



June 10, 2024

Submitted via regulations.gov

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244-1850

Re: Medicare and Medicaid Programs and the Children's Health Insurance Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System and Policy Changes and Fiscal Year 2025 Rates; Quality Programs Requirements; and Other Policy Changes

Dear Administrator Brooks-LaSure:

Thank you for the opportunity to comment on the Fiscal Year (FY) 2025 Hospital Inpatient Prospective Payment Systems (PPS) proposed rule. Our comments specifically focus on the proposed Transforming Episode Accountability Model (TEAM).

The **Partnership to Empower Physician-Led Care (PEPC)** is a membership organization dedicated to supporting value-based care among independent physicians and practices to reduce costs, improve quality, empower patients and physicians, and increase access to care. Our members include Aledade, American Academy of Family Physicians (AAFP), California Medical Association (CMA) and Medical Group Management Association (MGMA). We also have individual and small medical group supporters across the country, many of whom are independent physicians or practices and wish to remain so.

We are supportive of CMS' efforts to increase opportunities for specialists to engage in alternative payment models (APMs), which will be essential to achieving CMS' goal of having all specialists in accountable care relationships by 2030. To date, specialists have struggled to engage in the CMS Innovation Center's model portfolio. In 2023, MGMA conducted a [survey](#) which found nearly eight in 10 medical groups do not believe that CMS offers a clinically relevant Advanced APM for their specialty. We believe episode-based payment models present an opportunity to move specialists off the fee-for-service (FFS) chassis and increase integration and coordination with broader delivery system reform efforts.

Below, we outline two specific comments on the proposed TEAM:

- **We support the proposed overlap policy with other APMs, including allowing model overlap without recoupment, and urge CMS to calculate accountable care organization (ACO) spending based on the FFS claims submitted for TEAM episodes rather than TEAM episode target prices.**
- **We urge CMS to put appropriate safeguards in place to ensure independent primary care providers are not disadvantaged in the requirement for a primary care referral.**



Model Overlap:

CMS will permit overlap with TEAM and total cost of care or shared savings models or programs. Acknowledging that there was friction with Bundled Payments for Care Improvement (BPCI) participants and the Medicare Shared Savings Program (MSSP) because there was a recoupment process after reconciliation to account for any duplicative savings generated on overlapping beneficiaries, CMS proposes not to recoup any savings between these models. Instead, CMS will allow any savings generated on an episode in TEAM and any contribution to savings in the total cost of care model be retained by each respective participant in the reconciliation process.

PEPC appreciates CMS's efforts to mitigate friction between ACOs and hospitals participating in TEAM, ensuring ACOs are not unfairly penalized if their aligned beneficiaries initiate a TEAM episode. **We strongly support the proposed policy to allow overlap between TEAM and population-based models without recoupment, which will help foster strong coordination across providers and specialties.**

CMS does not clearly state how ACO expenditures will be calculated for overlapping TEAM episodes in the proposed rule. **PEPC strongly recommends that CMS calculate ACO spending based on the FFS claims submitted for TEAM episodes rather than TEAM episode target prices.** This will avoid duplicative incentives across programs, allowing ACOs to clearly understand and track their performance throughout the performance period.

Primary Care Referral

CMS proposes that a TEAM participant must include in hospital discharge planning a referral to a supplier of primary care services for a TEAM beneficiary, on or prior to discharge from an anchor hospitalization or anchor procedure. In making the referral, the TEAM participant must comply with beneficiary freedom of choice.

PEPC supports this requirement, which we believe will help foster a cooperative relationship between specialists and primary care providers where all parties have interest in providing coordinated, longitudinal care. However, while we appreciate CMS' inclusion of beneficiary freedom of choice requirements, we are concerned this alone is insufficient to ensure existing patient-primary care physician relationships are not disrupted and independent physician practices are not at a disadvantage.

According to the American Medical Association (AMA), [31.3 percent](#) of physician practices were owned by hospitals in 2022, an increase from 23.4 percent in 2012. Without proper safeguards, hospitals will be incentivized to refer beneficiaries in TEAM to hospital-affiliated or owned practices over independent practices in the community. While there may be instances where a practice owned by the hospital is the best fit for the beneficiary, that will not always be the case. In instances when it is not, this referral would be a disservice to the patient, who would likely face [higher costs](#) at a hospital-owned practice, and to independent primary care physicians, who already lack a level playing field. This policy could also have the unintended impact of further incentivizing vertical consolidation in health care.

As promoting competition in health care markets remains a top priority for the Administration and Congress, we urge CMS to consider additional safeguards and monitor primary care referrals closely in TEAM, taking action if hospitals are engaging in non-competitive behavior.



Thank you in advance for your consideration of these comments. Please do not hesitate to reach out to me if you have questions or the Partnership to Empower Physician-Led Care (PEPC) can be a resource to you. I can be reached at kristen@physiciansforvalue.org.

Sincerely,

Kristen McGovern
Executive Director