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October 5, 2017

VIA ELECTRONIC MAIL
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Room 445-G, Hubert H. Humphrey Building
200 Independence Avenue SW
Washington, DC 20201

Re: Cancellation of Advancing Care Coordination Through Episode Payment and Cardiac Rehabilitation Incentive Payment Models; Changes to Comprehensive Care for Joint Replacement Payment Model (CMS–5524–P)

Dear Administrator Verma:

The Consumer-Purchaser Alliance is a collaboration of leading consumer and employer organizations committed to improving the quality and affordability of health care through value-based payment and care delivery, effective measurement, and transparency to drive quality improvement, inform consumers, and guide payment.[1] In pursuit of these aims, our coalition has been actively engaged in promoting the rapid and comprehensive transformation of the health care system through alternative payment models that support care redesign and reward better patient outcomes, better patient experience, and greater affordability. We are concerned that CMS is sending signals that will slow this transformation, and urge you to clarify that value-based payment and care delivery is an urgent priority through your statements and policy decisions.

CMS's commitment to transform the health care system by eschewing fee-for-service in favor of value-based payment catalyzed a significant commitment from private sector stakeholders (providers, purchasers, payers, patients, and others) to bring greater value to private sector health care as well. Only with such alignment between CMS and the private sector will we achieve the scale of change necessary to make meaningful strides toward better quality and more affordable care.

[1] For brevity, we refer in various places in our comments to "patient" and "care," given that many Medicare programs are rooted in the medical model. People with disabilities frequently refer to themselves as "consumers" or merely "persons." Choice of terminology is particularly important for purposes of care planning and care coordination, when the worlds of independent living and health care provider often intersect.

This system transformation is underway. Hospitals, physicians, and other health care providers have invested significant time and money in preparing for the alternative payment models they have seen signaled by CMS and the private sector. We are concerned that these changes to CMS's value-based payment strategy and tactics are confusing providers about the importance and urgency of system change. The proposed rule scales back the mandatory nature of the model, which may limit its ability to effect change throughout the system. Hospitals that have begun to prepare for the Comprehensive Care for Joint Replacement (CJR) program but are no longer required to participate can voluntarily participate in the program and benefit from the program if they are able to improve the cost and quality of care delivered. However, the cancellation of the Episode Payment Models (EPMs) and Cardiac Rehabilitation (CR) model leaves no such option for forward-thinking hospitals. We urge CMS to similarly consider options for preserving elements of the EPMs and CR model for those providers that are prepared to improve the value of care they deliver.

In addition, other signals CMS has sent this year about value-based payment have undermined the urgency of this transformation, such as proposing to exclude a large number of clinicians from the Merit-based Incentive Payment System and proposing not to apply the negative payment adjustment associated with 2016 performance on the Physician Value-Based Payment Modifier for clinicians who met the minimum quality reporting requirements, regardless of performance.

As we have described in previous comments regarding CMS's episode-based payment models, our constituents have reaped the benefits of well-designed bundled payment models in the private sector. The Employer Centers of Excellence Program (ECEN) uses bundled payments for joint replacements, spine care, and bariatric surgery. Under the ECEN program, the total cost of an episode care is 10-35% less than under traditional fee-for-service payment, with better quality outcomes and patient experience. Compared to patients who receive care outside the program, ECEN patients are less likely to need skilled nursing care after discharge, less likely to be readmitted to the hospital within 30 days after discharge, less likely to need a revision within 6 months, and less likely to undergo unnecessary surgery. Results like these demonstrate that a bundled payment model can improve care coordination, align providers, spur effective innovation, and control costs.

Rather than slow the pace of transformation, as these proposed changes suggest, we urge CMS to rapidly assess how to improve and refine existing models, including the EPM and CR models, and continue to develop and roll out new models that will reward providers who can improve the value of the care they deliver.[2]

[2] Our previous comments on the Episode Payment Models offer specific suggestions for improving these models and ensuring providers are rewarded for meaningful patient-centered care transformation, not just cost savings. Please see our initial comments on the Episode Payment Models from

Thank you for considering our perspective on the implementation and further evolution of episode-based payment models, and on the urgent need for public-private sector alignment to drive value-based payment and care delivery. We believe a well-designed, patient-centered episode payment model can be an important part of the transformation to improve our nation's health care system. If you have any questions, please contact Stephanie Glier, Senior Manager for the Consumer-Purchaser Alliance, at sglier@pbgh.org.

Sincerely,

Debra Ness
President
National Partnership for Women & Families
Co-Chair, C-P Alliance

William Kramer
Executive Director
Pacific Business Group on Health
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October 2016 (http://consumerpurchaser.org/files/CPAlliance_EPM_Comments_2016.pdf) and our previous comments on the proposed delay to the Episode Payment Models from April 2017 (http://consumerpurchaser.org/files/CPAlliance_EPM_delay_2017.pdf).