AMA
AMERICAN MEDICAL ASSOCIATION

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Physician-Focused Payment Model Technical
Advisory Committee (PTAC)
c/o Scott R. Smith
Office of the Assistant Secretary for Planning and
Evaluation
200 Independence Avenue, SW
Washington, DC 20201

Re: *Request for Proposals: Medicare Physician-Focused Payment Models* and *Characteristics of Payment Models Likely to be Recommended by the PTAC*

Dear Committee Members:

On behalf of the physician and medical student members of the American Medical Association (AMA), I am pleased to offer our comments on the *Request for Proposals: Medicare Physician-Focused Payment Models* and the *Characteristics of Payment Models Likely to be Recommended by the Physician-Focused Payment Model Technical Advisory Committee* (PTAC) documents issued for public comment by the PTAC on September 23, 2016.

First, the AMA strongly supports the high level of public engagement and stakeholder feedback that the PTAC has sought at its meetings. We believe ongoing discussions and feedback between the PTAC and stakeholders submitting physician-focused payment model (PFPM) proposals will lead to the development of well-designed PFPMs that reduce cost and increase quality.

While we understand and appreciate that the PTAC hopes to begin evaluating proposed PFPMs as soon as the Centers for Medicare & Medicaid Services (CMS) releases the Medicare Access and CHIP Reauthorization Act (MACRA) final rule, we also caution the PTAC that there may be changes to both stakeholder comments and the draft PTAC documents based on the PFPM criteria CMS finalizes in the rule. Therefore, the PTAC may need to seek additional stakeholder feedback following the publication of the final MACRA rule.

The AMA urges the PTAC to ensure the proposal design and submission process is straightforward enough for all stakeholders to participate. Many smaller specialty societies do not have the resources to hire outside consultants to help design PFPMs or prepare proposals. Therefore, the proposal submission process should not be so complicated that this type of expert assistance will be required, and the PTAC should provide additional resources and share its own expertise with stakeholders when needed.

In addition, there may be circumstances where stakeholder groups combine to design a broad alternative payment model (APM) framework that could be used by multiple specialties. The broad framework

could then be adapted to specialty-specific conditions and treatments to create multiple PFPMs. The PTAC should support this approach, which may enable stakeholders to share lessons learned, more effectively utilize resources, and design better PFPMs. Also, if a specialty submits a proposal that the PTAC members believe would fit into a broader framework outlined in another proposal, it should help bring the parties together as they may not know about one another's work.

Proposals the AMA Supports

Support for a Variety of PFPMs

It is imperative that all stakeholders have the opportunity to design PFPMs that will work for their physicians, and the list of PFPM proposal types that the PTAC includes for consideration in the draft guidance should provide sufficient flexibility for organizations designing PFPMs.

Specifically, the AMA supports the PTAC's recognition that models can be designed successfully as "treatment-based payments" focused on services delivered during an episode of care or "condition-based payments" focused on either acute or chronic conditions. We also commend the PTAC for recognizing that there are many different organizational structures through which physicians, or teams of physicians, can be included in PFPMs. The AMA also supports the PTAC's focus on PFPMs that support physician efforts to prevent conditions from developing or from advancing in at-risk populations.

Furthermore, the AMA appreciates the PTAC's consideration throughout the draft guidance of whether proposals will be feasible for small, independent and rural physician practices. While these considerations are important, the PTAC should not restrict proposals that may not work for small practices, but instead, ensure additional models are recommended that provide small physician practices the opportunity to participate in PFPMs.

Feedback Throughout the Proposal Submission Process

The AMA supports the PTAC providing significant feedback, assistance and education to stakeholders designing PFPMs. We are supportive of the guidance stating that if a proposal is considered incomplete or not adherent to the proposal submission guidelines, the PTAC will return the proposal to the submitter with an explanation of what is missing or non-adherent and provide an opportunity to revise and resubmit.

The AMA also supports the PTAC's draft guidance stating that the PTAC will reach out with questions or let a submitter provide additional information if a proposal is weak in certain areas. This should allow submitters to avoid going through the full PTAC approval process multiple times if only minor adjustments are needed to a proposal, and will create an interactive submission and feedback process between the PTAC and stakeholders.

Providing Stakeholder Education

The AMA supports the PTAC's proposal to conduct webinars, post FAQs and publish technical papers on issues related to proposal submissions, such as submitting data. The PTAC should create and release any additional resources that may provide submitters additional direction or guidance on the development of proposals.

Recommended Modifications

Financial Risk

The draft guidance states that the PTAC will be more likely to recommend a PFPM in which the physicians or entity receiving the payment accept more than nominal financial risk for achieving desired results on the measures of spending and quality/outcomes. While APMs are required to take on more than nominal risk in order to qualify as an Advanced APM, there is a clear statutory distinction between APMs that can qualify as Advanced APMs and MIPS APMs. The PTAC should approve and recommend both MIPS APMs and Advanced APMs, and therefore should not require PFPM participants to take on more than nominal financial risk.

We do appreciate, however, that the PTAC will consider proposals for PFPMs that define financial risk in different ways. For example, the PTAC will recognize as risk increases in unreimbursed costs the practice would incur and amounts that practice would be expected to pay to CMS if the desired results are not achieved. The PTAC should also allow models to calculate financial risk based on physician practice revenues instead of Medicare expenditures, and consider the amount of time and resources that practices invest to participate in a PFPM. The inclusion of nominal risk requirements should not be a barrier to participation in PFPMs.

Availability of Data

The AMA urges the PTAC to provide additional information about how stakeholders designing PFPMs can obtain data from CMS. Often, stakeholders need access to data on total utilization and cost that only CMS possesses. CMS and the PTAC should collaborate to provide stakeholders with any data they request through an efficient process. The list of data sources that the PTAC recently circulated is a helpful first step in this regard.

Lack of Payment or Inadequate Payment for High Value /services

The draft guidance states that the PTAC would be unlikely to recommend a proposed PFPM if the only change it makes is to give a physician the ability to bill for a single type of service that is not currently eligible for payment under the Physician Fee Schedule or to alter the fee level for a service that is currently billable. There are circumstances when providing payment where there was previously a lack of payment or inadequate payment for high-value services may significantly improve quality of care and reduce cost. For example, responding to a patient's phone call about a symptom or problem, may not currently be paid for under the Physician Fee Schedule, however, encouraging physicians to make these calls could help the patient avoid the need for far more expensive services, such as an emergency department visit. The PTAC's suggestion that proposals include information on how the PFPM will hold participants accountable is a good way to address this issue.

Other Issues

The AMA continues to work with the Center for Medicare and Medicaid Innovation (CMMI) to help facilitate the creation and approval of PFPMs. Some issues that we have raised with CMMI that continue to hamper the development of PFPMs include risk stratification and adjustment methods, attribution methods, setting performance targets for models so Medicare savings can be achieved, and determining

benchmark spending. We would welcome the opportunity to work with specialty societies, CMS, and the PTAC to further develop solutions to these issues.

The AMA appreciates the opportunity to provide comments and thanks the PTAC for considering our views. If you should have any questions regarding this letter, please feel free to contact Sandy Marks, Assistant Director for Federal Affairs, at sandy.marks@ama-assn.org, or 202-789-4585.

Sincerely,

James L. Madara, MD