmonary disease (COPD), ensuring that patients can be treated appropriately and safely in the home setting. However, this regulatory flexibility is tied to the COVID-19 public health emergency (PHE).

Congress should extend the AHCAH waiver flexibilities beyond the conclusion of the PHE to ensure providers and their patients have stability and certainty as they continue to invest in providing acute-level services in the home.

#### Improving Federal Accountable Care Organization (ACO) Program

Though many ACOs have saved Medicare dollars and increased overall quality, they have encountered significant obstacles in program design that threaten the future viability of the program.

One impediment is that the 5% Advanced Alternative Payment Model (APM) incentive payments under the Medicare Access to CHIP Reauthorization Act of 2015 are expiring at the end of the year. The Advanced APM is a path that offers additional incentive payments to foster high-quality, cost-efficient care while generating savings for the Medicare program. To ensure providers are supported in their transition to value-based, patient-center care, Congress should extend Advanced APM incentive payments for at least another six years.

In addition, CMS currently includes all beneficiaries in the regional adjustment factor that is used to calculate an ACO's benchmark, which is a disadvantage to ACOs that perform well relative to the rest of their region. To remedy this situation, policymakers should remove an ACO's population from CMS' regional adjustment calculation. This change will result in more ACOs

participating in the Medicare Shared Savings Program (MSSP) and reward them for delivering higher quality, lower cost care, regardless of their geographic location.

Additionally, Congress should increase the shared savings rates for ACOs in the MSSP, update risk adjustment rules, eliminate the artificial distinction between “high” and “low” revenue ACOs, and reinstate the ACO Investment Model.

### **Ensuring Access to Care for the Chronically Ill**

Chronic care management (CCM) is an important part of coordinated care and remains a key issue as patients gain and maintain access to quality care. In 2015, Medicare began reimbursing providers for CCM under a separate code in the Medicare Physician Fee Schedule. This code is designed to reimburse providers for primarily non-face-to-face care management. Under current policy, Medicare beneficiaries are subject to a 20% coinsurance requirement to receive the service. Consequently, only 684,000 out of 35 million eligible Medicare beneficiaries with two or more chronic conditions benefitted from CCM services over the first two years of the payment policy.

Removing the coinsurance payment requirement would facilitate more comprehensive management of chronic care conditions and improve the health of Medicare patients. Providers and care managers have discovered several positive outcomes for CCM beneficiaries, including improved patient satisfaction and adherence to recommended therapies, improved clinician efficiency, and decreased hospitalizations and emergency department visits.

### **Ensuring Provider Access to Data**

AMGA has conducted four risk-readiness surveys of its membership to obtain a snapshot of the progress and challenges providers face during this transformation of the U.S. healthcare system. To ensure the successful transition from volume to value, legislators must address significant obstacles in the healthcare market identified in the survey results. In the surveys, AMGA members repeatedly expressed concern with the lack of access to timely federal and commercial payer administrative claims data.

Last Congress, the Senate Health, Education, Labor and Pensions (HELP) Committee included a provision in the Lower Health Care Costs Act that would allow providers to access commercial payers’ administrative claims data. This provision was not included in the final law, but studies have shown that if providers have access to commercial claims data, they are able to understand what services their patients utilize outside of their practices, allowing them to create better care management plans for their patients.<sup>i</sup>

### **AMGA asks Congress to:**

- **Approve H.R. 7053/S. 3792, the Hospital Inpatient Services Modernization Act, which would extend the Hospital at Home flexibilities another two years**
- **Approve the H.R. 4587, the Value in Health Care Act of 2021, and H.R. 3746, the Accountable Care in Rural America Act, which would improve and strengthen the MSSP program and extend APM incentives**

- **Approve H.R. 4755, the Seniors' Chronic Care Management Improvement Act of 2021, which would waive the current CCM code coinsurance requirements for Medicare beneficiaries**
- **Require federal and commercial payers to provide healthcare providers access to all administrative claims data**

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<sup>1</sup> U.S. Government Accountability Office. (2018, December). *Medicare: Voluntary and Mandatory Episode-Based Payment Models and Their Participants* (Report No. GAO-19-156). Retrieved from <https://www.gao.gov/assets/700/696264.pdf>