

May xx, 2025

The Honorable Mike Johnson  
Speaker  
U.S. House of Representatives  
H-232, The Capitol  
Washington, DC 20515

The Honorable Hakeem Jeffries  
Democratic Leader  
U.S. House of Representatives  
H-204, The Capitol  
Washington, DC 20515

The Honorable John Thune  
Majority Leader  
U.S. Senate  
S-230, The Capitol  
Washington, DC 20510

The Honorable Charles Schumer  
Democratic Leader  
U.S. Senate  
S-221, The Capitol  
Washington, DC 20510

**Re: Congress Must Act to Sustain Medicare’s Transition to Advanced Alternative Payment Models (APMs)**

Dear Speaker Johnson, Leader Thune, Leader Jeffries, and Leader Schumer:

On behalf of the **xx** undersigned physician and health care associations and more than **xx** health systems, hospitals, physician practices, health clinics, and accountable care organizations (ACOs), **we call on Congress to support continued investment in Medicare’s transition to advanced APMs that take on accountability for costs and outcomes of their patient populations.**

APMs reduce health care spending and improve outcomes by providing physicians, hospitals, and other health care providers with incentives and tools to manage patient populations proactively. APMs focus on management of chronic conditions and reward prevention across the continuum of care. This approach has proven successful with Medicare as ACOs, the largest APM in Medicare, lowered spending by more than \$28 billion over the last decade.<sup>1</sup> Physicians and other health care providers in ACOs also consistently outperformed clinicians in non-value-based payment models on quality measures, including preventive care measures.<sup>2</sup> Moreover, these reforms have produced a spillover effect that improves care and lowers costs for patients across the health care system.

Medicare’s transition to advanced APMs was made possible by the financial incentive payments and regulatory flexibility that Congress included in the bipartisan Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). The incentive payments and exemptions from costly regulatory burdens helped drive participation in advanced APMs with more than 500,000 clinicians now participating and bearing downside financial risk for their Medicare patients<sup>3</sup> and 53.4 percent of beneficiaries with Traditional Medicare now in an accountable relationship with their clinician.<sup>4</sup> The advanced APM incentive payments allow physicians, hospitals, and other health care providers to cover the upfront and ongoing investments necessary to improve patient outcomes and expand services not covered by traditional Medicare. Incentive payments help fund wellness programs, patient transportation, meal programs, cost-sharing support for beneficiaries, and expanded access to care coordinators.

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<sup>1</sup> <https://valuebasedcare.org/wp-content/uploads/2025/02/AAPM-Materials-Legislative-Priorities-Feb2025.pdf>

<sup>2</sup> <https://www.cms.gov/newsroom/press-releases/medicare-shared-savings-program-continues-deliver-meaningful-savings-and-high-quality-health-care>

<sup>3</sup> <https://www.federalregister.gov/documents/2024/12/09/2024-25382/medicare-and-medicaid-programs-cy-2025-payment-policies-under-the-physician-fee-schedule-and-other>

<sup>4</sup> <https://www.cms.gov/newsroom/fact-sheets/cms-moves-closer-accountable-care-goals-2025-aco-initiatives>

While we have seen steady growth for advanced APMs in recent years, 2025 is a pivotal year for Medicare's value transformation. The expiration of Medicare's advanced APM incentive payments and sharp increase in qualifying thresholds is creating significant challenges for physician practices and hospitals as they plan for the years ahead. The financial uncertainty reduces the capacity of practices to manage complex patients, particularly in rural and underserved areas. The sharp increase in advanced APM qualifying thresholds will involuntarily push more clinicians back into the Merit-based Incentive Payment System (MIPS) program, which will mean more physician practices and hospitals will have to incur higher costs and regulatory burdens associated with MIPS reporting.

**We urgently ask lawmakers to continue supporting the movement to value-based care by prioritizing the extension of Medicare's advanced APM incentive payments and stopping the drastic increase in qualifying thresholds.** Addressing these critical issues as soon as possible will ensure that physicians, hospitals, and other health care providers have the resources and regulatory certainty needed to support beneficiaries' continued access to high quality, patient-centered care.

Thank you for your attention to this important matter. Our organizations look forward to your continued leadership in support of Medicare providers and the patients we serve.

Sincerely,  
xx

**cc:**

Chairman Mike Crapo  
Chairman Brett Guthrie  
Chairman Jason Smith

Ranking Member Ron Wyden  
Ranking Member Frank Pallone  
Ranking Member Richard Neal