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## **Maintain a Viable Fee-For-Service Option & the Merit-based Incentive Payment System (MIPS) program**

### **REQUEST**

The Alliance of Specialty Medicine (Alliance) urges Congress to maintain a viable fee-for-service (FFS) option in Part B, along with the MIPS program; and reject MedPAC's recommendation to replace MIPS with a program not relevant to specialists.

### **BACKGROUND**

Specialists have little or no ability to engage meaningfully in current Advanced Alternative Payment Models (APMs) and must continue to have the option to provide care to beneficiaries on an episodic basis. The current FFS option is serving beneficiaries well and allowing physicians in different geographic areas and practice sizes to provide specialty care. In addition, Congress must maintain the MIPS program as the pathway for FFS physicians to engage in quality improvement and should reject the Medicare Payment Advisory Commission's (MedPAC) call to replace MIPS with a voluntary value program (VVP) that will not be relevant to specialty physicians.

### **MAINTAINING FEE-FOR SERVICE OPTION AND MIPS**

Fee-for-service (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. As a result, specialty care may not be well-suited for reimbursement models other than FFS. To demonstrate their commitment to continued quality improvement and resource efficiency, most specialists participate in the MIPS program, allowing them to focus on measures that are relevant to their practice, specialty and that are within their control.

The Alliance thanks Congress for including "technical corrections" to the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) as part of the Bipartisan Budget Act of 2018 (Public Law 115-123). These provisions will significantly improve the ability of Medicare physicians, particularly specialists, to continue to participate in quality improvement activities, and specifically in the MIPS track of MACRA. The Alliance continues to work with the Centers for Medicare and Medicaid Services (CMS) on additional program refinements that will promote continued robust specialty participation.

### **OPPOSITION TO MEDPAC PROPOSAL**

Despite technical fixes to MIPS, MedPAC recommended repealing and replacing it with the VVP, which would subject all physicians to a withhold of a portion of their Medicare FFS reimbursements. Physicians could earn the withhold back by joining Advanced APMs (A-APMs), which are geared towards primary care. Those who do not join A-APMs could work toward earning some or all of the withhold back by joining large, "virtual" groups of physicians and be evaluated using primary care-focused population health measures. Physicians not participating in A-APMs or large, "virtual" groups are certain to absorb steep financial withholds. However, most A-APMs are geared toward primary care evidenced by the quality measures

reported by these entities, which focus on preventative care and population health. Most specialty physicians have found that participation in small, primary care-led ACOs is difficult, if not impossible, while those in large, hospital- or health system-centered ACOs have no meaningful engagement and are generally unaware they are even participants. Further, large, “virtual” group measures provide no information about individual physician performance and do not focus on specialty care. As was observed in the Value-Based Payment Modifier application of the Medicare Spending Per Beneficiary and Total Per Capita Costs, these measures provided no useful data, as they include the cost of care provided by other physicians. In A-APMs and large, “virtual” groups specialists remain unable to control quality and resource use outside the clinical area in which they have expertise, and deliver care and treatment, including surgery and other procedures.

MedPAC’s recommendation also fails to account for the unique circumstances of solo, small, and rural practices to take on the additional administrative burden and financial risk of implementing APMs. Many small specialty practices operate on thin profit margins and may not have enough administrative staff to study, implement, and oversee a transition away from FFS into an APM. Rural physicians may not have any local models available to join or may be the only provider of certain procedures or treating certain diseases. These small and rural practices not only have to contend with the potential downside risks associated with APMs but consider what effect possible penalties could have on their ability to remain in business and provide needed care to beneficiaries. Fee-for-service ensures physicians know they will be able to cover the costs of treatment and continue seeing patients.

Specialists are an essential and needed component of the healthcare system. Specialists use their deep knowledge and expertise to reach a precise medical diagnosis, present the full array of available medical and surgical interventions, collaborate closely with their patients to determine which option is most appropriate based on their preferences and values, and coordinate and manage their specialty and related care until treatment, including surgery, is complete. No other clinician, provider or health care professional can replace the value offered by specialty physicians.

**To that end, maintaining a viable fee-for-service option in Medicare Part B is necessary, as it is the most appropriate reimbursement structure for many specialists and will help to preserve patient access to the unique services offered by specialists. Furthermore, MIPS is the only meaningful and viable pathway for many specialists to engage in the Quality Payment Program established under MACRA.**