

Q&A: Congress's Role in Preserving Value-Based Care

What is value-based care?

Value-based care means physicians and other types of clinicians and healthcare organizations provide the right care, at the right time, and in the right setting. Value-based care takes many forms, including Advanced Alternative Payment Models (AAPMs) that incentivize clinicians to deliver high-quality care while lowering costs to patients and the Medicare program.

When did Congress begin incentivizing clinician participation in value-based care?

The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) was a bipartisan effort to provide physicians with greater budgetary certainty while simultaneously incentivizing the movement to value-based care. MACRA included financial incentives to encourage physicians and other clinicians to participate in value-based AAPMs, where physicians and other clinicians are held accountable for the total cost and quality of care provided. These incentives have been instrumental in encouraging participation in AAPMs.

Are the incentives permanent?

Eligibility to earn the MACRA-authorized incentive payments expires on December 31, 2022. If the payments are allowed to expire, it could result in 100,000 fewer physicians and other clinicians practicing value-based care. Letting the payment incentives expire would be a big step backwards for patients, the sustainability of Medicare, and the nation's healthcare system.

Why is the incentive needed?

The incentive is a valuable tool that helps attract physicians and other types of clinicians and provider organizations to participate in AAPMs. It also enables them to reinvest in care transformation initiatives that benefit patients—like care coordination efforts, services that address social determinants of health, and technology that improves patient engagement.

How do patients benefit?

The incentive helps physicians and other types of clinicians deliver value-based care which enhances patient experience and outcomes. When surveyed, more than two-thirds of provider practices agreed that value-based care delivered higher quality care to patients. For example, value-based care is more likely to prevent hospital readmissions and reduce emergency department visits.

It's not just Medicare patients who benefit. Millions of patients with private insurance receive care through an AAPM and the transformational improvements in care that are happening in value-based care models are taking root throughout the healthcare system.

What is the effect on the cost of care?

AAPMs have lowered healthcare costs by an estimated \$600 billion. This fiscal success would not have been possible without the incentives.

The incentives are a good deal. In 2021, accountable care organizations—a popular value-based care model—generated [\\$3.6 billion in gross savings](#), far exceeding the \$613 million that the Centers for Medicare & Medicaid Services paid in incentives in 2022.



What is the Alliance for Value-Based Patient Care?

The Alliance for Value-Based Patient Care is a group of healthcare organizations dedicated to preserving and expanding patient access to value-based care. It includes the American Medical Association, the American Medical Group Association, America's Physician Groups, the Health Care Transformation Task Force, the National Association of Accountable Care Organizations, and Premier, Inc.

Value-based care and the incentives that fuel its success have broad support. In fact, [more than 800 healthcare organizations in September 2022 co-signed a letter to Congress requesting an extension of the incentive payments.](#)

What Can Congress Do?

With tens of millions of people receiving care through value-based care programs, Congress must act fast to extend MACRA's 5% AAPM value-based care incentive payments. Extending the program encourages physicians and other clinicians to participate in AAPMs and ensure patients continue to receive value-based care. Stopping the incentive payments now will only stunt the steady growth in value-based care that has lowered costs and improved patient care.

Congress must extend financial incentives that support value-based care models—which are proven to improve patient outcomes and save Medicare money.