



October 16, 2018

The Honorable Seema Verma
Administrator
Centers for Medicare & Medicaid Services
US Department of Health & Human Services
Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

Re: Medicare Shared Savings Program; Accountable Care Organizations—
Pathways to Success (CMS-1701-P)

Dear Administrator Verma:

The Next Generation Accountable Care Organization (ACO) Coalition writes to provide comments on the Medicare Shared Savings Program (MSSP) proposed rule. The Coalition represents 33 participants in the Next Generation ACO program who are committed to the future of two-sided risk models to create value in Medicare and improve patient care and outcomes. While many organizations across the country continue to plan and prepare to move into higher levels of risk, our members are at the forefront of meaningful delivery system reform. The Next Gen ACOs are already successfully taking financial and clinical accountability for their patient populations – generally across multiple lines of business such as MA, commercial risk, Medicaid risk, programs for duals and of course Medicare ACO risk - with significant results in better care for their patients and savings for the federal government.

The Next Gen ACO participants have already shown that performance-based risk can transform care delivery. A recent report by NORC at the University of Chicago for the Centers for Medicare & Medicaid Services (CMS) highlighted the Next Gen's widespread use of care management, chronic disease management and clinical programs, as well as an enhanced focus on primary care. In addition, the administration touted \$61 million in savings in the first year of the program across 18 model participants. The Next Gen program has tremendous potential to continue to build on its early achievements, and we believe that other organizations can learn from this experience and also succeed in two-sided risk models.

Consistent with our commitment to the success of risk-bearing programs in traditional Medicare, we provide the below guiding principles for your consideration as you finalize the MSSP program rules.

1) Continue to incentivize the move to higher levels of risk.

We are encouraged to see that through this rule, the administration is advancing opportunities in two-sided risk ACOs through this proposed rule. We have seen firsthand the type of care transformation that is possible when organizations participate in performance-based risk to improve population health. We are also pleased with the agency's commitment to waiving and modifying burdensome program rules for organizations that are engaged in increasing levels of financial risk. Examples in this rule include the beneficiary incentive program, telehealth waiver and the skilled nursing facility three-day stay waiver, all of which will apply to certain organizations engaged in two-sided financial models. This flexibility will be key to encouraging the move to performance-based risk.

However, we believe that more can be done to facilitate the transition. As you finalize this rule and consider additional models in the future, we encourage the agency to work with organizations engaged in two-sided risk models across Medicare (HMO & PPO), Medicaid and commercial populations to identify other regulatory barriers that can be removed to further encourage the transition to higher levels of accountability. We believe that greater program flexibility should be available to organizations taking on higher levels of risk – and that additional incentives should be created that are available to organizations at higher levels of risk than for those at lower levels of risk.

2) Create consistency across programs.

We respectfully request that CMS continue to identify areas within the rules where the agency can create consistency across different Medicare ACO programs and even more broadly across the delivery system reform portfolio, including in Medicare Advantage. There may be some areas of program differentiation that remain important, such as differences that incentivize higher levels of risk-taking. However, we note that there remain a number of areas from beneficiary attribution to payment methodology that differ substantially across the different programs. This is an issue for organizations advancing risk across multiple payment models and looking for greater predictability, transparency and simplicity. We would welcome the opportunity to work with the agency to identify and evaluate where these programs differ and where harmonizing rules could benefit providers, patients and payers.

3) Foster stability in risk programs.

Our organizations are committed to the benefits of population health programs that include financial risk and clinical accountability. For organizations moving into population health and performance-based risk for the first time with the traditional Medicare population in a PPO model, predictability and stability are key determinants of longevity in the program and are needed to make the business and investment case for risk under these models. We urge the agency to keep the principle of stability at the forefront of your decision-making. When organizations know what is expected of them and receive reliable rules of the road in advance, they are more likely to be able to succeed in this new environment. Mid-stream changes and adjustments to the payment methodology make it more difficult for ACOs of all types to commit to performance-based risk. In particular, a key element of improving stability is moving to a more predictable benchmarking

methodology and we would welcome the opportunity to work to develop an approach that incorporates lessons learned from MSSP and the Medicare Advantage program.

4) Create permanence for the Next Gen program.

As CMS considers and further develops the glide path to risk, we recommend that the agency create a voluntary, permanent ACO option that incorporates the features of the NGACO model. The Next Gen program participants have shown success with higher levels of two-sided risk and have made investments to bring delivery system changes to their local communities. Permanence would bring greater stability and predictability to our efforts. In addition, a permanent model could serve to provide additional direction and goals for providers entering the MSSP today. We also note that a voluntary, permanent Next Gen-like offering could provide an opportunity to reduce administrative burden for Next Gens by streamlining program requirements.

In conclusion, we appreciate your commitment to performance-based risk and creating a glide path for organizations to move to higher levels of risk. Our organizations have seen the success of these models and we look forward to continuing to work with CMS to advance better care for patients, providers and payers across traditional Medicare. Please do not hesitate to contact Mara McDermott (mara@nextgencoalition.org) if you have any questions about these comments.

Sincerely,



Mara McDermott

NEXTGEN
ACO COALITION