

Congress of the United States
Washington, DC 20515

April 13, 2018

The Honorable Seema Verma
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Avenue, S.W.
Washington, DC 20201

Dear Administrator Verma,

We write to you with concerns for the long-term prosperity of the Medicare Shared Savings Program (MSSP). Encouraging medical providers to move to value-based models should be a top priority of the Centers for Medicare and Medicaid Services (CMS). Indeed, during Health and Human Services Secretary Alex Azar's confirmation hearing, the then-nominee pledged that the shift to value would be one of his top four priorities as Secretary. That is why we urge that you direct CMS to continue to foster providers' participation in value-based care by permitting successful Track 1 Accountable Care Organizations (ACOs) to participate in the MSSP in Track 1 for a third three-year agreement period.

As you know, current regulations cap Track 1 participation at two three-year agreement periods. Accountable care organizations that began participation in the MSSP in the inaugural year (2012/2013), and continued with the program in Track 1, are now in the final year of their second agreement period. ACOs in this cohort will be forced for the first time to either participate in a risk-bearing two-sided track or discontinue participation in MSSP altogether.

In 2018, Track 1 ACOs comprise 82 percent of all MSSP ACOs. Most of these ACOs are simply not ready to take on risk, and compelling them to do so is not realistic given that MSSP performance data is only available for years 2013-2016 and the capital required to participate in a two-sided risk model can reach into the millions. Moving successful ACOs out of Track 1 may have the negative effect of pushing providers back to the fee-for-service model and could significantly harm the MSSP, as well as our overall movement toward value-based payment models that help deliver higher quality care at a lower cost. While Track 1 ACOs do not take on any formal risk to participate, all ACOs make significant investments to maintain operations and manage care coordination, averaging \$1.6 million annually.¹ ACOs are investing in human capital, employing teams of data analysts, case managers, care coordinators, and practice transformation specialists to identify, develop, and implement improved care pathways. This critical work, however, is not reimbursed by CMS. The significant investment in activities that are not reimbursable is in itself taking on risk. If Track 1 ACOs decide to leave the program, these investments will be lost. By allowing Track 1 ACOs that have generated savings, achieved suitable

¹ National Association of ACOs 2016 ACO Cost and MACRA Implementation Survey

quality scores, or have demonstrated consistent progress toward achieving these goals, to continue with a third agreement period, CMS can support the sustainability of the MSSP.


Extending the Track 1 participation beyond two agreement periods is a commonsense action CMS can take to continue to hold the line on Medicare spending while improving quality for seniors. We encourage you to take swift action on this matter to prevent ACOs from fleeing the MSSP before performance year 2019.

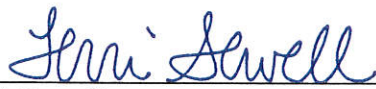
Thank you for your commitment to our nation's seniors. Medicare is an earned benefit and it should remain a top priority to hold costs down while providing top quality care and we look forward to working with you to accomplish just that. Thank you for considering our request we look forward to a timely response.

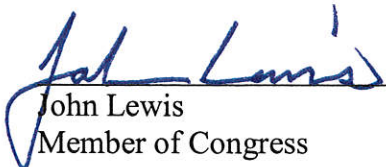
Sincerely,



Suzan K. DelBene
Member of Congress

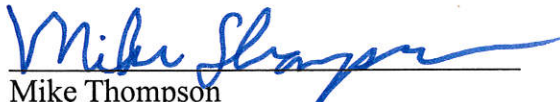

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