



APM bonus jumps, but MIPS 'is here to stay'

by: Roy Edroso

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Physician payments

Congress recently approved a substantial bonus for successful alternative payment models (APM) under the Quality Payment Program (QPP). While CMS has been quiet about the bonus, if you're in an advanced APM, it ought to brighten up your outlook. But if you're in the other QPP track and happy with it, experts doubt you'll be pushed into APMs.

CMS, as required by law, dropped the bonus paid to qualifying providers (QPs) in advanced APMs who met QPP benchmarks from 5% to 3.5% of their Medicare Part B payments in 2024. In 2025, the agency switched their reward to a 0.75% payment adjustment (0.25% for non-qualifying APM participants, or non-QPs), and a 1.88% bonus ([PBN 11/13/23](#)). In 2024 budget negotiations, Congress struggled to get the bonus raised to 3.5% to no avail ([PBN blog 12/18/24](#)).

But in the Consolidated Appropriations Act (CAA) of 2026 signed into law on Feb. 3, 2026, ending a four-day shutdown that ensued when the previous federal budget extension deadline passed without an agreement, Congress snuck in a 3.1% bonus in section 6204, "Extending Incentive Payments for Participation in Eligible Alternative Payment Models." It will be applied to the APMs' 2026 performance and 2028 payment.

Successful advanced APM participants still get their 0.75%/0.25% adjustments and, as the 2026 Medicare physician fee schedule decreed, also get a higher overall conversion factor than non-participants ([PBN 11/10/25](#)).

After years of complaints about the dwindling rewards of the program, this is a meaningful change.

"This looks like Congress correcting a problem it helped create," says Paul Schmeltzer, a partner with the Clark Hill law firm in Los Angeles. "For years, policymakers have been trying to move providers toward alternative payment models, and once the incentives dropped off after 2023, there was a real risk that participation would stall or even move backward. Restoring a more meaningful bonus was likely driven both by provider pressure and by the practical recognition that the economics were no longer working, particularly for smaller and independent groups."

Still, status quo

Some industry groups celebrated the change. MGMA, for example, sent a letter of thanks on March 16 to Senate committee chairs who were instrumental in making the change, while also asking for changes to MACRA, including "Stabiliz[ing] Physician Payments and Prepare Clinicians for APMs."

But considering the impact, the news hasn't excited much hoopla.

That "CMS has not widely publicized the reinstatement of this bonus," says David Halpert, chief of client team at Roji Health Intelligence in Chicago, "indicates that they don't see it as a big deal. QPP announcements regarding the CAA were conspicuously brief and were not marketed as a win for APMs or the Centers for Medicare and Medicaid Innovation."

It may be that CMS is already confident about the growth of its APM models. Halpert points to the push to get participants in the other QPP track, the Merit-based Incentive Payment System (MIPS), to transition to MVP (MIPS Value Pathways), the development of which "enables CMS to develop specialty-specific risk models like the Ambulatory Specialty Model (ASM) on a pre-tested framework. Both ASM and the Transforming Episode Accountability Model (TEAM) are mandatory, even including ACO participants, and so APM participation is sure to grow" ([PBN 7/28/25](#)).

Even if the bigger bonus pushes a segment of providers from MIPS to APMs, Halpert says, the MVP campaign shows "MIPS is here to stay."

Schmeltzer agrees: The bonus hike and MVP "may push things incrementally in that direction," he says, "but MIPS remains the more familiar and, in many cases, more manageable path for many providers."

The broader takeaway, Schmeltzer says, "is that Congress still appears committed to APMs as the future of Medicare payment, but it also seems to understand that providers are not going to make that transition based on policy rhetoric alone. If the government wants sustained participation, it has to offer incentives that are meaningful enough to support the move."

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Resources

- MGMA, "Re: Appreciation for Advanced APM Incentive Extension and Continued Medicare Payment Reform," March 16, 2026: www.mgma.com/getkaiasset/ca1f6cb4-3c25-4a89-b9e3-0dd65351d129/AVBPC-APM-Letter-to-Congress-FINAL.pdf



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