

December 14, 2017

Ms. Seema Verma
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Administrator Verma:

As CMS refocuses its innovation portfolio, we, the undersigned organizations, encourage you to expand opportunities for physicians and physician-led groups to take financial responsibility for their patients.

Physicians – especially independent physician practices– are the lynch pin of our nation’s health care system. They have repeatedly demonstrated their superior ability to generate positive results in value-based care arrangements, both in improved health outcomes and reduced costs. They are the most powerful tool we have to foster an affordable, accessible system that puts patients first.

With that in mind, we strongly encourage CMS to do the following:

- **Prioritize physician-led advanced alternative payment models (AAPMs), including physician-led accountable care organizations (ACOs) and other approaches to achieve improved outcomes for patients, greater value, and the preservation of independent clinical practice.**

Consistent with the guiding principles articulated in the recent Request for Information (RFI), CMS should prioritize a range of physician-led AAPMs including two-sided, more advanced, higher-gain models calibrated to reflect the financial realities faced by small physician practices as is the case in Track 1+.

New models should, over time, put physician practices at financial risk while offering greater reward for taking on risk. The risk must be proportional to the finances of independent physician practice and not so large as to favor consolidation of practices. In addition, models should provide more predictable and accurate benchmarks, as in Medicare Advantage, with regional benchmarks and risk adjustment. As part of this effort, CMS could consider creating a new, more flexible and sustainable version of Next Generation ACO for full risk taking within traditional Medicare as well as other new models focused on moving physician financials to value.

- **Establish a level playing field within local markets, promoting patient choice and competition.**

In support of the goals articulated in the Executive Order Promoting Healthcare Choice and Competition Across the United States, CMS can take action to reduce regulatory incentives that undermine physician independence, create excessive consolidation, and thus drive up costs. The primary care physician-patient relationship is most transformative when there is patient choice and provider competition within local markets. We thus support the following to encourage competition in the provider market and ensure patients have adequate provider options:

- Level the playing field for physician practices through policies that create payment parity across practice settings (e.g., facility fees creating higher payment for the same services).

- Prohibit anti-competitive abuses of market power (e.g., data blocking, anti-tiering provisions, physician non-compete requirements).
- **Re-inject competition into Medicare Advantage markets by lowering barriers to entry by physician-led groups.**

As provider groups gain experience through ACOs and other value-based models, the number of organizations with the necessary skills to manage risk and health care within a population will increase. CMS should facilitate patient choice and greater competition in the private Medicare Advantage market by removing key barriers to new provider-run MA plans. CMS should consider conducting a CMMI demonstration that allows health care providers who want to offer MA to be able to contract directly with the agency to “insource” administrative plan functions like claims processing and fraud/abuse detection to CMS. This would allow provider groups to focus on the latest innovations in population health.

By utilizing MA rates and policies CMS can create an administratively simple model with clear benefits – more time for providers to focus on population health management, and potentially savings for Medicare and beneficiaries through more competition in bidding.

- **Support consumer-directed care through models that encourage beneficiaries to participate in their own health care decision-making, and to be rewarded for doing so.**

We support greater consumer involvement in their own health care, and believe that more can be done to ensure patients play an active role. For example, CMS could adopt policies that allow Medicare beneficiaries to identify to CMS their primary care physician and create models that allow for beneficiaries to share in savings if their primary care physician participates in a savings model, receive added benefits from their physicians and/or have their cost sharing reduced or eliminated. However, any regulatory changes to beneficiary assignment must not impose substantial new administrative burden and paperwork requirements on already over-burdened practices.

We look forward to working with you to implement and test models that continue to put physicians where they should be – at the center of our health care system.

Sincerely,

Aledade
American Academy of Family Physicians
CAPG
ChenMed
Iora Health
Medical Group Management Association (MGMA)
Texas Medical Association