June 27, 2017

VIA ELECTRONIC MAIL

Sam R. Nussbaum, MD
Chair
Alternate Payment Models Framework and Progress Tracking Work Group
Health Care Payment Learning and Action Network

Re: Comments on Draft White Paper: Alternative Payment Model (APM) Framework Refresh

Dear Chair Nussbaum:

The Health Care Transformation Task Force ("HCTTF" or "Task Force")[1] commends the work of the Health Care Payment Learning and Action Network's ("LAN") Alternate Payment Model Framework and Progress Tracking Work Group ("Work Group") on its draft Alternative Payment Model (APM) Framework ("Framework") Refresh White Paper. The Task Force appreciates the opportunity to provide comments to the Work Group, and looks forward to continued collaboration with the LAN and all of its work groups to help facilitate widespread health care delivery transformation.

The Task Force supports policies that promote value-based, patient-centered care and appreciates the Work Group's shared objectives. The Task Force and its members frequently reference the APM Framework as the standard by which the industry can categorize and measure APM adoption. We recognize that the Framework and its supporting principles will likely require modifications over time as payment models evolve, and appreciate the opportunity to provide feedback on this initial refresh.

The Task Force supports several of the modifications included in the refreshed Framework. First, the HCTTF agrees with the change to the foundational statements emphasizing that payment reform is a vehicle for financing delivery systems that improve value, not a goal in its own right. We believe the foundation of value-based delivery systems is person-centered, coordinated care, and that the transition away from fee-for-service payments must maintain the core objectives of better health, high quality care and reduced total cost of care. Additionally, the Task Force agrees with the clarification of the new Principle 3, which acknowledges that Category 2C APMs may be the most appropriate payment model for some providers. This acknowledgement reflects the sentiments of our members that there is no "one-size-fits-all" outcome for every stakeholder and market.

[1] The HCTTF is a group of private sector stakeholders committed to accelerating the pace of delivery system transformation. Representing a diverse set of organizations from various segments of the industry—including patients/consumers, purchasers/employers, providers, and payers—we share a commitment to transform our respective business and clinical models to deliver the triple aim of better health, better care, and reduced costs.

Our members aspire to put 75 percent of their business arrangements into value-based payment models, focusing on the Triple Aim goals, by 2020. We strive to provide private sector leadership through policy, operational, and technical support, and expertise that, when combined with the work being done by CMS and other public and private stakeholders, will increase the momentum of delivery system transformation.

Considerations for the APM Framework Refresh White Paper

Many organizations, including the Task Force, have adopted the Framework as a means for classifying and communicating about value-based payment models. As a conceptual structure, the Framework should remain consistent from year to year so that APM adoption can be tracked effectively, and healthcare organizations can utilize the resource without needing to make major adjustments to their own strategy. Revisions to the Framework should add high-level clarifications rather than additional specifications that could significantly change the system for classifying APMs in order to solidify the Framework's lasting importance as a guidepost for assessing the transition to value.

The Work Group's addition of "appropriate care" measures to Categories 3 and 4 introduces a new set of requirements that may have broader implications than intended. The Task Force believes there are many aspects of care that providers and payers should measure as they move toward value and in order to hold providers accountable for the total cost of care while ensuring patients receive proper care, including patient reported outcomes and quality of care. Many successful alternate payment models do this as a critical measure of sustainability. However, the examples of specific measures and topics provided were seen as potentially limiting and less inclusive, rather than offering flexibility for organizations establish patient safeguard measures that best address their patient population. Since this is a new concept within the context of the Framework, we urge the Work Group to emphasize that the concept of appropriate care measures should be present, yet can properly manifest itself in many forms. We believe that further discussion and/or clarification is needed before incorporating any specific measure sets as a requirement.

Similarly, the addition of Category 4C: Integrated Finance and Delivery Systems requires further clarification. The Task Force recognizes an increasing number of innovative joint ventures between insurance companies and/or provider groups which have the potential to achieve the objectives of patient-centered, value-based care delivery. However, the inclusion of this new sub-category in Category 4 assumes a departure from the fee-for-service architecture, which may not be the appropriate categorization for all payment arrangements falling under an integrated organizational structure. We would advise the Work Group to address the underlying payment structure(s), incentives, and strategies associated with Category 4C to ensure consistent categorization within Category 4.

As the health care system moves toward value-based care, the HCTTF believes it will become increasingly important to understand payment and risk at the level of the individual clinician. The Framework currently provides a helpful structure for tracking payer-provider relationships, but it is also important to know whether changes in payment models are modifying clinician reimbursement, and therefore behavior. Physicians often say that the incentives inherent to these models do not necessarily reach them, and therefore an opportunity to effectively drive change at a fundamental level may be lost. Future iterations of the Framework should address categorizing and measuring the down-stream payments to providers in order to evaluate successful mechanisms to incentivize higher quality, lower cost care delivery.

Thank you for considering our comments. Please contact HCTTF Executive Director, Jeff Micklos, at jeff.micklos@hcttf.org or (202) 774-1415 with any questions about this communication.

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