**Characteristics of a Rational Medicare Payment System**

**Simplicity, relevance, alignment, and predictability**, for physician practices and the Centers for Medicare and Medicaid Services (CMS).

### Ensuring financial stability and predictability

- **Provide financial stability** through a baseline positive annual update reflecting inflation in practice costs, and eliminate, replace or revise budget neutrality requirements to allow for appropriate changes in spending growth.

- **Recognize fiscal responsibility**. Payment models should invest in and recognize physicians’ contributions in providing high-value care and the associated savings and quality improvements across all parts of Medicare and the health care system (e.g., preventing hospitalizations).

- **Encourage collaboration, competition and patient choice rather than consolidation** through innovation, stability, and reduced complexity by eliminating the need for physicians to choose between retirement, selling their practices or suffering continued burnout.

### Promoting value-based care

- **Reward the value of care provided to patients**, rather than administrative activities—such as data entry—that may not be relevant to the service being provided or the patient receiving care.

- **Encourage innovation**, so practices and systems can be redesigned and continuously refined to provide high-value care and include historically non-covered services that improve care for all or a specific subset of patients (e.g., Chronic Obstructive Pulmonary Disease, Crohn’s Disease), as well as for higher risk and higher cost populations.

- **Offer a variety of payment models and incentives tailored to the distinct characteristics of different specialties and practice settings**. Participation in new models must be voluntary and continue to be incentivized. A fee-for-service payment model must also remain a financially viable option.

- **Provide timely, actionable data**. Physicians need timely access to analyses of their claims data, so they can identify and reduce avoidable costs. Though Congress took action to give physicians access to their data, they still do not receive timely, actionable feedback on their resource use and attributed costs in Medicare. Physicians should be held accountable only for the costs they control or direct.

- **Recognize the value of clinical data registries** as a tool for improving quality of care, with their outcome measures and prompt feedback on performance.

### Safeguarding access to high-quality care

- **Advance health equity and reduce disparities**. Payment model innovations should be risk-adjusted and recognize physicians’ contributions to reducing health disparities, addressing social drivers of care, and tackling health inequities. Physicians need support as they care for historically marginalized, higher risk, hard to reach or sicker populations.

- **Support practices where they are** by recognizing that the high-value care is provided by both small practices and large systems, and in both rural and urban settings.
Endorsed by:

American Medical Association
AMDA - The Society for PALTC Medicine
American Academy of Dermatology Association
American Academy of Facial Plastic and Reconstructive Surgery
American Academy of Family Physicians
American Academy of Hospice and Palliative Medicine
American Academy of Neurology
American Academy of Ophthalmology
American Academy of Otolaryngology- Head and Neck Surgery
American Academy of Physical Medicine & Rehabilitation
American Academy of Sleep Medicine
American Association of Neurological Surgeons
American Association of Orthopaedic Surgeons
American College of Allergy & Immunology
American College of Cardiology
American College of Emergency Physicians
American College of Gastroenterology
American College of Mohs Surgery
American College of Obstetricians and Gynecologists
American College of Osteopathic Surgeons
American College of Physicians
American College of Radiation Oncology
American College of Rheumatology
American College of Surgeons
American Gastroenterological Association
American Geriatrics Society
American Medical Group Association
American Medical Women’s Association
American Osteopathic Association
American Psychiatric Association
American Rhinologic Society
American Society for Clinical Pathology
American Society for Gastrointestinal Endoscopy
American Society for Laser Medicine and Surgery
American Society for Radiation Oncology
American Society for Surgery of the Hand
American Society of Anesthesiologists
American Society of Breast Surgeons
American Society of Cataract and Refractive Surgery
American Society of Dermatologic Surgery Association
American Society of Hematology
American Society of Neuroimaging
American Society of Nuclear Cardiology
American Society of Plastic Surgeons
American Society of Retina Specialists
American Society of Transplant Surgeons
American Urological Association
American Vein & Lymphatic Society
American Venous Forum
Association for Clinical Oncology
College of American Pathologists
Congress of Neurological Surgeons
Endocrine Society
Heart Rhythm Society
International Society for Advancement of Spine Surgery
Medical Group Management Association
North American Spine Society
Outpatient Endovascular and Interventional Society
Renal Physicians Association
Society for Cardiovascular Angiography and Interventions
Society for Pediatric Dermatology
Society for Vascular Surgery
Society of Interventional Radiology
Society of Gynecologic Oncology
Spine Intervention Society
Medical Association of the State of Alabama
Alaska State Medical Association
Arizona Medical Association
Arkansas Medical Society
California Medical Association
Colorado Medical Society
Connecticut State Medical Society
Medical Society of Delaware
Medical Society of the District of Columbia
Florida Medical Association Inc
Medical Association of Georgia
Hawaii Medical Association
Idaho Medical Association
Illinois State Medical Society
Indiana State Medical Association
Iowa Medical Society
Kansas Medical Society
Kentucky Medical Association
Louisiana State Medical Society
Maine Medical Association
MedChi, The Maryland State Medical Society
Massachusetts Medical Society
Michigan State Medical Society
Minnesota Medical Association
Mississippi State Medical Association
Missouri State Medical Association
Montana Medical Association
Nebraska Medical Association
Nevada State Medical Association
New Hampshire Medical Society
Medical Society of New Jersey
New Mexico Medical Society
Medical Society of the State of New York
North Carolina Medical Society
North Dakota Medical Association
Ohio State Medical Association
Oklahoma State Medical Association
Oregon Medical Association
Pennsylvania Medical Society
Rhode Island Medical Society
South Carolina Medical Association
South Dakota State Medical Association
Tennessee Medical Association
Texas Medical Association
Utah Medical Association
Vermont Medical Society
Medical Society of Virginia
Washington State Medical Association
West Virginia State Medical Association
Wisconsin Medical Society
Wyoming Medical Society

Characteristics of a Rational Medicare Payment System