

February 14, 2022

The Honorable Xavier Becerra
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

Re: Continuing the Direct Contracting Model

Dear Secretary Becerra:

The undersigned organizations write to urge you to not cancel the Global and Professional Direct Contracting Model (GPDC) and instead make necessary refinements to improve the model in support of patients and providers. Direct Contracting is an accountable care model for traditional Medicare. Stopping Direct Contracting is bad policy and would undermine our health system's move to value-based payment models, which is sorely needed to achieve the triple aim of better patient satisfaction, higher quality care, and more affordable care. Traditional Medicare patients' care would be worse off without the benefits and quality of care provided by Direct Contracting Entities (DCEs).

Cancelling Direct Contracting would additionally undermine the work of the Center for Medicare and Medicaid Innovation (Innovation Center) and the Centers for Medicare & Medicaid Services (CMS). The Innovation Center was a critical part of the Affordable Care Act and is an instrument to test value-based payment models that make care more affordable while also improving quality of care. Much has been learned over its first decade of work. Should this model be abruptly ended, health care providers would be terminated from value-based payment participation without warning, making them far less likely to invest and participate in future CMS payment models. This would be particularly unfair for the dozens of Accountable Care Organizations (ACOs) that moved into Direct Contracting after the December 2021 conclusion of the Next Generation ACO Model, a successful provider-led payment model launched under then President Obama's administration. The Innovation Center work and the shift to value-based care has been bipartisan and should remain that way.

Rather than cancelling Direct Contracting, a better option is to adjust the model, which the CMS Innovation Center can quickly do. Fix, don't end, the Direct Contracting Model. For example, you can limit participation to certain types of DCEs, such as provider-led DCEs, and place additional guardrail and add more beneficiary protections. A rebranding and name change would also help communicate how this model is part of the evolution to accountable care. There's still time to make these adjustments this year. The Innovation Center would also benefit from a public announcement that the Geographic Direct Contracting Model, which is being confused with the very different Global and Professional options, is stopped entirely.

Many of the recent criticisms against the model are misleading and flat out false. Traditional Medicare patients maintain their freedom of choice to see any willing provider. They keep all of their rights and protections, and in fact, get more benefits and lower cost care through the model. There are no networks or prior authorization. DCEs must inform patients of their assignment to a DCE. This is not the end of traditional Medicare, as advocates have falsely claimed, but is a way to provide additional beneficiary and provider tools as part of a whole-person care approach.

Furthermore, Direct Contracting is part of the CMS Innovation Center's efforts to help underserved populations, a focus which should be built upon through program modifications. CMS officials have stated that DCEs have proportionately more providers in communities with high numbers of low-income and minority patients. The model in fact incentivizes care for sicker, high-needs patients. Lessons learned from the model could be applied to other payment models. Canceling Direct Contracting would hurt our health system's efforts to address health disparities.

The organizations listed below have worked tirelessly, most recently in the face of a global pandemic, to move towards a health care delivery and payment system that emphasizes quality and value. During the pandemic, DCEs have been able to use care coordinators, telehealth, preventive care, and other waivers to keep patients healthy in the face of COVID. This work has been done despite challenges such as staff shortages, clinician burnout and grave financial struggles. Their work should be commended, not vilified.

Direct Contracting is a needed high-risk, value-based payment model designed to improve patient care. Please keep the model and make adjustments as needed or else we risk taking a step backward on work that provides patients with higher quality of care at a lower cost.

Sincerely,

AMDA-The Society for Post-Acute and Long-Term Care Medicine
America's Physician Groups

AMGA

Association of American Medical Colleges

Health Care Transformation Task Force

Medical Group Management Association

National Association of ACOs

Premier healthcare alliance

Value Based Care Coalition

360 Health

Acclivity Health Solutions

Accountable Care Learning Collaborative

AdventHealth

Advocate Aurora Health

AEGIS Medical Group

agilon health

Akira MSO

Akos MD IPA LLC

Allied Pacific IPA

Amarillo Legacy Medical ACO

American Multispecialty Group, Inc. dba Esse Health

Americas DCE

Answer Health (Grand Rapids, MI)

Aon

APA ACO INC

Apricus Health

Apricus Health Network

Arcadia

Archway Health

Arizona Care Network
Arsenal Capital Partners
At Your Door Visiting Healthcare Services
Atlantic Accountable Care Organization
Atrium Health Wake Forest Baptist
Austin Regional Clinic
Babylon
Babylon Health & Babylon Medical Group
Banner Health
Bloom Healthcare
BrightHealth
Brown & Toland Physicians
CareAllies
CareConnectMD
CareConnectMD DCE LLC
CareDimensions LLC
Catholic Health Physician Partners ACO
Centene
Central Ohio Primary Care
ChenMed
CHESS Health Solutions
Chronic Disease Management LLC
Cityblock Health
ClaraPrice
Collaborative Health Systems
Complete Health
Cone Health/Triad HealthCare Network
David Stansfield DO LLC
DispatchHealth
Dr Rios Medical Group
Essentia Health
Executive Health of Coral Gables, LC
Facey Medical Group
FamilyCare Medical Group (Syracuse, NY)
Fulshear Family Medicine
Genesis Health System
GeriNet Medical Associates Inc.
Greater Newport Physicians
Greater San Antonio Emergency Physicians
Hail Health Cluster
HealthPartners ACO
Health Partners for the Elderly, LLC
Hernando Pasco Primary Care, LLC
Hospice of Central Ohio
ilumed
Innovacer
Innovare Health Advocates
Integrated Care Solutions

INTEGRIS Health
Intermountain Healthcare
Iora Health/One Medical
IU Health
John Kuczynski MD
John Muir Medical Group
KPN
Kronos Health, PLLC
Lacey Medical Clinic
Lakeview Healthcare System
Linscott Family Practice
Loyola Physician Partners
Lumeris
Magnolia Clinica Medica Familiar
MaineHealth Accountable Care Organization
Mary Washington Health Alliance LLC
MaxHealth
McAuley Health Partners ACO, LLC
MD Valuecare LLC
Medcare Wellvana Pediatric Cardiology
Medical Home Network
MemorialCare Medical Group
MercyOne PHSO
Methodist Patient Centered ACO
The MetroHealth System
MHN ACO
MMC Advisors LLC
Motog Inc. D/B/A St. Francois Medical Center
Mount Sinai Health System
MSO of Puerto Rico, LLC
MultiCare Health System
Muskingum Valley Health Center
MyCare Pinellas, PA
Nath Holdings LLC
Nevada Care Connect
NOMS Healthcare
Northeast Georgia Health Partners
Northeast Georgia Physicians Group
Northern Michigan Health Network dba NPO-CIN
Northern Ohio Medical Specialists, LLC
Novello Physicians Organization
Oak Street Health
Ochsner Health
Ohio's Hospice
Ohio's Hospice of Dayton
Ohio Integrated Care Providers
Olympia Multispecialty Clinic
On Belay Health Solutions

Oncology Physicians Network
Optima Medical
OptimizeVBC
Optimus Healthcare Partners
Optum - Southwest Medical Associates
Optum Care
Pathways Health Partners
Pearl Health
Perfect Health (dba ConcertoCare)
Perfect Health DCE, LLC
Physicians Group of Southeastern Ohio (SE OH)
Pinehurst Medical Clinic (Pinehurst, NC)
Pioneer Physicians Network
Pioneer Physicians Network (Akron, OH)
The Portland Clinic
PraxisCare Inc.
Preferred Primary Care Physicians (Pittsburgh, PA)
Premier Family Physicians (Austin, TX)
Primary Care Alliance
Primary Medical Group
PriMED
PriMED Physicians
Prime Holdings
Prisma Health Upstate Network
Pritesh & Tarak, PA
Professional Health care of Pinellas LLC
Proficient Health
Prospect Medical Systems, Inc.
Providence
Providence Health and Services
Providence Medical Group, Inc.
Provider Partners Health Plan
PSW / NW Momentum Health Partners ACO
Pure Healthcare Inc.
Q Point Health, LLC (dba Equality Health Direct)
Quality Independent Physicians
Quincy Medical Group
Rancho Family Medical Group
RÃos southwest MG
Reemo Health
Reliance Hospice
Renovis Health
Revere Health
Rios Southwest Medical Group
Robin Healthcare
Saint Alphonsus Health Alliance
Sansum Clinic
Scripps Coastal Medical Group

Sharp Community Medical Group
Sharp Community Medical Group Kenneth Roth
Sharp Rees-Stealy Medical Group
SIMEDHealth
Southwestern Health Accountable Care Network
Space Coast Independent Practice Association, LLC
St. Joseph's University Medical Center
Starling Physicians (Hartford, CT)
Steward
Summit Health
Summit Medical Group, PLLC
Summit Reinsurance Services, Inc.
Sutter Health
Sutter Medicare Direct
TCPA
Texas Health Resources
Texas Panhandle Clinical Partners ACO
TexasIPS
Texoma ACO
TMA
Trella Health
Triad HealthCare Network
TriHealth
Trinity Health
Trinity Health Integrated Care Accountable Care Organization
Tucson La Clinica Familiar
Tumwater Family Practice Clinic
UHS/Prominence/ACO Management Services
UMass Memorial Health
United Church Homes, Inc
UnityPoint Accountable Care
University of Texas Southwestern Medical Center
UpStream Healthcare
Validate Health
ValueH
Vancouver Clinic
Vicinia Health
Vikas Desai MD PC
Village Medical at Home
VillageMD
VillageMD Primary Providers ACO
VillageMD Arizona ACO
VillageMD Georgia ACO
VillageMD Houston ACO
VillageMD Michigan ACO
VillageMD New Hampshire ACO
Wellvana Health
Wilems Resource Group

Wilmington Health
Zia ACO