April 22, 2016

Andy Slavitt Acting Administrator Centers for Medicare and Medicaid Services 7500 Security Boulevard Baltimore, MD 21244

Dear Administrator Slavitt:

On behalf of the undersigned organizations and the over 350,000 physicians we represent, we write to urge you to recognize existing patient-centered medical homes (PCMHs) as meeting the expansion criteria under Section 1115A(c) in order to qualify as an alternative payment model (APM) in the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA).

MACRA calls for increased quality, efficiency, and clinical practice metrics that existing models such as the PCMH support. In fact, MACRA highlights this model in Section 101(c)(1) as fully meeting the requirements of the clinical practice improvement activity category of the Merit-Based Incentive Payment System (MIPS). In addition, in Section 101(e)(2) MACRA identifies "a medical home expanded under section 1115A(c)" as an eligible alternative payment entity. We therefore request CMS to affirm PCMHs as originated in the Joint Principles of the Patient-Centered Medical Home and now defined by the Agency for Healthcare Research and Quality (AHRQ), as eligible alternative payment entities as it implements this law.

MACRA outlines three core criteria for eligible APMs: 1) quality measures comparable to measures under MIPS; 2) use of certified EHR technology; and 3) bears more than nominal financial risk, or "is a medical home that meets the criteria comparable to medical homes expanded under section 1115A(c)". We offer that all recognized or accredited PCMHs <u>must</u> <u>demonstrate quality, take on practice improvement, and make effective use of health information technology</u>. In addition, the intent of the statute outlines that medical homes do not need to demonstrate "more than nominal financial risk." As such, we offer that recognized PCMHs should be included as eligible alternative payment entities under MACRA beginning in the program's first year.

PCMHs are proven models developed in line with the Joint Principles of the PCMH supported by our respective organizations. Consensus and evidence has continued to build around the PCMH's value in achieving improved care and better health at lower costs. More than 90 health plans, 43 state Medicaid programs, multiple federal agencies, and thousands of clinical practices of varied sizes have adopted this model. As such, this model is proven and should be deemed as expanded under section 1115A(c) to meet the intent of MACRA and goals of HHS to move to value-based payments.

We strongly supported passage of MACRA and remain optimistic as we move towards a system that aligns with value-based care. We would be pleased to continue this dialogue and answer any questions at your convenience.

Sincerely,

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