

**Federal policymakers should consider ways to make the Medicare Advanced Alternative Payment Model (APM) program more viable, including passing legislation that reauthorizes crucial incentive payments and provides the Secretary of the Department of Health and Human Services (HHS) the authority to gradually increase the revenue threshold required to even qualify for the bonuses.** When Congress passed the Medicare Access and CHIP Reauthorization Act (MACRA) in 2015, it included 5% bonus payments to incentivize participation in APMs, which are intended to accelerate the delivery of high-quality care and generate savings for the Medicare program. Absent Congressional intervention, the APM incentive payments were only authorized to remain available for qualifying APM participants through the end of the 2022 performance year. **Thankfully, Congress passed the Consolidated Appropriations Act, 2023, in December 2022 that included key provisions continuing a 3.5% APM incentive payment at the existing 50% revenue threshold for an additional 12-months (through the 2023 performance year).**

Unfortunately, to date, the development and availability of APMs for physicians, especially specialists, to participate in has been extremely limited. Unsatisfied with this reality, AMA is committed to continuing to work with HHS to expand the availability of value-based APMs and remove barriers to participation. In fact, AMA and other key physician stakeholders are working to reintroduce the bipartisan **Value in Health Care (VALUE) Act**, new stand-alone legislation that, at a minimum, provides a six-year extension (through the 2031 payment year) of traditional 5% APM incentive payments and makes further improvements to encourage increased physician participation as opportunities become available. Representatives Darin LaHood (R-IL) and Suzan DelBene (D-WA) are expected to introduce this updated version of the VALUE Act in the 118th Congress.

## **Expiring in 2023 - MACRA's 5% Payment Incentive for Advanced APMs**

It is important to note that there is a two-year lag between performance and payment years. Currently, Advanced APMs can only earn the 3.5% payment incentive **through the end of 2023**. Congressional activity will be required to further extend either the 3.5% or more traditional 5% APM incentive payments.

## **Expiring in 2023 - Qualifying APM Participant (QP) Thresholds**

Physicians participating in Advanced APMs must take on risk for the APM's quality and cost results, use Certified Electronic Health Record Technology, and be evaluated on multiple quality measures. Only Advanced APM participants who meet the "QP threshold" will receive the 5% Medicare payment incentive. To qualify, physicians participating in an Advanced APM must receive either 50% of their payments or have 35% of their patients affiliated with the APM. This payment threshold is **set to increase from 50% to 75% at the end of 2023**, which will make it more difficult, if not impossible, for physicians to qualify for positive payment updates in the coming years.

**As a result, the AMA is calling on Congress to prevent a scheduled 3.5% payment cut for physicians participating in Advanced Alternative Payment Models and the corresponding revenue threshold jump at the end of 2023 by passing an updated version of the Value in Health Care Act before the end of the year. Without Congressional intervention, the future sustainability of APMs is in jeopardy.**