January 21, 2026

The Honorable Mike Johnson
Speaker
U.S. House of Representatives

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives

The Honorable John Thune
Majority Leader
U.S. Senate

The Honorable Chuck Schumer
Minority Leader
U.S. Senate

Re: MGMA Letter on Healthcare Policies in the Continuing Appropriations Act, 2026

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

On behalf of our member medical group practices, the Medical Group Management Association (MGMA) thanks you for your longstanding leadership in supporting medical group practices' ability to provide high-quality, cost-effective care. We appreciate the introduction of the Consolidation Appropriations Act, 2026 (CAA, 2026, H.R. 7148), which includes critical bipartisan healthcare policies along with funding for the federal government. As we approach the January 30, 2026, deadline when many healthcare policies are scheduled to expire alongside federal government funding, we write to emphasize the urgent need for Congress to pass stabilizing legislation and work to permanently adopt many of these policies in statute.

With a membership of more than 60,000 medical practice administrators, executives, and leaders, MGMA represents more than 15,000 medical group practices ranging from small private medical practices to large national health systems, representing more than 350,000 physicians. MGMA's diverse membership uniquely situates us to offer the following legislative recommendations.

The Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026 (H.R. 5371), reopened the federal government and extended many important healthcare policies that expired at the end of September, such as the 1.0 work Geographic Practice Cost Index (GPCI) floor and telehealth flexibilities, through January 30, 2026. The recent federal government shutdown demonstrated the confusion, administrative complexity, and negative impact to patient care that would result from allowing these critical policies to expire. We support that the CAA, 2026, would extend many of these policies for a longer timeframe, while also preventing scheduled cuts to clinical laboratories and reinstating the expired Advanced Alternative Payment Model (APM) incentive payment. It is essential to pass these temporary provisions into law, while working towards permanent solutions**.**

Telehealth Flexibilities

The expiration of the central telehealth flexibilities, such as the removal of originating site and geographic restrictions, during the federal government shutdown starkly illuminated the need for long-term telehealth

stability. Maintaining access to telehealth services is essential to avoid unnecessary barriers to medical care, such as a patient having to travel significant distances. Prior to the temporary COVID-19 Public Health Emergency (PHE) policies, telehealth services in Medicare were rarely used given geographic, originating site, and other restrictions. This expansion has been a demonstrable success and allowed medical groups to continue serving their communities through the appropriate utilization of telehealth services.

H.R. 5371 extended the telehealth policies that lapsed at the end of September through January 30, 2026. While we appreciate Congress's action, this short-term extension perpetuates instability for medical groups as their ability to provide remote care remains uncertain. It is essential to keep the telehealth flexibilities in place and permanently enshrine them into law as the value of telehealth to patients has been widely established and has broad bipartisan support.

We support the CAA, 2026, for extending these central telehealth flexibilities such as the removal of geographic and originating site restrictions, the expanded list of providers, and other provisions through the end of 2027. This almost two-year extension provides essential stability to ensure Medicare beneficiaries can access care no matter where they are located. Failing to extend these flexibilities would significantly hinder medical groups' ability to offer telehealth services nationwide. Congress should pass legislation like the Creating Opportunities Now for Necessary and Effective Care Technologies (CONNECT) for Health Act (S.1261; H.R. 4206) to permanently allow Medicare beneficiaries to continue accessing vital telehealth services to avoid future disruptions to care.

1.0 Work GPCI Floor

Physician practices in rural areas are subject to myriad financial pressures undermining their ability to operate and serve their communities. The recent expiration of the 1.0 work GPCI floor during the federal government shutdown underscores the need to permanently institute the floor to avoid future destabilizing cuts to reimbursement for these practices. It is essential to keep this floor in place to avoid needless payment reductions and the associated negative repercussions for medical groups in these localities. We support the extension of the 1.0 work GPCI floor through December 31, 2026, in the CAA, 2026; Congress must work towards a permanent policy that statutorily mandates the 1.0 work GPCI floor to avoid payment disruptions in these rural areas in the future.

Clinical Laboratory Cuts

The CAA, 2026, delays harmful, scheduled cuts of up to 15 percent in the Medicare Clinical Laboratory Fee Schedule (CLFS) until January 1, 2027. This temporary measure is needed to avoid undercutting labs' ability to be appropriately reimbursed for their services. We also appreciate the shift in the data collection period from January 1 – June 30, 2019, to January 1 – June 30, 2025, which may help improve data reporting, since many laboratories do not have access to 2019 data. However, we are still concerned about other flaws in data reporting under the Protecting Access to Medicare Act (PAMA), which CAA, 2026, would still require labs to do between May 1, 2026 – July 31, 2026. Congress must work to pass The Reforming and Enhancing Sustainable Updates to Laboratory Testing Services (RESULTS) Act (H.R. 5269), which will reform PAMA and improve the data used to set sustainable rates for the CLFS and thereby support Medicare beneficiaries' access to laboratory testing and protect laboratory infrastructure and innovation. Enacting the RESULTS Act will help ensure that medical group practices can continue delivering efficient, high-quality lab testing and avoid disruptions that could delay diagnoses and treatment for America's seniors.

Advanced APM Incentive Payment and QP Thresholds

The Advanced APM incentive payment has been essential to medical groups attempting to transition to value-based care models, allowing them to make the necessary infrastructure investments to succeed in these arrangements. The lapse of the incentive payment in 2025 has contributed to increased financial instability for practices and prevented them from making critical investments in value-based care operations and technologies. If the incentive payment is not reinstated, it will become less feasible for practices to join and participate in APMs. Further exacerbating these challenges are the increases to Qualifying APM Participant (QP) thresholds that went into effect in 2025, making it unreasonably difficult for clinicians to remain within an APM.

The CAA, 2026, would reinstate both the expired APM incentive payment at 3.1%, and the lower 2024 QP thresholds for the 2026 performance year. As it has been one year without the incentive payment and with increased QP thresholds, we urge Congress to act swiftly to pass the CAA, 2026, to reinstate these expired provisions for 2026. Congress should also work towards a long-term solution to extend these provisions through the 2030 performance year to spark growth and ensure stability for medical groups investing in value-based care.

Conclusion

MGMA sincerely appreciates your enduring support for medical groups. We urge you to pass the above-referenced legislation to reinforce group practices' ability to provide high-quality, cost-effective care. If you have any questions, please contact James Haynes, Associate Director of Government Affairs, at jhaynes@mgma.org or 202-293-3450.

Sincerely,

/s/

Anders Gilberg
Senior Vice President, Government Affairs