Jeff Micklos
Executive Director

February 15, 2023

Sent via Electronic Mail

Health Care Payment Learning and Action Network

Re: Task Force Feedback on the LAN's New 2030 APM Goals and Vision

Dear Sir/Madam:

The Health Care Transformation Task Force (Task Force) fully supports the Health Care Payment Learning and Action Network's (LAN) continued commitment to driving the transition from fee-for-service to alternate payment models. As a multi-stakeholder consortium of payers, providers, purchasers, patient groups, and partners committed to accelerating the pace to value-based care, the Task Force shares this commitment and values our close working relationship with the LAN.

This communication responds to the LAN's request for feedback on its new 2030 APM Goals. We commend the LAN's thoughtful approach to updating its vision for achieving a health care system rooted in accountable care. Our feedback below focuses on the specific components of the updated LAN goals and vision for achieving accountable care for all Medicare beneficiaries by 2030.

I. Extending Target Dates Reflect Market Realities Yet the Push Should Continue

Resetting 2030 as the new target date for a full transition of all Medicare beneficiaries to accountable care reflects current market realities. Value-based transformation is hard work and even the most committed stakeholders can find progress slow going. The Task Force's original goal was for our provider and payer members to have 75% of all of their business in qualifying value-based models by 2020. Given market realities, the Task Force has changed its goal to be 75% by 2025, a goal that remains aspirational and is aligned, to a degree, with the LAN's new 2030 goals. Although we would all like to see greater progress achieved more quickly, our focus must remain on promoting operational imperatives and public policies that enable payers and providers to make this transition, even if the time horizon is longer than desirable.

The Task Force understands the logic of having different 2030 goals for different populations. However, given the Task Force's approach, we believe that requiring only 50% for commercial and Medicaid populations by 2030 does not reflect an effective accelerant for these important sectors and either the 2030 goal should be increased, or the timeline to each 50% milestone be shortened.

II. Payment Reform is Just One Component of an Accountable Care System

We applaud the LAN's recognition that an accountable care system is multidimensional, with payment reform being just one component. As the LAN's new definition of accountable care recognizes, our shared goal is high quality, affordable care for all populations. With more than a decade of APM implementation experience now under our belts, it is time to focus the vision on promoting broad participation in APMs that seek to achieve sustainable long-term change in the health care payment and delivery system. To truly meet the goal of creating an effective accountable care system, public and private payers must invest in innovative care delivery models that benefit all patients.

It is true that alternate payment models are a critical component of driving accountable care because they can better align incentives to achieve value-based goals. Yet, such payment models in and of themselves do not define success in value-based care; it is just as critical that an alternative payment model drive innovative care delivery that improves individual and population health outcomes.

We look forward to the LAN developing a framework and data collection methodology that captures all the facets of value-based care that subsequently leads to a truly accountable care system. The Task Force is engaged in similar conversations with our members to determine how transforming organizations define success in their value-based care models. We encourage the LAN to solicit public input on its planned framework as the work proceeds.

III. The Accountable Care Curve Sets Forth a Clear, Desirable Transformation Pathway

The Task Force supports the Accountable Care Curve framework as a sound pathway for provider and payer transformation to accountable care models. The ongoing work to build out the Curve's capabilities and identify supporting resources that drive change will benefit both beginner and experienced health care stakeholders committed to change.

However, it is important to maintain flexibility in the Curve's implementations strategies to allow individual organizations to innovate and transform in ways that best meets the needs of the patients and communities they serve within all possible operating environments, including the very challenging one that providers and health plans currently face. There is a risk that the level of detail that may develop to support movement along the curve may overwhelm some otherwise willing participants.

IV. Downside Risk Models for All Providers May Be Unrealistic

In keeping with CMS policy, the new LAN goals strive for 100% of Medicare beneficiaries to be in qualifying alternate payment models by 2030. Qualifying alternate payment models are defined as those models meeting the criteria for Categories 3b and 4 of the LAN's APM Framework, which essentially represent the range of models under which providers assume downside payment risk. While this aspirational vision is laudable, the Task Force thinks this goal may be unrealistic. Instead, we believe that qualifying payment models should be those in all of Categories 3 and 4 of the LAN's APM Framework. This view is consistent with how our

membership counts qualifying payment arrangements toward the Task Force's goal of 75% by 2025.

It is true that the LAN's approach is consistent with the Medicare Shared Savings Program's (MSSP) Pathways to Success design. However, CMS appears to have moved away, at least to a degree, from the Pathways approach through MSSP policy changes made during the CY 2023 Physician Fee Schedule rulemaking. For example, the move to the Enhanced Track is now optional for all MSSP ACOs, and inexperienced ACOs may now remain in upside-only models for up to seven years. While many Task Force members supported the Pathways approach, they also recognize the important policy objective of widening MSSP's on-ramp to attract new providers into the system, particularly safety net providers. At the same time, models with downside risk need more upside opportunities and payment flexibilities to attract more model participants.

To this end, we support elongating the timeline to reach mandatory downside performance risk to mitigate the risk of negative provider participation decisions. This is particularly relevant for providers serving historically underserved populations who often operate under margins for which an eventual downside risk requirement may be an up-front nonstarter. For new MSSP participants that join for 2024 performance year and later, they will not be required to assume downside performance risk until 2031 at the earliest, which is beyond the LAN's 2030 goal timeframe.

Another factor impacts our view here. The Task Force is on record expressing deep concerns about the CMS Innovation Center's ability to be an effective producer of long-term advanced risk models under its current operating policies. While the Innovation Center has tested dozens of APMs, it has only been able to expand a few to a statutorily required "Phase 2" and expansion opportunity gets harder every day. We strongly believe that current Innovation Center policies regarding the design and implementation of model evaluations and the standards that govern model expansions to Phase 2 are overly restrictive and are not producing the number of long-term APM options necessary to create a market where 100% of Original Medicare beneficiaries can be in two-sided risk models. To better support CMS' and the LAN's transformation goals, the Innovation Center should revisit and revise its operating policies to drive toward more successful models worthy of long-term investment and commitment from actual and prospective model participants.

Also, while the fact that successful Innovation Center model designs are being implemented permanently in the MSSP program is encouraging, it does not seem that having MSSP as the main platform for innovation is a viable full solution that will help CMS achieve its 2030 transformation goal across a broader range of model types.

In conclusion, CMS' goal of having all Medicare beneficiaries in accountable care models by 2030 logically requires the participation of most if not all Medicare providers. It seems inconsistent for the LAN to maintain a policy of having only two-sided risk models qualify for their new 2030 APM Goals when CMS has deemphasized that approach in lieu of attracting more providers, especially those serving underserved populations.

Please don't hesitate to reach out (jeff.micklos@hcttf.org) with questions or additional requests.

Sincerely,

Jeff Micklos