

September 16, 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

Dear Deputy Administrator Smith:

The undersigned organizations 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. Value-based models, such as the Next Generation ACO Model, play an integral role in shifting the healthcare system from emphasizing volume to recognizing and rewarding value, it is imperative that their viability in both the short and long term is recognized and preserved. CMS's unilateral 2020 amendment which adjust the benchmark represents a step back for transparency and the viability of the model.

The application of retrospective national trend modification to prospective United States Per Capita Cost (USPCC) trend factor creates a level of uncertainty for Next Generation ACOs that elect not to accept the amendment. The methodology change in the amendment may allow for improved performance in exchange for reduced downside risk for ACOs that opt-in, and we support providing that opportunity to ACOs. However, ACOs that want to maintain the full risk to which they agreed should not be penalized through a unilateral program change in order to provide protections to ACOs hit hardest by the COVID-19 pandemic. Doing so would only add additional financial pressure to ACOs who have committed to full downside risk during an uncertain time for all healthcare providers. The COVID-19 pandemic has negatively affected providers nationwide and losing any additional financial stability at this time would only serve to exacerbate their existing challenges.

In order to protect all Next Generation ACOs and ensure the model remains at full strength for the sake of the broader move from volume to value, we ask that the Innovation Center maintain the prospective benchmark for ACOs who do not elect Amendment 1. Doing so will encourage the acceptance of increased risk and ensure continued transparency, both of which are hallmarks of the program. This is especially relevant given that the Next Generation ACO program already has a mechanism in place via a maximum savings cap to curtail savings paid back to providers, the excess of which accrues to CMS in the form of savings.

Transparency remains an important aspect of value-based models and the partnership between healthcare providers and federal agencies in Washington. Without a transparent process, organizations cannot accurately monitor data and make sound decisions that best serve both

the healthcare system and the patients they treat. This puts the long-term success of these programs at risk.

We ask that CMS consider our recommendations and the strain that such a substantial change made on short notice represents for healthcare providers operating in these important models.

If you have any questions, please contact Valinda Rutledge, Senior Vice President of Federal Affairs at APG at vrutledge@apg.org , Allison Brennan, MPP, Senior Vice President of Government Affairs at NAACOS at abrennan@naacos.com, or Aisha Pittman, MPH, Vice President of Policy at Premier Inc. at Aisha_Pittman@PremierInc.com.

Sincerely,

America's Physician Groups
National Association of ACOs (NAACOS)
Premier, Inc.