



July 10, 2020

Brad Smith  
Deputy Administrator & Director  
Center for Medicare & Medicaid Innovation  
U.S. Department of Health & Human Services  
Hubert H. Humphrey Building  
200 Independence Avenue, SW  
Washington, DC 20201

Re: Support for Bundled Payments for Care Improvement Advanced Program during COVID-19 Public Health Emergency

Dear Deputy Administrator Smith:

America's Physician Groups (APG) would like to thank you for your efforts to address the struggles that healthcare providers and organizations have been faced with during the ongoing COVID-19 pandemic. COVID-19 has also impacted Innovation Center models, including Bundled Payments for Care Improvement Advanced (BPCI-A). As efforts continue to distribute relief for physicians and hospitals, it is important that assistance be provided for value-based models such as BCPI-A, in order to ensure their viability in both the short and long term, and recognize and preserve the role they play in moving healthcare from volume to value. The BPCI-A model is especially important now due to its focus on post-acute care as the COVID-19 pandemic has a particularly devastating effect on nursing homes across the country. While we agree with most of the flexibilities put forth by the agency this month, we offer the following additional recommendations as a way of providing much needed financial stability during this pandemic while also preserving the future of the models and their transformative potential.

#### **About America's Physician Groups**

APG is a national professional association representing 345 physician groups that employ or contract with approximately 195,000 physicians that provide care to nearly 45 million patients. Our tagline, "Taking Responsibility for America's Health," represents our members' vision to move from the antiquated fee-for-service (FFS) reimbursement system to a value-based system where physician groups are accountable for the cost and quality of care. Our preferred model of capitated, delegated, and coordinated care eliminates incentives for waste associated with FFS reimbursement. APG member organizations are working diligently to rise to the challenge presented by the COVID-19 pandemic.

## Summary of APG's Recommendations

- **Reduce the CMS discount to 1.5 percent for Model Year 3**
- **Lower the limit for excluding “outlier” cases while excluding Clinical Episodes at the case level that include a COVID-19 diagnosis from percentile calculations**
- **Eliminate potential CQS penalties for Model Year 3, consistent with flexibilities offered to providers with respect to quality reporting**

The relief that the agency recently offered for participants in BPCI-A will provide significant relief to those providers that are most catastrophically impacted by the current public health emergency. However, we do have concerns about the lack of relief offered for providers that have been impacted by reduced volumes of elective procedures, higher utilization, higher acuity, and delayed care. The impact of COVID-19 goes far beyond only those cases with a diagnosis and, to fully account for this reality, we feel there are three policies that CMS can adopt to account for what providers have experienced. **We recommend that CMS reduce its discount to 1.5 percent for Model Year 3, which aligns with the timeframe for its current options.** By implementing this policy, CMS would allow BPCI-A participants suffering from significant volume losses amidst sustained operating expenses a pathway toward recovery while still guaranteeing a savings payment for CMS.

We also ask that **CMS consider lowering the limit for excluding the highest cost “outlier” cases (by DRG) from the 99th percentile to the 95th percentile and exclude from percentile calculations Clinical Episodes (at the case level) that include a COVID-19 diagnosis.** By making this change, participants in BPCI-A will gain a reprieve from potential losses from another set of high cost cases, even if COVID-19 is not documented, without CMS having to modify any existing downside risk.

In addition to the above recommendation, we would also ask that **CMS eliminate potential CQS penalties for Model Year 3.** Due to the agency not having alleviated any Care Redesign Plan or compliance requirements, participants will be held to the same standard, despite raising concerns that resource limitations due to reallocation to COVID-19 care or patient safety priorities may have forced them to scale back somewhat. By eliminating CQS penalties, participants with positive NPRA would be able to retain that full amount instead of potentially having to forfeit a portion of it due to a CQS adjustment. This would also potentially soften the blow of losses, especially considering the lack of any downside risk forgiveness.

Thank you for your attention to the above comments. Again, we reiterate our robust support for value-based care models and feel free to contact Valinda Rutledge, Senior Vice President, Federal Affairs, ([vrutledge@apg.org](mailto:vrutledge@apg.org)) if you have any questions.

Sincerely,



Donald H. Crane  
President and CEO  
America's Physician Groups