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May 5, 2021

Welcome to America's Physician Groups' "Healthcare on the Hill," where you can get the latest on healthcare happenings in our nation's capital--and with a special focus on the value-based care movement.

As our nation--and the world--continues to face the many challenges presented by COVID-19, we are working to ensure you have the very latest information on the virus and our rapidly changing healthcare landscape.

Think someone else may enjoy "Healthcare on the Hill?" Forward this email and have them click here to be added to our subscription list. And remember, you can always visit our website for more news and resources.

Valinda Rutledge Executive Vice President of Federal Affairs America's Physician Groups

APG Signs onto Joint Letter to HHS with Recommendations for a MSSP Quality Overhaul

On May 4, APG and a coalition of ten organizations sent a joint <u>letter</u> to Xavier Becerra, Secretary of the U.S. Department of Health and Human Services expressing our concerns with the changes to quality reporting for the Medicare Shared Savings Program (MSSP). In our letter, the coalition expressed our concerns that the policy changes lacked adequate

input from the patient, ACO, physicians and hospital communities. We are also unclear how CMS determined that the Alternative Payment Model Performance Pathways measures are more appropriate than the current measures on which ACOs are evaluated. In the letter, the coalition recommended the following changes:

- Delay the mandatory reporting of eCQMs and MIPS CQMs for at least three years
- Limit ACO reporting to ACO assigned beneficiaries only
- Lower the data completeness requirements beginning at 40 percent with a gradual increase to a maximum of 50 percent for those reporting eCQMs or MIPS CQMs or explore alternative approaches
- Reassess the appropriateness of the measures included in the APP measure set and solicit additional input through the MAP prior to finalizing a complete set of patient-centered measures for reporting
- Clarify/establish quality performance benchmarks in advance for all ACO reporting options
- Retain pay-for-reporting when measures are newly introduced or modified

On April 25, APG also sent a <u>letter</u> to Liz Richter, Acting Administrator for the Centers for Medicare & Medicaid Services on the agency's changes the Medicare Shared Savings Program (MSSP) and Quality Payment Program (QPP), noting that many of the changes will likely have significant impact particularly for physician practice ACOs. APG met to extensively discuss the impact of these changes on members and their practices and will continue to correspond with CMS staff over the coming weeks to discuss this issue.

APG's Direct Contracting Coalition

APG's Direct Contracting Coalition continues its advocacy on Direct Contracting and sent its second Letter to CMMI providing detailed recommendations for changes to the April 1st performance period and flexibilities needed for the January 1st deferred applicants. In its letter, APG reiterated the coalition's concerns over the recent decision by CMMI to end the submission of applications for the global and professional direct contracting model (GPDC) which has caused coalition members with numerous concerns.

We appreciate the investment the agency has made to ensure its success, however, the following recommendations were made in the spirit of commitment to value based care.

Specifically, the coalition provided the following recommendations:

 Reopen the application portal for prospective applicants to apply for the Global and Professional Direct Contracting Model (GPDC) beginning on January 1, 2022

- Provide the 837 claims file format to direct contracting entities on a daily basis
- Provide an option for more advanced direct contracting entities to do complete claims processing, adjudication, and integrity auditing
- Build a process to recognize paper-based voluntarily alignment on an annual basis for all CMS and CMMI ACO or Direct Contracting models
- Use the Medicare benefit verification system to identify an assignment to a GPDC as is used in Medicare Advantage
- Provide greater clarity and guidance on the application of retrospective trend adjustment

If you want to be a part of this Coalition and you belong to a provider **organization**, please submit a name and contact information to **Shelley Robinette** (<u>srobinette@apg.org</u>). The Coalition is for current and potential Direct Contracting participants and is a perfect opportunity to exchange information, share best practices, and collaborate on advocacy efforts that will strengthen your experience under Direct Contracting.

CMS Releases FY2022 IPPS Proposed Rule

Last week, the Centers for Medicare and Medicaid Services (CMS) released its 2022 Prospective Payment System (IPPS) <u>proposed rule</u>, covering priorities from the Biden administration from a payment rate increase to more COVID-19 responses. CMS has proposed an increase in acute care hospital operating payments of 2.8 percent, which totals \$2.5 billion after accounting for the proposed methodology changes to Medicare Disproportionate Share Hospital (DSH) and uncompensated care payments. Also included in the proposed rule are:

- An extension of the New Covid-19 Treatments Add-on Payment (NCTAP) for IPPS enabling providers to bill for Covid-19 treatments available for emergency use or approved by FDA beyond the current public health emergency
- Eliminating the Medicare Advantage charge data reporting requirement and the new market-based data calculation methodology for MS-DRG relative weights that were aimed for creating greater price transparency

For ACOs, the IPPS proposed rule extending the option for ACOs in the BASIC track to participate for an additional year at their current performance year (PY) 2021 level for PY2022 due to the COVID-19 pandemic. This is in addition to a similar ruling in last year's Physician Fee Schedule rule that allowed ACOs to participate in PY 2021 at their PY2020 levels. Those ACOs that took that option can elect to not change their participation level for a second time.

For PY2023, those ACOs that opt to remain at their current participation level will advance to the BASIC track level they would be scheduled to participate in had they had advanced automatically through PY2022. For example, if an ACO froze their participation at BASIC Level A from PY2020-PY2022, for PY2023 they will move to BASIC Level D, not BASIC Level B. ACOs will however have the option to advance more quickly if they so choose. You can read a fact sheet on the IPPS proposed rule here.

Congress Continues to Move on Prescription Drug Pricing

Congress has been busy the past two weeks facilitating movement on a number of prescription drug pricing bills and initiatives. The House Committee on Energy and Commerce's Subcommittee on Health will held a hearing yesterday morning entitled "Negotiating a Better Deal: Legislation to Lower the Cost of Prescription Drugs" to discuss drug pricing legislation. The hearing covered eight bills including:

- H.R. 3
- H.R. 19
- H.R. 153
- H.R. 2815
- H.R. 2831
- H.R. 2843
- H.R. 2846
- H.R. 2853

Energy and Commerce Committee Chair Rep. Frank Pallone (D-NJ) stated in his opening remarks during the hearing that "I am pleased we are holding this hearing to highlight once again why we must act, and why H.R. 3 is the comprehensive solution this country needs to fix our broken market for prescription drugs. For too long, Americans have been forced to ration their medications, go without, or exhaust their life savings in order to afford the drugs they need, all while large pharmaceutical companies continue to make record profits. Americans pay three, four, or ten times the amount that people pay in other countries for the exact same drug. How is that fair? It's not – in fact, it's outrageous and it is long past time that we negotiate a better deal for Americans."

On the Senate side, Senator Ron Wyden (D-OR), Chair of the Senate Committee on Finance, has announced that he will be drafting legislation on drug pricing reform due to its lack of inclusion in President Biden's American Families Plan, or will seek to add drug pricing measures to pieces of the American Families Plan as it moves through Congress. "We're going to look at every possible vehicle, and that's starting today. It's critical that we level the playing field by giving the federal government the ability to negotiate lower

prescription drug costs, and this will be one of the top priorities as we work to pass the American Families Plan," Sen. Wyden said.

It appears that from both the House and Senate side, Congressional leaders are committed to addressing drug pricing. We will continue to keep you updated on the progress.

APG to Host Virtual Hill Briefing on the Transition to Value-Based Care

As the COVID-19 pandemic has revealed existing gaps in our healthcare system that must be evaluated and improved upon, APG has organized a virtual briefing to discuss the transition away from expensive fee-for-service care and toward a system that rewards providers for providing low-cost, quality care. Register for:

From Quantity to Quality: The Transition Toward Value-Based Care

Tuesday, May 18 from 2:00pm to 3:00pm EDT

Register Here

As the nation emerges from the ongoing public health emergency, healthcare providers and legislators must do more to create strong incentives for the delivery system to continue moving toward value-based care and a stronger healthcare system. You won't want to miss this panel of experts which includes:

- Donald Crane, President and CEO, America's Physician Groups, Los Angeles, CA
- Kelly Robison, Chief Executive Officer, Brown & Toland Physicians, Oakland, CA
- Philip Oravetz, MD, Chief Population Health Officer, Ochsner Health, Jefferson, LA
- Steven Sell, Chief Executive Officer, agilon health, Long Beach, CA

The panel will cover:

- The operational infrastructure required for value-based care
- The importance of care coordination
- The effects of value-based care on utilization, e.g. hospital admissions





SAVE THE DATE

EMERGING FROM THE PANDEMIC: THE PATH FORWARD



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