MEMORANDUM

To: Members and Staff, Subcommittee on Oversight and Investigations

From: Majority Committee Staff

Re: Hearing on "Medicare Access and CHIP Reauthorization Act of 2015"

The Subcommittee on Oversight and Investigations will hold a hearing on Thursday, June 22, 2023, at 10:30 a.m. (ET). The hearing will take place in 2322 Rayburn House Office Building and is entitled, "MACRA Checkup: Assessing Implementation and Challenges that Remain for Patients and Doctors."

I. WITNESSES

- Joe Albanese, Policy Analyst, Paragon Institute
- Aisha Pittman, Senior Vice President, National Association of ACOs
- Anas Daghestani, M.D., Chair of the Board of America's Physician Groups, Chief Executive Officer of the Austin Regional Clinic in Texas
- J. Michael McWilliams M.D., PhD, Warren Alpert Foundation Professor of Health Care Policy Professor of Medicine Dept. of Health Care Policy, Harvard Medical School

II. OVERVIEW

The hearing will provide an opportunity for the Energy and Commerce Subcommittee on Oversight and Investigations to conduct oversight on the implementation and effectiveness of the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA), which aimed to shift the focus from volume, or quantity, to value, or quality, in health care.[1] The hearing will explore various aspects of MACRA, including the administrative burden of the Merit-based Incentive Payment System (MIPS), the transition to Advanced Alternative Payment Models (APMs), and the impact on small, independent doctors as well as rural and underserved areas.[2] The hearing will also delve into the role of the Center for Medicare and Medicaid Innovation (CMMI) and the Physician-Focused Payment Model Technical Advisory Committee (PTAC) in the development and approval of APMs, with a focus on the need for less bureaucracy and more provider-driven

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[1] *P.L. 114-010*, https://www.ssa.gov/OP_Home/comp2/F114-010.html.

[2] Albanese, Joe. *Macra: Medicare's Fitful Quest for Value-Based Care - Paragon Institute*, May 2023, paragoninstitute.org/wp-content/uploads/2023/05/20230501_Albanese_MACRAMedicaresFitfulQuestforValue-BasedCare_FINAL_20230505_V2.pdf. *See Also*: Kielty, (July 24, 2018), https://democrats-energycommerce.house.gov/sites/democrats.energycommerce.house.gov/files/documents/Testimony-Barbe-%20HE-MACRA-and-MIPS-An-Update-on-the-Merit-based-Incentive-Payment-System-2018-07-26.pdf.

models.[3] This hearing will also serve as an essential function of the Subcommittee's oversight responsibilities, ensuring that MACRA is implemented effectively and achieves its intended goals.

III. BACKGROUND

In 2015, Congress passed the Medicare Access and CHIP Reauthorization Act (MACRA) with bipartisan support.[4] This legislation replaced the Sustainable Growth Rate (SGR), a formula that had been used to determine Medicare payments to physicians but had led to uncertainty and the threat of severe cuts.[5] MACRA aimed to provide a more stable and predictable payment system and shifted the focus from volume to value in health care. The goal was to incentivize quality over quantity, encouraging providers to deliver the best possible care to Medicare beneficiaries and use taxpayer dollars effectively. MACRA also includes provisions for providing technical assistance to providers, particularly those in small practices and rural areas.[6]

Since its implementation, MACRA has introduced two new payment tracks: the Merit-based Incentive Payment System (MIPS) and Advanced Alternative Payment Models (APMs).[7]

1. **MIPS**: MIPS is a system for value-based reimbursement with the goal of promoting the ongoing improvement and innovation to health care. It combines parts of the Physician Quality Reporting System (PQRS), the Value-based Payment Modifier (VBM), and the Medicare Electronic Health Record (EHR) incentive program into one single program.

2. **APMs**: APMs are new approaches to paying for medical care through Medicare that incentivize quality and value.

While these tracks were designed to promote high-quality, cost-effective care, their implementation has also raised several concerns.[8] The administrative complexity of MIPS has led

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[3] U.S. Government Accountability Office, *GAO-22-104667, MEDICARE: Provider Performance and Experiences Under the Merit-based Incentive Payment System*, (Sept. 29, 2021), https://www.gao.gov/assets/gao-22-104667.pdf. *See Also:* Zack Cooper et al., "*Review of the Expert and Academic Literature Assessing Impact of Medicare Access and CHIP Reauthorization Act of 2015*," Yale University Tobin Center for Economic Policy, April 13, 2023, https://tobin.yale.edu/sites/default/files/2023-06/20230413_MACRA%20Literature%20Review.pdf.

[4] House Passes H.R. 2, Medicare Access and CHIP Reauthorization Act of 2015, https://www.ssa.gov/legislation/legis_bulletin_042115.html.

[5] Kurt, (July 24, 2018), https://democrats-energycommerce.house.gov/sites/democrats.energycommerce.house.gov/files/documents/Testimony-Ransohoff-%20HE-MACRA-and-MIPS-An-Update-on-the-Merit-based-Incentive-Payment-System-2018-07-26.pdf. *See Also: Medicare Physician Payment Reform After Two Years: Examining MACRA Implementation and the Road Ahead*, The United States Senate Committee on Finance (May 8, 2019), https://www.finance.senate.gov/hearings/medicare-physician-payment-reform-after-two-years-examining-macra-implementation-and-the-road-ahead.

[6] Medicare Access and CHIP Reauthorization Act of 2015, Pub. L. No. 114-10, § 101, 129 Stat. 87 (2015) (amending Social Security Act § 1848(q)(11)).

[7] *MACRA: MIPS & APMs*, (Apr. 1, 2022), https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/MACRA-MIPS-and-APMs/MACRA-MIPS-and-APMs.

[8] Albanese, Joe. *Macra: Medicare's Fitful Quest for Value-Based Care - Paragon Institute*, May 2023, paragoninstitute.org/wp-content/uploads/2023/05/20230501_Albanese_MACRAMedicaresFitfulQuestforValue-BasedCare_FINAL_20230505_V2.pdf.

to significant costs for clinicians, highlighting the need for less government bureaucracy. The transition to APMs has been slow, particularly for small, independent doctors and those in rural and underserved areas, which suggests a need for increased flexibility and decreased regulatory burden.[9] There is also concern about the role of the Center for Medicare and Medicaid Innovation (CMMI) and the Physician-Focused Payment Model Technical Advisory Committee (PTAC) in the development and approval of APMs, with a perceived bias against provider-driven models.[10]

These developments highlight the need for Congressional oversight. While MACRA was passed with noble intention, its implementation has revealed unintended consequences and areas for improvement.[11] Oversight is necessary to ensure that MACRA is achieving its goal of improving the quality and value of health care for Medicare beneficiaries, without imposing undue burdens on providers or expanding government control. This hearing will provide an opportunity to examine these issues in detail, hear from stakeholders, and gather information to inform Congressional decisions.

IV. KEY QUESTIONS

- What are the barriers to the development and implementation of more provider-driven models and Advanced Alternative Payment Models (APMs) within the MACRA framework, and what potential pathways exist to encourage their development?

- What are the specific challenges that small, independent doctors have encountered in transitioning to APMs under MACRA, and how might MACRA be adapted to better address the unique needs of rural areas and support the vital role of independent doctors?

- What can be done to reduce the administrative costs and bureaucracy associated with MACRA, and how might the roles of the Center for Medicare and Medicaid Innovation (CMMI) and the Physician-Focused Payment Model Technical Advisory Committee (PTAC) be reconsidered to encourage the development and approval of APMs, while promoting more provider-driven models?

- How effective is the technical assistance for healthcare providers, particularly those in small practices and rural areas, as stipulated under MACRA?

- Has there been a measurable improvement in the quality of care under MACRA, and what metrics are being used to assess this?

- How does the CMS Innovation Center's stated goal of placing all Medicare fee-for-service beneficiaries into a "care relationship with accountability for quality and total cost of care by

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[9] *Id.*
[10] U.S. Government Accountability Office, *GAO-22-104667, MEDICARE: Provider Performance and Experiences Under the Merit-based Incentive Payment System*, (Sept. 29, 2021), https://www.gao.gov/assets/gao-22-104667.pdf.
[11] Albanese, Joe. *Macra: Medicare's Fitful Quest for Value-Based Care - Paragon Institute*, May 2023, paragoninstitute.org/wp-content/uploads/2023/05/20230501_Albanese_MACRAMedicaresFitfulQuestforValue-BasedCare_FINAL_20230505_V2.pdf.

2030," affect MACRA implementation and what can be done to reconcile this goal with the principles and policies in MACRA?[12]

- How can policymakers apply lessons or data from value-based programs outside of Medicare fee-for-service, such as Medicare Advantage, to strengthen MACRA and improve oversight of the law through greater accountability, more meaningful measures of health care quality, and better health for patients?

V. STAFF CONTACTS

If you have any questions regarding the hearing, please contact Gavin Proffitt of the Subcommittee on Oversight and Investigations Majority staff at (202) 225-3641.

[12] *Strategic Direction*, CMS Innovation Center (June 9, 2023), https://innovation.cms.gov/strategic-direction.