

June 16, 2011

Richard J. Gilfillan, M.D., is Acting Director
Centers for Medicare and Medicaid Services (CMS)
Center for Medicare and Medicaid Innovation (CMMI)
7500 Security Blvd.
Baltimore, MD 21244

Re: Advance Payment Initiative for ACO's entering the Medicare Shared Savings Program (Sec 3022 of the Affordable Care Act)

Dear Acting Director Gilfillan:

The American College of Physicians (ACP), consisting of 130,000 internal medicine physician specialists and student members, appreciates this opportunity to comment on the *Advance Payment Initiative for ACO's entering the Medicare Shared Savings Program*. Although details of this initiative are only broadly stated, it is our understanding that the CMMI is proposing to test whether the pre-paying of a portion of future shared savings would increase participation in the Medicare Shared Savings/Accountable Care Program. These advanced payments would be used by participants in the program to build care coordination capabilities, and meet other organizational criteria. It is also our understanding that entities receiving these funds that are not able to achieve savings equivalent to the advanced payment, would be responsible to repay CMS any difference.

ACP strongly supports the Advanced Payment Initiative and commends the CMMI for its release and development. We believe that a major barrier for participation within the Shared Savings Program, particularly for collaborations among primary care physicians and multi-specialty groups dominated by primary care physicians, is the availability of the up-front capital required to develop the organizational structure, health information technology (HIT) and integrative infrastructure, and service delivery capabilities (e.g. increased access, care management) that are necessary to succeed under this payment model. The availability of capital through this program, if implemented in a reasonable manner, should help address this barrier and increase participation.

The College, in addition to our general support of the concept of the Advanced Payment Initiative, offers the following recommendations and issues to consider in further developing this initiative:

- **The College recommends that applicants for this initiative have the option to receive the advanced payments upfront, or through a hybrid payment model in which a significant portion is received upfront and the remainder provided as a periodic payment.** This is based on feedback from our membership, exemplifying both potential collaborations among small practices and larger entities already organized in an integrative structure, recognizing the


need for early access to capital to develop the above described capabilities to succeed under the Shared Savings payment model. In considering applicants for advanced payments, the College further suggests that:

- **Participation within this upfront payment option be limited to those entities that, through the information provided in their application, are projected to have a high likelihood of succeeding under this model.** The College believes that the Shared Savings/ACO model has the potential to improve physician payment and align it with such important factors as improved quality, efficiency, care integration, and patient-centeredness. Thus limiting, at this early stage, participation in this option of the initiative to those most likely to succeed would be prudent and more likely to support the model's further expansion. Factors to consider could include:
 - A detailed plan to develop (with an associated timeline) or actual progress toward the development of the necessary organizational structure, health information and integrative infrastructure, and service delivery capabilities required for successful participation within the Shared Savings Program.
 - A detailed plan to develop or actual progress toward the establishment of collaborative relationships (including contracts) with providers within the “medical neighborhood” that are not directly participating partners within the ACO.
 - A detailed plan to establish or the actual establishment of contracts with other payers.
 - A detailed plan to transform or actual progress toward the successful transformation of participating primary care practices into recognized Patient Centered Medical Homes (PCMH).
 - A detailed and documented process to payback CMS if achieved savings are less than the advanced amount. Entities should be provided with a reasonable payback period (e.g. at least three years from receipt of the advanced payment).
 - A documented history of successful integrative collaboration.
- **The CMMI should also consider developing a second option where payments are released incrementally based upon the participating entity achieving developmental goals reflected in their application.** This approach would be particularly beneficial for those entities that are in the early stages of ACO development. Such an approach would lessen the risk to both CMS and the ACO entity regarding the accruing of significant losses. These goals could include the establishment of an integrative administrative structure, the signing of a contract to provide necessary HIT infrastructure among the ACO's participants, the accomplishment of a viable integrative infrastructure among the participants, documenting the ability to collect necessary performance data, achieving a certain percentage of PCMH recognition among their participating primary care practices, and establishing various service delivery capabilities.

- **The CMMI should set-aside a portion of funds available for this Advanced Payment Initiative specifically for efforts by small and medium size, independent primary care practices to enter into formal collaboration and participate within the Shared Savings Program.** The College makes this recommendation for two primary reasons: 1) These are the type of practices that still provide the majority of clinical care to our Medicare beneficiaries, and 2) these are the type of collaborations most in need of upfront capital to develop the capabilities to participate successfully. Access to these partitioned funds should be on a competitive basis and limited to those entities estimated to have the highest likelihood of success. **In addition to access to advanced capital, the ability to provide these entities with sources of technical support and guidance would be an important component to help ensure success.** We are suggesting something more than the Accelerated Developmental Learning Sessions currently being offered by the CMMI. The support could take the form of the type of assistance currently being provided under the Regional Extension Programs established through the HITECH legislation or authorized under the Affordable Care Act legislation; through expanding the scope of work of the Quality Improvement Organizations (QIOs); or through partnerships with other local, regional, and national entities. These assistance programs can also help these smaller practices prepare (engage in necessary practice transformation) for successful integration into already existing ACO entities or integrated systems, if they choose to do so.

The College acknowledges that the new Shared Savings/ACO option is just one of many approaches (e.g. PCMH, Risk Adjusted Comprehensive Payment, partial and total capitation, Prometheus Episode Payment) that may potentially be available to our members and can provide savings and improve care delivery to our beneficiaries. The Advanced Payment Initiative facilitates entrance into the Shared Savings Program for those physician practice collaborations that determine that this model best fits their practice goals. We encourage serious consideration of our above recommendations and comments. Please contact Neil Kirschner, Ph.D on our staff at 202 261-4535 or nkirschner@acponline.org if you have any questions.

Respectfully,



Don Hatton, MD, FACP
Chair, Medical Practice And Quality Committee