



April 20, 2020

The Honorable Seema Verma
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

RE: (CMS–5529–P) Medicare Program; Comprehensive Care for Joint Replacement Model Three-Year Extension and Changes to Episode Definition and Pricing

Dear Administrator Verma:

The National Association of ACOs (NAACOS) is pleased to submit comments in response to the proposed rule extending the Comprehensive Care for Joint Replacement (CJR) Model for an additional three years, through December 2023. NAACOS is the largest association of accountable care organizations (ACOs), representing over 12 million beneficiary lives through 360 Medicare Shared Savings Program (MSSP), Next Generation, and commercial ACOs. NAACOS and its ACO members share the Administration’s goal of moving toward a value-based payment system. ACOs are responsible for the total spending and quality outcomes of their patients. In comparison, bundled payment models like CJR are only held responsible for an episode of time and the spending related to a certain condition or procedure, while carving out certain costs that have been deemed to be unrelated to the particular condition or procedure. NAACOS supports bundled payment models and is optimistic about the ability for bundles to drive additional specialty engagement in the value-based payment movement, however, this cannot be achieved if such models exist in a vacuum. Instead, we encourage CMS to adopt policies that enable the harmonious coexistence of delivery system reform payment models and programs.

The prevalence of Medicare bundled payment programs has grown considerably in recent years, creating conflicts when patients attributed to an ACO are also evaluated under a bundled payment program. Currently, the CJR model policy on overlap does not allow MSSP Track 3 or Next Generation ACOs’ beneficiaries to trigger a CJR episode. CMS policy should promote the growth of population-based payment models that take responsibility for the entirety of patients’ care needs and invest in care coordination throughout the year, not a 90-day episode. **We urge CMS to adopt a policy to give priority to population-focused health care and exclude all ACO beneficiaries from bundled payment programs, unless a collaborative agreement exists between the bundler and the ACO.**

ACOs and bundled payment participants must coordinate care and medical information of the patients they serve. While bundled payments may be able to deliver savings over the short term, placing an emphasis on programs that do not address volume or total cost of care could undermine the success of the movement to value-based payment in the long term. Furthermore, patient confusion can result from

their care being handled by multiple programs, and health systems would duplicate resources, meaning waste resources, devoted to multiple coordination efforts. CMS and the Innovation Center must establish a clear, transparent and understandable policy across all Innovation Center models and support a policy which gives priority to population-focused health care.

Total-cost-of-care models like the ACO model, have proven to be a superior lever to reducing Medicare spending compared to episodic payment programs. The formal [evaluation](#) of the CJR model resulted in a modest 0.5 percent savings. In comparison, researchers at [Harvard University](#), the [Medicare Payment Advisory Commission](#) and [NAACOs](#) have all showed ACOs are lowering Medicare spending by 1 percent to 2 percent, which translates into tens of billions of dollars of reduced Medicare spending when compounded annually.

CMS and the Innovation Center must establish a unified policy across all models that ensures priority is given to population health focused models to ensure their continued success. We believe that is best accomplished by prioritizing total-cost-of-care models and excluding all ACO patients from bundles unless a collaborative agreement exists between the bundler and the ACO. NAACOS appreciates CMS's goals to expand value-based payment models and we believe ensuring there is a strategy which emphasizes population health models and allowing collaboration among specialty specific episodes and ACOs will best achieve this goal.

Sincerely,

A handwritten signature in cursive script that reads "Allison Brennan".

Allison Brennan,
Vice President of Government Affairs
National Association of ACOs