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EXECUTIVE VICE PRESIDENT, CEO

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February 1, 2018

The Honorable Peter Welch  
U.S. House of Representatives  
2303 Rayburn House Office Building  
Washington, DC 20515

Dear Representative Welch:

On behalf of the physician and medical student members of the American Medical Association (AMA), I am writing to express our support for H.R. 4580, the “ACO Improvement Act of 2017.” The AMA believes Accountable Care Organizations (ACOs) provide opportunities for physicians to improve the quality and outcomes of their patients’ care in ways that can also lower growth in health care spending.

This legislation addresses some of the major impediments for physicians currently participating in ACOs, and provides needed modifications that will enable Medicare Shared Savings Program ACOs to reduce unnecessary costs, foster stronger ties with patients, and improve patient outcomes. For example, we support the provision of additional tools to allow ACOs to provide more coordinated care to patients, including allowing ACOs to elect to have patients prospectively assigned and to develop additional incentive programs to encourage patient engagement.

In addition, the provision of waivers for ACOs on cost-sharing for certain primary care services, and waivers for existing telemedicine and remote monitoring will increase access to services for patients. We also support the ability for the Secretary of the U.S. Department of Health and Human Services to waive the three-day inpatient stay requirement for skilled nursing facility services and the homebound requirement for home health services. These waivers will allow patients to receive the care they need in the most cost-effective setting. This bill also allows for testing of an improved methodology which more accurately adjusts for growth in risk over time of beneficiaries who have been continuously enrolled with the ACO.

We support these changes which will promote more coordinated health care and encourage Medicare ACOs to remain a strong value-based health care model for physicians and patients. It is important that the Medicare Shared Savings program evolves to ensure the long-term success of its participants. Improving the Medicare ACO models is especially important now as physicians are entering the second year of alternative payment model participation under the

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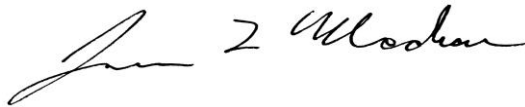
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Medicare Access and CHIP Reauthorization Act. This legislation makes needed changes to the Medicare Shared Savings Program ACOs, which will better ensure that physicians have the opportunity to participate in ACOs in the future.

We thank you for your leadership on this issue and look forward to working with you to ensure ACOs have the tools they need to reduce health care costs and improve health care outcomes.

Sincerely,

A handwritten signature in black ink, appearing to read "James L. Madara". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

James L. Madara, MD