



American College of Physicians
Leading Internal Medicine, Improving Lives

August 17, 2023

Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Re: Episode-Based Payment Model

Dear Administrator Brooks-LaSure,

On behalf of the American College of Physicians (ACP or “The College”), I am pleased to share our perspective on the Centers for Medicare and Medicaid Services’ (CMS) Episode-Based Payment Model RFI (CMS-5540-NC). The College is the largest medical specialty organization and the second-largest physician group in the United States. ACP members include 160,000 internal medicine physicians (internists), related subspecialists, and medical students. Internal medicine physicians are specialists who apply scientific knowledge and clinical expertise to the diagnosis, treatment, and compassionate care of adults across the spectrum from health to complex illness.

ACP is pleased that in this RFI, CMMI expressed plans to develop and implement new episode-based payment models. As payment continues to shift from volume to value, it is critical that physicians have the opportunity to qualify for an APM that meets the needs of their practice and their patients. When developing such opportunities, physicians’ and patients’ input should be sought and justly considered. Soliciting input through this RFI is a first step, which ACP appreciates, and we offer our recommendations below.

APM Development

CMS should actively engage with relevant physicians throughout all model development and implementation stages, including making sufficient data and methodological details available to physicians and other interested parties so they can understand, assess likely impacts, and provide feedback to CMS on proposed payment models. This includes seeking input on APM payment amounts, risk requirements, quality measures, and other key elements long before they are formalized in program guidelines or proposed rulemaking and respond publicly to all feedback that is provided.

Physician-Led, Patient-Centered Team Based Care

CMS should ensure that new payment models place physicians at the center of decision making about care coordination and delivery, give them the resources and flexibility they need to deliver services that can achieve good outcomes for all types of patients with lower overall spending for Medicare, and do not place them at risk for outcomes or costs they cannot control. The Agency should consider utilization of prospective payments designed to support the costs of high-quality care for any new APMs, rather than merely providing bonuses and penalties based on CMS estimates of Medicare savings. APMs should also include waivers of any regulations that prevent or impede the delivery of care in more effective

ways. New APMs should not hold physicians accountable for outcomes they cannot control or place them at financial risk for services or prices that is out of their control.

Since the development of the advanced medical home in 2006, ACP has developed principles for improving patient care through the development of the [Patient-Centered Medical Home](#) (2007), the [Patient-Centered Medical Home Neighbor](#) (2010), the [Pediatric to Adult Care Transitions Toolkit](#) (2016), [Beyond the Referral](#): Principles of Effective, Ongoing Primary and Specialty Care Collaboration (2022), and [Beyond the Discharge](#): Principles of Effective Care Transitions Between Settings (2023). Each of these emphasizes the importance of communication, primary and specialty collaboration, and centering the patient's needs. In developing any APM, including an episode-based payment model, communication and coordination are essential for model success.

Equity

In our recent [paper](#) *Reforming Physician Payments to Achieve Greater Equity and Value in Health Care*, ACP recommends that all payers prioritize the inclusion of underserved patient populations and those who are disadvantaged by health care disparities and inequities based on personal characteristics and/or are disproportionately impacted by social drivers of health in all value-based payment models, including population-based prospective payment approaches. ACP also recommends that all performance and cost measures used in value-based payment programs must be adequately adjusted for risk, health status, and social drivers of health. Transparency should be prioritized, and bias considered whenever there is data collection and particularly when the demographic is systematically marginalized. Data collection for the sake of data collection is costly, burdensome, and inequitable. For the sake of both the patient and the physician, data collection should not be done at the physician level. This would have significant negative impacts on patient care and does not add any value benefit to the patient experience or patient outcome.

CMS should design new APMs to provide adequate payments and flexibility that will ensure access to high quality care for patients with higher levels of need. The best way to ensure that episode payments support appropriate care for underserved beneficiaries is to identify what kinds of beneficiaries are currently underserved, determine what services they need (including non-medical services) and what it will cost to deliver those services, and then establish payment amounts for those beneficiaries that are sufficient to cover the cost of the necessary services and support. Payments in any new APM should be higher for patients who are more complex, need more services, or who have a greater risk of complications. The difference in payment amounts should be based on the difference in the costs of delivering the services the patients need and treating unavoidable complications, not based on risk adjustment systems designed solely to predict total Medicare spending.

Design and Delivery

Any future episode-based payment models should be explicitly designed to enable specific changes in care delivery that physicians believe will improve patient outcomes at the same or lower cost. This must include 1) providing upfront payments that are adequate to support the costs of new or different services, and/or 2) changes to current payment systems to a system that is capable of overcoming barriers to deliver better patient care, such as waivers of regulations limiting the number or types of services that can be delivered.

Finally, we recommend that CMS consider a different approach to episode payment model design in which physicians and physician-led teams would receive a prospective bundled payment or prospective payment amount designed to support delivery of appropriate, evidence-based care to patients who have a specific health condition or who are receiving a particular procedure.

We appreciate the opportunity to comment on this RFI. We look forward to working with you. Should you have any questions or wish to discuss this matter, please contact Brian Outland, Ph.D., Director of Regulatory Affairs at boutland@acponline.org or Sarah Crossan, Associate of Regulatory Affairs at scrossan@acponline.org.

Sincerely,

Jason M. Goldman, M.D., F.A.C.P.

A handwritten signature in blue ink, appearing to read "Jason M. Goldman", with a long horizontal flourish extending to the right.

Chair, Medical Practice and Quality Committee

American College of Physicians