November 21, 2019

The Honorable Jodey Arrington
U.S. House of Representatives
1029 Longworth House Office Building
Washington, DC 20515

The Honorable Suzan DelBene
U.S. House of Representatives
2330 Rayburn House Office Building
Washington, DC 20515

The Honorable Roger Marshall
U.S. House of Representatives
312 Cannon House Office Building
Washington, DC 20515

The Honorable Ami Bera
U.S. House of Representatives
1727 Longworth House Office Building
Washington, DC 20515

Dear Representatives Arrington, DelBene, Marshall and Bera:

On behalf of the undersigned organizations, we thank you for introducing legislation that fixes a formula to measure accountable care organization (ACO) performance by more fairly comparing ACOs to their markets. Specifically, the Accountable Care in Rural America Act (H.R. 5212) amends title XVIII of the Social Security Act to improve the benchmarking process for the Medicare Shared Savings Program (MSSP) to ensure that all ACOs have an equal opportunity to share in savings regardless of their geographic location.

Since the MSSP launched in 2012, ACOs have proven to be a promising mechanism for delivery system reform. According to recent CMS data, ACOs collectively saved Medicare $1.7 billion last year alone, and $739 million after accounting for shared savings bonuses and collecting shared loss payments. The results continue a strong and growing trend of the Medicare ACO program saving money, and ACOs also demonstrate impressive quality. For example, in 2018 ACOs had an average quality score of almost 93 percent. Additional research also confirms positive ACO performance. Researchers at Harvard University, the Medicare Payment Advisory Commission and Dobson DaVanzo & Associates have all done such work. All showed ACOs are lowering Medicare spending by 1 percent to 2 percent, which translates into tens of billions of dollars of reduced Medicare spending when compounded annually.

With results like this, it is clear that ACOs are transforming our health care system through reduced costs and improved quality. However, the full promise of this model – and the MSSP – can only be realized if all ACOs have an opportunity to be rewarded for their efforts to improve quality and reduce costs. Ensuring that program methodologies create appropriate incentives for behavior change is critical to driving clinical and practice transformation.

This legislation fixes an important flaw in the current MSSP benchmarking methodology – a flaw that systematically disadvantages ACOs in rural areas and makes it harder for them to achieve savings even when they improve quality and reduce costs on par with their counterparts in urban areas.

Today, the regional adjustment includes an ACO's own beneficiaries in the regional calculation. While this has minimal impact for ACOs in urban areas with a lot of provider competition, the impact is significant in rural areas where an ACO covers a large number of the region's fee-for-service beneficiaries. No ACO should be placed in a less favorable financial position due to their geography alone, and design flaws that discourage ACOs from operating in rural areas should be eliminated.

Amending the Social Security Act to improve the MSSP benchmarking process and level the playing field for rural ACOs is a critical step to ensuring all providers and patients are able to benefit from this program. **We thank you for introducing the Accountable Care in Rural America Act to achieve this important goal.**

Sincerely,

Aledade
American College of Physicians
American Hospital Association
American Medical Association
American Medical Group Association
America's Essential Hospitals
America's Physician Groups
Association of American Medical Colleges
Federation of American Hospitals
Health Care Transformation Task Force
Medical Group Management Association
National Association of ACOs
National Rural Health Association
Premier