



August 2, 2017

Ms. 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

Re: Concerns about delayed 2016 MSSP reconciliation and shared savings payments

Dear Administrator Verma:

The National Association of ACOs (NAACOS) is writing to express significant concerns about the delayed 2016 Medicare Shared Savings Program (MSSP) performance year (PY) 2016 financial reconciliation results and corresponding payments for earned shared savings.

NAACOS is the largest association of ACOs, representing more than 3.7 million beneficiary lives through more than 240 MSSP, Next Generation, and commercial ACOs. NAACOS is an ACO member-led and member-owned non-profit organization that works on behalf of ACOs across the nation to improve the quality of Medicare delivery, population health and outcomes, and health care cost efficiency. Our members, more than many other healthcare organizations, want to see an effective, coordinated patient-centric care process. Our recommendations reflect our expectation and desire to see ACOs achieve the long-term sustainability necessary to enhance care coordination and health outcomes for Medicare beneficiaries, reduce healthcare costs, and improve quality in the Medicare program.

As recently communicated by the Centers for Medicare & Medicaid Services (CMS) to ACOs, a delay in the availability of 2016 final risk scores will postpone PY 2016 financial reconciliation reports from July until September. Further, it is our understanding that the PY 2016 shared savings payments for qualifying MSSP ACOs will also be delayed and likely delivered in November. This represents a significant delay of two months for both the financial reconciliation reports and shared savings payments. Following CMS's notification of these delays, NAACOS received many inquiries from concerned ACOs about how these delays will affect their operations and ability to make important decisions and to continue investing in essential activities related to care coordination, quality reporting and ACO operations.

We understand that the delay stems from flawed risk data that goes beyond MSSP and affects other CMS programs as well. We appreciate CMS's commitment to use only the corrected data, and we recognize that it takes time to go through complex program calculations to determine ACO performance and ensure accurate performance results and shared savings payments. However, the significance of this delay and its impact on ACOs cannot be ignored. While some ACOs may be able to wait for shared savings payments, such as those that have been in the program longer and have worked to establish reserves or those with

more stable financial backing, for others this delay will have a devastating effect. This is particularly the case for newer ACOs in the early stages of development. For these organizations, their business may solely rely on this payment and they may not have reserve capabilities to call on during a two-month delay. It's also important to note that the shared savings payments are typically distributed approximately nine months following the close of the performance year, which already represents a considerable delay. Adding another two months to this timeline is cause for serious concern. Further, this delay affects how providers view their participation in an ACO, hurting morale and causing them to wonder if they will actually be rewarded for their efforts to transform care delivery and embrace a value-based payment model.

Another troubling result of this delay is the lack of critical performance information that ACOs need to make final decisions about their 2018 participation, including their ability to assume financial risk in a two-sided ACO model. ACOs are in the process of planning for 2018, and understanding how they performed in 2016 a very important piece of information needed to plan accordingly for the future. As CMS continues to push ACOs toward assuming risk, it's imperative that the agency provide ACOs with timely, actionable information about their performance. Without that information, many ACOs will not have the confidence to move into two-sided risk models and some may question CMS's commitment as a partner in the shift to value-based payment and reforming the care delivery system.

Recommendations: We urge CMS to act expeditiously to make up for the lost time resulting from the flawed risk data. Specifically, CMS should work diligently to release the 2016 financial reconciliation reports as soon as possible and should make every effort possible to maintain the same timeframe for shared savings payments and distribute them by October 1. We also request that the agency postpone 2018 application deadlines, including those related to providing updates and final information through the Request for Information (RFI) process. Further, CMS should provide more ongoing communication leading up to the release of the financial reconciliation reports and the distribution of shared savings payments so that ACOs have as much information as possible during the coming months and are fully apprised of any updates to the scheduled release of the financial reconciliation reports and shared savings payments.

We appreciate your attention to the delayed 2016 reconciliation and shared savings payments and hope CMS takes swift action to expedite these reports and payments. We are available to further discuss this issue and can be reached by contacting Allison Brennan, Vice President of Policy, abrennan@naacos.com or 202-640-2685.

Sincerely,



Clif Gaus
President and CEO