



COMMITTEE ON  
**ENERGY & COMMERCE**  
DEMOCRATS  
RANKING MEMBER FRANK PALLONE, JR.

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## **Pallone Remarks at Hearing on MACRA and the Merit-Based Incentive Payment System**

**Washington, D.C.** – *Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) delivered the following opening remarks today at a Subcommittee on Health hearing on “MACRA and MIPS: An Update on the Merit-Based Incentive Payment System.”*

We’re meeting today to discuss one of the great bipartisan success stories of this Committee, the Medicare Access and CHIP Reauthorization Act of 2015, or MACRA. MACRA built upon the successes of the Affordable Care Act to improve the quality and efficiency of the Medicare program, and of our health care system more broadly.

The ACA took major steps towards improving the quality of our health care system by creating new models of health care delivery within the Medicare program. These new payment and delivery models focused on transforming clinical care and shifting from a volume- to a value-based care model, such as Accountable Care Organizations (ACOs) and Patient Centered Medical Homes (PCMHs).

With MACRA, we are entering the next phase of delivery system reform. MACRA builds on reform efforts by offering opportunities and financial incentives for physicians to transition to new payment models known as Advanced Alternative Payment Models, or AAPMs. AAPMs must meet a number of criteria, and requires clinicians to accept some financial risk for the quality and cost outcomes of their patients. Physicians can join existing and successful models that qualify as AAPMs, such as ACOs and the Comprehensive Primary Care Plus (CPC+) model, which we will hear about today. They can also develop their own models, known as Physician-Focused Payment Models.

MACRA also created the Merit-Based Incentive Payment System, or MIPS. This is an alternative path for clinicians to make the shift away from a volume-based system to a value-based system. It focuses on quality, value, and accountability.

Our witnesses practice in a variety of settings across the country and represent diverse expertise and training. They each have a unique perspective to share with us regarding the

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implementation of MACRA. I know that some of our witnesses have concerns about how MIPS has been implemented by CMS, in particular the decision by the agency to exclude 58 percent of providers from MIPS requirements through the low-volume adjustment. I share these concerns and want to learn more about how CMS's decisions may impact successful MACRA implementation going forward.

I want to thank you all for your commitment to delivery system reform—it is only through the sustained commitment of the leading physician organizations and clinicians such as yourselves that we can hope to bend the cost curve and create a system that truly rewards high value care. I hope that after hearing from our panelists today, we will all have a better understanding of the opportunities and challenges faced by physicians in the MIPS program.

Thank you, I yield back the remainder of my time.

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