NEW JERSEY HOSPITAL ASSOCIATION
NJHA
ELIZABETH A. RYAN, ESQ.
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

June 27, 2016

The Honorable Andy Slavitt
Acting Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
Attention: CMS–5517–P
P.O. Box 8013
Baltimore, MD 21244–8013

RE: CMS-5517-P, Medicare Program; Merit-Based Incentive Payment System (MIPS) and Alternative Payment Model (APM) Incentive Under the Physician Fee Schedule, and Criteria for Physician Focused Payment Models (Vol. 81, No. 89), May 9, 2016.

Dear Acting Administrator Slavitt:

On behalf of the New Jersey Hospital Association (NJHA) and our more than 300 hospital, health system and other provider members, thank you for the opportunity to comment on the proposed Centers for Medicare and Medicaid Services (CMS) regulations for the Merit-Based Incentive Payment System (MIPS) and Alternative Payment Model (APM) incentive for Medicare physician reimbursement.

Passed in 2015, the Medicare Access and CHIP Reauthorization Act (MACRA) provided certainty for physicians serving Medicare patients. Following years of annual and semi-annual sustainable growth rate fixes, MACRA's passage was a welcome relief for all healthcare providers.

In the six years since the Affordable Care Act (ACA) became law, New Jersey's hospitals have fully embraced the ACA's delivery system reforms. Indeed, CMS-directed programs such as Bundled Payment for Care Improvement (BPCI) demonstration and the Comprehensive Primary Care Initiative (CPCI) have been successfully modeled across the care continuum in the state. In addition to these care delivery demonstrations, many New Jersey hospitals and other healthcare providers have formed accountable care organizations (ACOs) as part of the Medicare Shared Savings Program (MSSP). To date, more than 30 MSSP ACOs are providing care to New Jersey Medicare beneficiaries. Like many participating MSSP ACOs around the country, New Jersey ACOs have predominantly chosen to follow MSSP Track 1 and its one-sided risk.

In this vein, we are concerned that the MACRA rule implementing the Quality Payment Program (QPP) as proposed would not envision Track 1 ACOs as APMs. New Jersey providers participating in MSSP Track 1 have made significant investments in time and energy in building the infrastructure necessary to achieve MSSP success. Infrastructure investments - including human

resources (e.g., physician workforce, care coordinators, etc.), information technology, and traditional bricks-and-mortar construction - can cost in excess of an estimated $11 million in up-front costs for a small ACO. Given that many of these ACOs have entered a second, three-year Track 1 performance period extending through 2018, many providers are concerned that Track 1 ACOs will not be considered advanced APMs for the purposes of physician incentive payments.

Additionally, at the core of a successful ACO are participating physicians engaged in care coordination and clinical transformation. ACOs in New Jersey and throughout the country have engaged physicians to varying level of success in order to implement principles of clinical integration. Excluding Track 1 ACO participants from advanced APM consideration will discourage additional physician participation in these innovative care delivery models. For these reasons, we would encourage CMS to reconsider the provisions of the proposed rule that do not include Track 1 ACOs as advanced APMs.

Similarly, New Jersey providers were among the seven original participating CPCI regions. Dozens of New Jersey CPCI physician practices worked with payers and providers to deliver more efficient patient care in the most appropriate setting. As a result, many New Jersey providers were pleased to note the announcement earlier this year of Comprehensive Primary Care Plus (CPC+), a care delivery model that builds on the success of the original CPCI. Given that New Jersey was among the regions chosen for CPCI, it is likely that New Jersey will be a CPC+ participant as well. While we understand that CPC+ practices will also be permitted to participate in MSSP ACOs, we also understand that physicians participating in both CPC+ and Track 1 ACOs would not be eligible for the QPP's advanced APM incentive payment. Given the importance of physician participation to ACO success, NJHA urges CMS to reconsider eligibility of CPC+/Track 1 participants for APM incentive payments. Providing incentive payments to this cohort of physicians would ensure robust physician participation in both CPC+ and hospital-led MSSP ACOs.

NJHA supports the QPP goal of increased payment for value and quality through both MIPS and APM incentives. Nevertheless, there remain some concerns that the QPP's streamlined quality reporting mechanism might unnecessarily burden hospital-based physicians. In particular, we would encourage CMS to develop a set of MIPS performance measures specific to hospital-based clinicians that utilize hospital resource and quality measures in the MIPS. Allowing for this option would better streamline quality reporting across care settings as envisioned by MACRA.

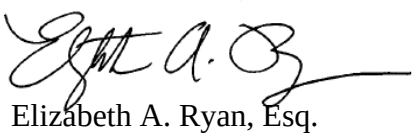
New Jersey providers have also embraced the Bundled Payment for Care Improvement (BPCI) initiative, and CMS has implemented the Comprehensive Care for Joint Replacement (CJR) model in many parts of the state. While we are disappointed that the proposed rule envisions neither CJR nor BPCI as advanced APMs, we appreciate that CMS is seeking input on CJR design change in order to qualify the demonstration as an advanced APM. Both CJR and BPCI will require robust physician participation to achieve success. For hospitals and hospital-based physicians, CJR and BPCI in many facets meet the standards of financial risk CMS envisions for qualifying as an

advanced APM. NJHA encourages CMS to consider future rulemaking to ensure CJR and BPCI are considered advanced APMs for physician participants.

Finally, we understand that the statutory 2019 QPP start date necessitates utilizing 2017 data. However, many practicing physicians may be unaware of the major changes in physician payment envisioned by the proposed rule. In order to ensure providers are adequately prepared for successful implementation of the next Medicare physician payment system, we would encourage CMS to engage providers in a robust education campaign.

NJHA supports efforts to improve care quality and streamline physician reporting where possible. We look forward to working with you on these important issues. Thank you again for the opportunity to comment on the MIPS/APM proposed rule. Please do not hesitate to contact me at 609.275.4241 or eryan@njha.com should you have any questions.

Very truly yours,



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