



Ms. Emily Brower
VP of Population Health
Atrius Health
Riverside Center
275 Grove Street, Suite 3-300
Newton, MA 02466

MAY 12 2016

Dear Ms. Brower:

Thank you for your recent letter regarding the interaction of Medicare accountable care organizations (ACOs) and bundled payment initiatives. We appreciate the continued partnership of all of your organizations in meeting the Centers for Medicare & Medicaid Services' (CMS) goals of "better care, smarter spending, and healthier people."

Your input and partnership with us on this issue is important to us. The letter sent to CMS raises a number of key topics. First, we acknowledge that the overlap between ACOs and bundled payment initiatives may be significant in certain circumstances, and this may create noticeable adjustments to settlement when ACO expenditures are reconciled to account for savings or losses attributed to the bundled entity.

Second, we also appreciate the input that the financial opportunity for these episodes "defaults" to bundled participants instead of ACOs, and that it "de-links" financial accountability for the care during the episode to the ACO's overall responsibility for performance year expenditures. While this could have a positive or negative impact for particular ACOs, it is true that the ACO is not accountable for expenditures during the time period of the episode. This decision comes about from our fiscal imperative not to "double-pay" shared savings or "double-recoup" shared losses to the extent possible, and we appreciate your input on the implications of the current policy.

Third, and perhaps most importantly, we appreciate the input that these overlap issues are significant drivers of participation decisions in Medicare ACO models.

We take these concerns with the utmost sincerity. We agree very much that our mission at CMS is to promote conditions under which payment reform initiatives can not only co-exist, but thrive.

We are interested in ideas our participants and stakeholders have for addressing these overlaps. Thank you for your letter regarding this important matter. Please share my response with the organizations you included in your incoming letter.

Sincerely,

A handwritten signature in black ink that reads "Patrick Conway, MD". The signature is written in a cursive, slightly slanted style.

Patrick Conway, MD, MSc
Acting Principal Deputy Administrator
Deputy Administrator for Innovation and Quality
CMS Chief Medical Officer