



Sound Policy. Quality Care.

October 15, 2019

The Honorable Chuck Grassley
Chairman,
Senate Finance Committee

The Honorable Ron Wyden
Ranking Member,
Senate Finance Committee

The Honorable Richard Neal
Chairman,
House Ways & Means Committee

The Honorable Kevin Brady
Ranking Member,
House Ways & Means Committee

The Honorable Frank Pallone
Chairman,
House Energy & Commerce Committee

The Honorable Greg Walden
Ranking Member,
House Energy & Commerce Committee

Dear Chairmen and Ranking Members,

The Alliance of Specialty Medicine (the “Alliance”) represents more than 100,000 specialty physicians and is dedicated to the development of sound federal health care policy that fosters patient access to the highest quality specialty care. The Alliance writes to **urge Congress to extend positive physician payment updates to the conversion factor, the Merit-based Incentive Payment System (MIPS) exceptional performance bonus and the Advanced Alternative Payment Models (A-APM) incentive payments.** Currently, these positive payments are scheduled to expire at the end of 2019, and the MIPS exceptional performance bonus and A-APM incentive payments will expire at the end of 2022. Positive payment updates will help to ensure that Medicare fee-for-service (FFS) and the programs under the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) continue to be viable options to ensure access to quality specialty care for all our patients.

We thank Congress for the enactment of technical corrections to MACRA in the Bipartisan Budget Act of 2018 (BBA of 2018), which significantly improved the ability of Medicare physicians to participate in MIPS – an important pathway for specialists to engage in the Centers for Medicare and Medicaid Services (CMS) Quality Payment Program (QPP). However, stable payment updates for Medicare physicians are essential to ensure ongoing, and even increased, engagement in the QPP. In addition, as specialty-focused advanced alternative payment models (A-APM) are developed and implemented, incentives to participate in this track of the QPP must be available.

As you may know, beginning in calendar year (CY) 2020, the Medicare physician payments formula will receive no increases for six years, until 2026, thus creating a scenario where the Medicare Physician Fee Schedule conversion factor is likely to go down because of rules governing budget neutrality. Beginning in 2026, physicians participating in MIPS will receive a 0.25% update, while those providing a significant portion of their services in A-APMs will receive a 0.75% update. Even before these smaller updates, physician reimbursement has failed to keep up with inflation and the cost of participating in the QPP. In fact, the Medicare Trustees’ report projects that inflation will increase physician practice expense during the same period by about 2.2%. At the same time, physicians will face an increasingly higher bar in regard to reporting requirements, eligibility and QPP performance thresholds, and not have access to

the MIPS exceptional performance bonus after performance year 2022. **The Alliance urges Congress to extend positive payment updates to the conversion factor and the MIPS exceptional performance bonus to ensure practices can continue to make investments in the tools needed to participate effectively in the QPP.**

In addition, physicians currently participating in A-APMs receive a 5% bonus, which is scheduled to expire after the 2022 performance year. There are limited opportunities for specialists to participate in A-APMs at present, as the existing models are primary care-focused and not well-suited for specialists. However, CMS and other stakeholders are expected to increase the pace of developing and testing new models – including specialty-focused models – over the coming years. At that time, more specialists may decide to engage in the A-APM track of the QPP, and the financial risk and additional administrative costs of implementing the models will need to be offset by the incentive payment. Therefore, **we encourage Congress to extend the A-APM incentive payment for an additional six years, which would help facilitate specialty physician movement toward new and innovative models.**

Finally, and critical to our aforementioned points, is the recognition that **FFS remains the most appropriate reimbursement structure for many specialists.** Generally, specialists and sub-specialists treat specific diseases and organ systems, providing focused interventions that may include pharmaceutical, procedural, or surgical services. This specialization has led to efficient care delivery, eliminating variations in cost and quality for key conditions and related services. While alternative payment and delivery models may be appropriate for some specialists, a viable FFS option must be available for those in which A-APMs are not appropriate. These concerns are more fully explained in our Congressional testimony on this issue:

<https://energycommerce.house.gov/sites/democrats.energycommerce.house.gov/files/documents/Testimony-Parekh-%20HE-MACRA-and-MIPS-An-Update-on-the-Merit-based-Incentive-Payment-System-2018-07-26.pdf>

Thank you for your consideration of these important issues to specialty physicians. We look forward to meeting with you in the coming weeks and months to discuss the most appropriate mechanism for extending positive physician payment updates and incentives for A-APM participation.

Sincerely,

American Association of Neurological Surgeons
American College of Osteopathic Surgeons
American College of Mohs Surgery
American Gastroenterological Association
American Society for Dermatologic Surgery Association
American Society of Cataract and Refractive Surgery
American Society of Echocardiography
American Society of Plastic Surgeons
American Society of Retina Specialists
American Urological Association
Coalition of State Rheumatology Organizations
Congress of Neurological Surgeons
National Association of Spine Specialists
Society for Cardiovascular Angiography and Interventions