



Advancing Health in America

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August 28, 2025

The Honorable John Barrasso
United States Senate
307 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Sheldon Whitehouse
United States Senate
530 Hart Senate Office Building
Washington, DC 20510

Dear Sens. Barrasso and Whitehouse:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, including more than 270,000 affiliated physicians, 2 million nurses and other caregivers — and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) is pleased to support your legislation, the Preserving Patient Access to Accountable Care Act.

This bill would extend Medicare's Advanced Alternative Payment Model (APM) incentive payments and maintain reasonable qualifying thresholds. Our members support the U.S. health care system moving toward more outcomes-based, coordinated care and are continuing to redesign delivery systems to increase value and better serve patients. Over the last 15 years, many of our hospital and health system members have participated in a variety of APMs.

While the movement to value holds tremendous promise, the transition has been slower than anticipated, and further efforts are needed to drive long-term system transformations. The Medicare Advanced APM incentive payments prevent attrition in value-based care models and provide crucial resources to hospitals and health systems. Although clinicians who participate in Advanced APMs will receive a slightly higher update to the Medicare Physician Fee Schedule conversion factor beginning in calendar year 2026, this alone will not be a sufficient incentive to join or remain in these models. Advanced APM incentive payments enable clinicians and hospitals to invest the necessary resources in care redesign and coordination, as well as technology infrastructure, to participate in Advanced APMs successfully. According to the American Medical Association, Medicare physician payments have dropped by 33% since 2001



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when accounting for inflation.¹ Ending the Advanced APM incentive payments as a critical source of funding when payment rates are at a historic low will further impede progress toward value-based care.

We are grateful for your leadership on this issue and stand ready to work with you to enact this important legislation.

Sincerely,

/s/

Lisa Kidder Hrobsky
Senior Vice President
Advocacy and Political Affairs

¹ <https://www.ama-assn.org/system/files/2025-medicare-updates-inflation-chart.pdf>