THE MEDICARE CARE COORDINATION IMPROVEMENT ACT OF 2017

When Congress enacted the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA), it replaced the Sustainable Growth Rate (SGR) with a program promoting value-based care delivery. The Merit-Based Incentive Payment System (MIPS) and alternative payment models (APMs) utilize quality and resource metrics that emphasize care coordination by physician practices.

However, physician practices are hampered from fully and successfully participating in APMs because of the self-referral prohibitions (commonly known as the Stark law) that were enacted nearly 30 years ago and which pose barriers to care coordination. The Stark law prohibits payment arrangements that consider the volume or value of referrals or other business generated by the parties involved. These prohibitions stifle care delivery innovation by inhibiting practices from incentivizing their physicians to deliver patient care more effectively and efficiently because the practices cannot use resources from designated health services, such as pathology, advanced imaging, radiation therapy, and physician therapy in rewarding or penalizing adherence to clinical guidelines and treatment pathways.

Why the Medicare Care Coordination Improvement Act Matters:

The Medicare Care Coordination Improvement Act of 2017 will provide the Centers for Medicare & Medicaid Services (CMS) with the regulatory authority to create exceptions under the Stark law for APMs and to remove barriers in the current law to the development and operation of such arrangements.

The Medicare Care Coordination Improvement Act Will:

- Provide CMS the same authority to waive the Stark and Anti-kickback laws as was provided to Accountable Care Organizations in the Affordable Care Act.
- Remove the "value or volume" prohibition in the Stark law so that practices can incentivize physicians to abide by best practices and succeed in the new value-based alternative payment models. This protection would apply to practices that are developing or operating an alternative payment model (including, Advanced APMs, APMs approved by the Physician Technical Advisory Committee, MIPS APMs, and other APMs specified by the Secretary). Items and services must be subject to fair market value except that they may not take into account volume or value.
- Ensure that CMS's use of its current administrative authority promotes care coordination, quality improvement, and resource conservation.

What Congress Should Do:

Congress should support the passage of the Medicare Care Coordination Improvement Act, H.R. 4206 and S. 2051.

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