May 30, 2019

Submitted via DPC@cms.hhs.gov

Mr. Adam Boehler
Deputy Administrator for Innovation & Quality
Director, Center for Medicare and Medicaid Innovation
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Re: Geographic Population-Based Payment (PBP) Model Option Request for Information (RFI)

Dear Deputy Administrator Boehler:

Thank you for the opportunity to respond to the RFI on Direct Contracting – Geographic PBP Model Option. We applaud your commitment to pursuing payment and delivery system reform through innovative demonstration programs.

Our organizations are deeply committed to value-based care. We believe that effective, efficient primary care is key to improving outcomes and reducing costs, and we were pleased to see the Center for Medicare and Medicaid Services (CMS) focus on these critical health care services in its new models.

As you move forward in implementing this model, we strongly urge you to consider the impact on provider competition. As required by the Executive Order on Healthcare Choice and Competition, the Administration released a report in November 2018 outlining key recommendations for strengthening our health care system through increased competition.[1] The report recommended that the Administration ensure that delivery system reform models "foster collaboration across systems within a geographic area and do not produce harmful consolidation…, " and that the Administration ensure that smaller physician and provider practices are not "unduly harmed" by delivery system reform requirements.

We are pleased that you intend to give preference to direct contracting entities (DCEs) in target regions with more than one DCE, but believe that additional guardrails may be necessary to preserve choice and competition for traditional Medicare beneficiaries. For example, geographic DCEs should not be allowed to use their market power to mandate or require providers in a specific area to contract with them, or to require patients to see providers with whom they have a negotiated relationship. Any geographic demonstration should be closely monitored for unintended consequences and shifting competitive dynamics to ensure that it does not fuel provider consolidation trends already contributing to high costs in the commercial market.

We also strongly urge you to consider the implications of model overlap in a particular region. Geographic DCEs should not displace or take precedence over existing risk-taking entities working to achieve value-based care such as accountable care organizations (ACOs) and professional or global DCEs. Participants in existing models, including many physician-led groups, have made significant investments to shift to value-based care. These investments should be recognized by new models and model participants coming into a target region. We encourage CMS to continue to directly contract with ACOs in the Medicare Shared

[1] U.S. Departments of Health and Human Services, Labor and Treasury, "Reforming America's Healthcare System Through Choice and Competition." Available here: https://www.hhs.gov/sites/default/files/Reforming-Americas-Healthcare-System-Through-Choice-and-Competition.pdf

Savings Program, the Next Generation ACO Program and other CMMI models. Any disruption in an existing model inevitably distracts from the important work of creating more value for Medicare beneficiaries.

Thank you again for the opportunity to provide input. We look forward to work with CMS as you further develop this model.

Sincerely,

Alliance for Innovative Primary Care
American Academy of Family Physicians
Medical Group Management Association
National Association of Accountable Care Organizations
Next Generation ACO Coalition
National Coalition on Health Care
Partnership to Empower Physician-Led Care
Patient-Centered Primary Care Collaborative