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The Honorable Bradley Schneider
300 Cannon House Office Building
House of Representatives
Washington, DC 20515

Dear Representatives Bera, Bucshon, Schrier, Burgess, Blumenauer, Wenstrup,
Schneider and Miller-Meeks:

On behalf of the American Psychiatric Association (APA), the national medical specialty society representing over 37,400 psychiatric physicians who treat mental health and substance use disorders, I write in response to your Request for Information (RFI) regarding the current state of the Medicare Access and CHIP Reauthorization Act (MACRA).

The national rise in suicide, and mental health and substance use disorders (MH/SUD) has highlighted the need to reevaluate our nation's health care infrastructure, something which cannot be done without considering its payment structure. In 2015, MACRA was signed into law, replacing the sustainable growth rate (SGR) formula with the Quality Payment Program, consisting of a new Merit-Based Incentive Payment System and processes to adopt Advanced Alternative Payment Models. MACRA shifted Medicare's approach to physician payment, paying providers based on quality, value, and the results of care delivered rather than the number of services provided. MACRA was intended to support a health care system with greater value

The Honorable Larry Bucshon
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The Honorable Michael Burgess
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The Honorable Brad Wenstrup
2419 Longworth HOB
House of Representatives
Washington, DC 20515

Honorable Marianne Miller-Meeks
1716 Longworth HOB
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Washington, DC 20515

to both patients and providers. However, to reach that goal, it has become evident that further reforms are necessary.

Below please find APA's policy recommendations aimed at improving MACRA and creating a more sustainable and patient-centered health care system:

Effectiveness of MACRA

Since the enactment of MACRA, the APA has worked with both Congress and the Centers for Medicare and Medicaid Services (CMS) to promote a smooth implementation of the Merit-Based Incentive Payment System and Alternative Payment Models (APMs) under the Quality Payment Program. We continue to believe that MACRA represents an improvement over the flawed SGR payment methodology. Scheduled payment cuts prior to the implementation of MACRA in some instances exceeded 20 percent and would have had a devastating impact on physician practices and patient access to care. MACRA also created an opportunity to address problems found in existing physician reporting programs. In addition, the law sought to promote innovation by encouraging new ways of providing care through APMs. The implementation of a new Medicare quality and payment program for CMS and physicians has been a significant undertaking, and further refinements are still needed to improve program outcomes and reduce administrative burden for physicians.

Implementation barriers

- Logistical challenges have plagued MACRA almost since its inception. Incentive payments to encourage Medicare providers to participate in Advanced APMs are set to expire at the end of 2022. The lack of mental health specific Advanced APMs suggests that mental health providers may not be as financially well-positioned to take on the requirement of downside risk of Advanced APMs. Furthermore, the threshold to qualify for APM incentives and future payment adjustments are also scheduled for steep increases under current law. Together, these factors could result in fewer clinicians participating in value-based care models in the years to come.
- The mental health and substance use disorder infrastructure is fragmented and underfunded.^{1,2} Reliance on multiple funding streams with varying reporting requirements,³ reimbursement rates

¹ American Psychiatric Association. (2022). (rep.). The Psychiatric Bed Crisis in the US: Understanding the Problem and Moving Toward Solutions. Retrieved October 19, 2022, from <https://www.psychiatry.org/getmedia/81f685f1-036e-4311-8dfc-e13ac425380f/APA-Psychiatric-Bed-Crisis-Report-Full.pdf>.

² Wade, C. M. (2021, December 7). Mental health beds cut amid staffing shortages. The Salem News. Retrieved October 19, 2022, from https://www.salemnews.com/news/mental-health-beds-cut-amid-staffing-shortages/article_9107e24c-56c6-11ec-be13-af06e8073e17.html#:~:text=BOSTON%20%E2%80%94%20More%20than%20350%20beds,according%20to%20a%20new%20report.

³ Niles, L., & Olin, S. (2021). Behavioral Health Quality Framework: A Roadmap for Using Measurement to Promote Joint Accountability and Whole-Person Care. The National Committee for Quality Assurance. Retrieved

that fail to cover the cost of care, growing administrative burdens, and a shrinking workforce compromise the sustainability of the system overall. Many communities across the United States lack a comprehensive continuum of care that includes services shown to improve outcomes for diverse populations. Reduced access is reflected in emergency department overcrowding and waiting lists for evaluation and treatment of mental health and substance use disorders (MH/SUD).

- Systems are not incentivized to provide behavioral health services, so they are under-resourced with limited support and investment to keep up with the constant churn of changes that need to be made to workflows and electronic health records to meet the variety of reporting requirements. Integrating measures into systems and processes takes substantial resources and training, and even those efforts are often unsuccessful. The time and costs incurred as part of the program needs exceed any benefit that might be realized through a positive bump in reimbursement.
- The MACRA framework is problematic for psychiatry. APA created a qualified clinical data registry, PsychPRO, to assist members in reporting measures. A recent study⁴ published in JAMA Health Forum found that psychiatrists score lower than other physicians in Medicare's Merit-Based Incentive Payment System (MIPS) and are more likely to incur payment penalties compared to other physicians in the system. Looking at the performance of the small number of psychiatrists who were able to participate through the registry, an increased performance may have been realized compared to that reported by the study. This demonstrates the potential benefit of participating in MIPS through a QCDR focused on behavioral health, which can help reward providers with reporting data for evidence-based processes many are already doing well on (i.e., medication reconciliation, discussion of side effects and risk-benefit comparisons between treatment options). New QCDR measures and MVP development should be cognizant of where the field is in terms of readiness and meet clinicians where they are as well as encourage and support progress. Measures are intended to incentivize quality; however, there remains a dearth of strong process and good outcome measures that reflect the quality of care delivered in the behavioral health setting. This will take significant work to rectify, something PsychPRO is poised to help with. Currently, it is difficult for psychiatrists to make a connection between their behavior and any rewards or penalties; in general, MIPS measures are seen as a bureaucratic requirement and not something tied to patient care.

Further, adoption of electronic health records (EHRs) within psychiatry is behind that of other specialties which hampers quality data collection and interoperability. EHRs are perceived as onerous since electronic documentation with many cost-effective systems do not support

October 17, 2022, from https://www.ncqa.org/wp-content/uploads/2021/07/20210701_Behavioral_Health_Quality_Framework_NCQA_White_Paper.pdf.

⁴ Qi, A. C., Joynt Maddox, K. E., Bierut, L. J., & Johnston, K. J. (2022). Comparison of performance of psychiatrists vs other outpatient physicians in the 2020 US medicare merit-based Incentive Payment System. JAMA Health Forum, 3(3). <https://doi.org/10.1001/jamahealthforum.2022.0212>

behavioral health workflows and therefore increases burden and adds to the cost of reporting. Long-term structural investments and CMS measurement of such could help refocus the program for behavioral health to center first on the important structures that are necessary prerequisites (e.g., parity payment, other policies to incent measurement-based care, and access to care etc.) for a future quality reporting system that ultimately measures outcomes.

- Cost-related considerations are an integral part of the MACRA framework, but the interactions between mental health care and costs are complex. Providing essential mental health care is associated with upfront, short-term costs, but in the long term, the direct and indirect costs of psychiatric conditions are reduced in multiple realms. For example, improved mental health is associated with improved physical health, greater workplace productivity, reductions in disability, and decreases in incarceration.^{5,6,7} However, these cost-savings would not be attributed to psychiatrists in the current model and typical outcome measures do not capture the broad range of mental health benefits to patients, their families, and communities.
- Psychiatrists face a unique and complex range of challenges relative to other outpatient physicians in part because they are more likely to treat socially at-risk patients. For example, psychiatrists treat greater numbers of patients with disabilities or who belong to racial and ethnic minority groups. In addition, psychiatrists are more than twice as likely to treat patients dually enrolled in both Medicare and Medicaid.⁸ The complexity of care for psychiatric patients with higher social risk factors frequently requires greater resources for treatment, coordination of care, and accordingly increases the costs of caring for patients with MH/SUD disorders. Furthermore, research shows that Medicare clinicians with larger caseloads of socially at-risk patients perform worse in value-based payment programs, perhaps because of inadequate risk adjustment for social risk factors.⁹ In addition, Medicare does not risk-adjust for the most prevalent forms of depression and anxiety disorders, likely resulting in an underestimation of the resources required to treat beneficiaries with these conditions.
- As the size of value-based payment adjustments and demand for psychiatric services from the aging Medicare population both increase, psychiatric practitioners may experience significant financial implications. Many psychiatric practices already face low visit payment rates and narrow

⁵ Melek, S. P., Norris, D. T., Paulus, J., Matthews, K., Weaver, A., & Davenport, S. (2018). Potential economic impact of integrated medical-behavioral healthcare.

⁶ Davenport, S., Gray, T. J., & Melek, S. (2020). How do individuals with behavioral health conditions contribute to physical and total healthcare spending?. Milliman, Inc.

⁷ Government Accountability Office. (2019). Behavioral Health: Research on Health Care Costs of Untreated Conditions is Limited. (GAO Publication No. 19-274). Washington, D.C.: U.S. Government Printing Office.

⁸ Johnston KJ, Hockenberry JM, Wadhwa RK, Joynt Maddox KE. Clinicians with high socially at-risk caseloads received reduced Merit-Based Incentive Payment System scores. *Health Aff (Millwood)*. 2020;39(9):1504-1512. doi:10.1377/hlthaff.2020.00350

⁹ Centers for Medicare and Medicaid Services. Report to Congress: risk adjustment in Medicare Advantage. 2018:1-201. Accessed January 11, 2022. <https://www.cms.gov/Medicare/Health-Plans/MedicareAdvgtgSpecRateStats/Downloads/RTC-Dec2018.pdf>

network restrictions in the Medicaid, Medicare Advantage, and commercial insurance markets. Psychiatrists are also substantially less likely to accept Medicare than any other non-pediatric physicians.¹⁰ Increasing the administrative and financial burdens associated with MIPS participation—particularly if this is not paired with more quality measures that psychiatrists identify as meaningful—may paradoxically incentivize psychiatrists to opt out of treating Medicare beneficiaries rather than improve the quality of care that they provide, further limiting access to mental health care for Medicare beneficiaries. Medicare covers those with disabilities due to serious mental illness. These individuals are also at highest risk of poor health, incarceration, lack of housing, and other adverse outcomes. Decreasing psychiatric participation in Medicare would have a critical impact on the care of these individuals as well as aging individuals.

Increasing provider participation in value-based payment models

- Psychiatrists represent one group for whom MIPS may be particularly poorly suited to adequately assess care quality, largely due to the lack of a well-defined framework and widely accepted behavioral health quality measures, including a current focus on outcome measures, when necessary structural factors and complex evidenced-based processes or program components are not in place system-wide. As noted in a recent JAMA study of psychiatrists performance in MIPS, there were 25 measures in the mental/behavioral health specialty set for 2018, all but 3 were listed in sets for other specialties, suggesting a lack of measures specific to the expertise of psychiatrists.¹¹ Furthermore, despite the statistical association with higher morbidity, mortality, and cost, as noted above, many of the most prevalent mental health disorders lack appropriate risk adjustment. Accurate risk adjustment will require more knowledge about which medical, psychological, and social factors actually predict higher costs and can be accurately and reliably measured. Without this, the status quo will continue to incentivize psychiatrists to avoid caring for (and being penalized for caring for, regardless of quality) patients with complex needs.
- Medicare APMs to date have focused predominantly on care in primary care settings and specialty care (i.e., joint replacement, renal disease) with limited options available specifically for psychiatry. A 2020 systematic review¹² of articles on APM implementations in MH/SUD care found that some APMs showed improved outcomes while others did not and that evaluations often focused on cost savings or process-of-care measures instead of clinical outcomes. The authors called for additional research to identify the components associated with successful APMs that show improved clinical outcomes. APA is concerned that the current approach under

¹⁰ Nancy Ochieng, K. S. (2020, October 22). How many physicians have opted-out of the medicare program? KFF. Retrieved October 19, 2022, from <https://www.kff.org/medicare/issue-brief/how-many-physicians-have-opted-out-of-the-medicare-program/>

¹¹ MIPS Explore Measures - QPP. Accessed September 23, 2021. <https://qpp.cms.gov/mips/explore-measures?tab=qualityMeasures&py=2021>

¹² Carlo, A. D., Benson, N. M., Chu, F., & Busch, A. B. (2020). Association of Alternative Payment and Delivery Models With Outcomes for Mental Health and Substance Use Disorders: A Systematic Review. *JAMA network open*, 3(7), e207401. <https://doi.org/10.1001/jamanetworkopen.2020.7401>

MACRA, could lead to diminished patient access and quality of care. The overarching goal of any value-based arrangement should be to increase access, improve health equity and improve quality of care for individuals with MH/SUD disorders, to improve clinical outcomes.¹³

Recommendations to improve MIPS and APM programs

- APA urges Congress to create financial incentives to increase participation in Medicare, and access to appropriate services within systems, but particularly small and solo practices. In addition, we recommend Congress make technical changes to MACRA to simplify the program, including reducing administrative burdens, and making reporting more clinically meaningful for psychiatrists and physicians in general. Specifically, we urge consideration of ways to develop and focus measurement that builds the structure and process necessary for improving care, simplify scoring, create more integrated approaches to reporting across performance categories, and improve the physician reporting experience.
- Further efforts are needed to develop and encourage the use of measures relevant to psychiatric care. Ideally, each specialty would be judged on measures of greatest relevance to the patients treated by that specialty. Psychiatrists are uniquely qualified to care for complex patients with serious mental illness who often have multiple comorbidities. Measures related to increasing access to care for those patients, as well as integrated care and care coordination should be considered. Care should be taken in formulating appropriate risk adjustments as well as primary attribution (i.e., longer timeframe to capture savings related to the total cost of care, especially for non-acute MH/SUD conditions). The same effort should be taken to develop and test alternative payment models that are relevant and meaningful for the mental health field and our patients.¹⁴
- Incentives, such as implementation grants and technical assistance programs, should be offered to practices and systems to encourage participation in value-based care arrangements that make the most sense for their practice setting and patient population. CMS's Transforming Clinical Practice Initiative (TCPI), which offered large-scale technical assistance, is credited with increasing enrollment in Medicare APMs.¹⁵ The SAMHSA CCBHC program has demonstrated improved access to services and system infrastructure. It uses prospective payments with bonuses tied to

¹³ American Psychiatric Association. (2021). Position Statement on Core Principles for Alternative Payment Models for Behavioral Health. American Psychiatric Association. Retrieved October 25, 2022, from <https://www.psychiatry.org/getattachment/c49a6fa3-4001-419c-b322-11f366b9302c/Position-Core-Principles-for-Alternative-Payment-Models.pdf>

¹⁴ Mauri, A., Harbin, H., Unützer, J., Carlo, A., Ferguson, R., & Schoenbaum, M. (2017, September). Payment Reform and Opportunities for Behavioral Health: Alternative Payment Model Examples. The Kennedy Forum. Retrieved October 25, 2022, from <https://www.thekennedyforum.org/>

¹⁵ Zurovac, J., Barna, M., Merrill, A., Zickafoose, J. S., Felt-Lisk, S., Vollmer Forrow, L., Gallegos, K. F., Everhart, D., & Flemming, R. (2022). Transforming Clinical Practice Initiative Boosted Participation in Medicare Alternative Payment

quality outcomes to give clinicians financial flexibility to deal with unexpected increases in service demand and to support continued quality improvement. It also features clear implementation guidance so that prospective states and sites have the best chance at producing the intended outcomes. Similar approaches focused on mental health clinicians could provide the support necessary to transform how care is provided.

The APA remains committed to ensuring that the Medicare beneficiaries have access to appropriate care. We applaud the steps you and your colleagues are taking to promote a more affordable, sustainable, and patient-centered health care system. We look forward to working with you further as our nation continues to transition towards value-based care. If you have any questions, please contact Daniel "Trip" Stanford at dstanford@psych.org or (315) 706-4582.

Sincerely,

A handwritten signature in blue ink that reads "Saul Levin" with "M.D., M.P.A." written in smaller letters to the right.

Saul M. Levin, M.D., M.P.A., FRCP-E, FRCPsych
CEO and Medical Director