October 28, 2016

VIA ELECTRONIC MAIL

Andrew M. Slavitt
Acting Administrator
Centers for Medicare & Medicaid Services
7500 Security Blvd
Baltimore, MD 21244

Re: Request for Information on State Innovation Model Concepts

Dear Acting Administrator Slavitt:

The Health Care Transformation Task Force ("HCTTF" or "Task Force")[1] appreciates the opportunity to provide input to the Centers for Medicare & Medicaid Services ("CMS") as it pertains to the Request for Information on State Innovation Model ("SIM") Concepts. The HCTTF supports the current State Innovation Model initiative as administered by the Center for Medicare and Medicaid Innovation. Indeed, the primary goal of the SIM program – to move 80% of payments to providers from all payers to value-based payment models – aligns closely with the primary objective of the Task Force to move 75% of members' business into value-based care arrangements by 2020. The Task Force commends CMS's commitment to invest in state-based models that seek to accelerate health care transformation.

We believe the State Innovation Model can continue to serve as a key driver for advancing the Triple Aim within the new context provided by MACRA. Our comments primarily focus on the dimensions of transformation where we believe state governments can have the most impact in supporting private sector health care organizations' transition to delivering

[1] The Task Force is a group of private sector stakeholders that are working to accelerate the pace of delivery system transformation. Representing a diverse set of organizations from various segments of the industry – including providers, health plans, employers, and consumers – we share a common commitment to transform our respective businesses and clinical models to deliver the triple aim of better health, better care, and reduced costs. Our member organizations aspire to put 75 percent of their business into triple aim focused, value-based arrangements by 2020. We strive to provide a critical mass of policy, operational, and technical support from the private sector that, when combined with the work being done by CMS and other public and private stakeholders, can increase the momentum of delivery system transformation.

person-centered, value-based care, and how CMS can support this activity. We have also responded to the specific model concepts proposed by CMS.

A. General Recommendations for the State Innovation Model Initiative

We strongly recommend that CMS commit to funding additional State Innovation Model awards. CMS should support all states' efforts to implement statewide healthcare transformation, particularly those states that participated in the most recent SIM planning grant program, with emphasis on the areas below. With support of a Governor's office, CMS should allow for external organizations that could effectively manage the program scope and requirements – such as not-for-profit or academic institutions – to apply on behalf of the State.

1. Support stakeholder engagement and consumer engagement activities

As a central component of our work, the Task Force believes that engagement across payers, providers, purchasers, and patients is key to developing sustainable payment models and ensuring robust participation. We recently released a framework[2] that systems can use to ensure consumer priorities remain front and center during all phases of the transformation to a value-based care system, which was endorsed by the Health Care Payment Learning and Action Network's Consumer & Patient Affinity Group. SIM awardees should not only be required to engage consumers as a condition of their award, but CMS should also consider requiring SIM awardees to utilize a portion of any funding to support consumer engagement activities, including educational outreach.

2. Integrate social services and behavioral health care

We strongly believe that new models of value-based payment and care delivery should consider the holistic social needs of the patient population, including social determinants of health and behavioral health needs. States are uniquely positioned to support providers that seek to integrate social services into their care management through better coordination of relevant public resources. New workforce programs such as accredited Community Health Workers training programs and new enhanced care management programs that target high-need, high cost patients are promising approaches that should be scaled. CMS should continue to empower local and regional stakeholders to set priorities for improving the health of this population. Additionally, we believe that CMS should support state-led telemedicine efforts for physical and behavioral health care, especially in rural areas, which have the potential to improve the delivery system and increase access to care.

B. Response to Proposed Model Concepts

1. Regarding Section I: Multi-payer state-based strategies to transition providers to advanced alternative payment models

[2] http://hcttf.org/resources-tools-archive/2016/8/30/addressing-consumer-priorities-in-value-based-care

The Task Force supports State models that encourage Medicaid, CHIP and private insurance members to adopt payment models that would qualify for MIPS or Advanced Alternative Payment Models. CMS should recognize that States may need a longer performance period to establish a multi-payer delivery model that could qualify as an APM, and should adjust the performance period for future rounds of SIM accordingly.

a. Encourage payment policy to support transformation

States are uniquely positioned to advanced value-based payment adoption through state insurance regulation authority for commercial plans – including network adequacy and Qualified Health Plans oversight – and public sector insurance products (*i.e.*, Medicaid, CHIP, and state employee health plans). It will not be possible for the Task Force members to meet our goal of 75% value-based payment arrangements by 2020 without commitment from state-administered and regulated programs. States should be encouraged to utilize the full breadth of available policy levers to drive adoption of value-based payment within the public and commercial payer market, in line with the Secretary's delivery system goals for Medicare. CMS should consider establishing more formal partnerships between SIM participants and national organizations such as the Task Force that can convene multi-payer stakeholders to drive national payer adoption of value-based payment models.

b. Consider overlap and alignment of Medicare and state-led innovation efforts

The new incentives for providers to adopt Medicare alternative payment models may stymie private sector and state-based efforts if the Medicare models being implemented by CMS do not explicitly create an opportunity for alignment with state-based models. We are particularly concerned that Medicare models that don't allow for this opportunity might undermine innovative work being done in States to include consumer voices in the quality metric development process and to promote models that focus on addressing the social determinants of health. **CMS should explicitly allow for flexibility in Medicare models to adapt and align with state-initiated models of a similar design that have already gained provider and payer commitment to participate.**

We believe that CMS can support this effort by publishing the minimum acceptable parameters for Medicare participation in multi-payer state innovation models, including specifying core quality measures sets and minimum levels of risk. We caution against CMS prioritizing alignment over innovative state initiatives that are aimed at meeting the specific health needs of communities. Aligning payment models should be a strategy that help improves health care for consumers, and not an end in itself.

c. Implement financial accountability for health outcomes for an entire population

The Task Force supports the design and implementation of models that encourage greater provider accountability for cost and quality outcomes, and would support additional "all-payer"

models such as those being implemented by Maryland and Vermont. However, **CMS should also allow flexibility to test more mature value-based payment arrangements (such as hospital global budgets) at a regional level or population-specific level, rather than just statewide.** Market readiness for such an arrangement differs by region and statewide market readiness should not act to limit willing participants from entering all-payer arrangements.

d. <u>Promote transparent evaluation and data sharing</u>

In principle, we support the goal of making population-level data available and transparent among health care stakeholders. For future rounds of SIM, **CMS should establish core progress and outcomes measure sets that promote alignment across payers and allow for cross-state comparison at the outset of the program.** The Innovation Center also could use the initial round of SIM projects to establish benchmarks and focus data collection and reporting for future SIM projects. CMS can help to ensure meaningful evaluation by developing mechanisms for public reporting of quality and performance measurement data and outcomes, and support tools that States can use to gauge progress. The CMS should also continue to simplify the process for States to access to Medicare claims data, as well as other non-claims based data sets such as OASIS and MDS data.

2. Regarding Section II: Assessing the impact of specific care interventions across multiple States

The Task Force supports the concept of multiple States partnering to drive innovation in the delivery system. Patients utilize care across State lines, payers can offer products in multiple States, and providers can operate facilities in multiple States. Therefore, States should be able to partner to implement aligned delivery system reform models irrespective of State borders. Many elements of the transformation infrastructure – including health information exchanges and all-payer claims databases – represent large investments that do not need to be implemented discretely in each State. Further, the early SIM awardees should be incentivized to partner and share resources (such as through a joint award) with other States that have not yet implemented statewide innovation models, to help replicate successful models in additional States.

3. Regarding Section III: Streamlined Federal/State interaction

The truncated timeline of the competitive grant application process in the initial rounds of SIM prevented States and CMS from engaging in negotiations for waivers prior to award that would have allowed for more innovative reimbursement structures. In absence of new waivers from CMS and the explicit commitment from participating providers and payers to participate, there is no mechanism in place to ensure achievement of this model's objectives. For this reason, **CMS should comprehensively review SIM applications in conjunction and simultaneously with relevant requests for Medicaid, Medicare, and Section 1332 waivers prior to award.** CMS should also consider funding mechanisms other than a competitive grant or cooperative agreement that would allow for a productive, collaborative negotiation process.

In summary, we support continued investment in the State Innovation Model as a vehicle for accelerating health care transformation to improve patient care while engaging broad stakeholders to align public and private sector efforts. Please contact HCTTF Director of Payment Reform Models, Clare Wrobel, at clare.wrobel@leavittpartners.com or (202) 774-1565 with any questions about this communication.

Sincerely,

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