



Elizabeth Fowler  
Deputy Administrator for the Centers for Medicare & Medicaid Services  
Director of the Center for Medicare & Medicaid Innovation  
Hubert H. Humphrey Building  
200 Independence Avenue, S.W.  
Washington, DC 20201

December 21, 2021

RE: Roundtable on CMS Innovation Center Health Equity Strategy

Dear Director Fowler:

The National Association of ACOs (NAACOS) applauds the Center for Medicare & Medicaid Innovation (Innovation Center) for the new strategic objectives. We look forward to working collaboratively with the Centers for Medicare & Medicaid Services (CMS) over the next decade to achieve these goals. In particular, the top two objectives, driving accountable care and advancing health equity, are high priorities for NAACOS.

NAACOS represents nearly 400 ACOs participating in a variety of value-based payment and delivery models in Medicare, Medicaid, and commercial insurers. Serving more than 12 million beneficiaries, our ACOs participate in models such as the Medicare Shared Savings Program (MSSP), the Next Generation Model, the Direct Contracting Model, and other alternative payment models (APMs). NAACOS is a member-led and member-owned nonprofit organization that works to improve quality of care, health outcomes, and healthcare cost efficiency.

Over the course of 2021, NAACOS has engaged on a variety of issues related to health equity and the social determinants of health (SDOH) through comment letters, conference sessions, webinars, social media, and the new webpage, "[Health Equity and ACOs](#)," which includes NAACOS resources, helpful definitions, and the most relevant research and evidence for ACOs engaging in health equity work. Improving health equity is critical to delivering high quality care in a cost-effective manner, as some [research](#) shows that SDOH contribute more significantly to health outcomes than medical care. These social factors cannot be [addressed](#) if they are not adequately measured, tracked, and reported. Total cost of care models such as ACOs are incentivized to improve quality while controlling costs, and the upfront investments that ACOs make in health information technology (HIT) and infrastructure to provide coordinated care make them uniquely poised to address health inequities.

NAACOS has developed several [recommendations](#) that, if implemented, would support and enhance ACOs' ability to improve health equity in their patient populations. Among others, those recommendations include:

- Providing upfront funding to develop and expand connections with community-based organizations (CBOs) and/or increase ACOs' internal capacity to implement equity initiatives and meet social needs,
- Adjusting financial benchmarks to adequately compensate ACOs caring for historically disenfranchised populations, and
- Allowing additional flexibilities with Medicare rules for ACOs to deliver and bill for supplemental benefits to patients.

In addition, NAACOS has published a list of key [policy changes](#) related to quality measurement that could improve equity in health outcomes across ACOs. These policy changes, which are designed to be implemented in a stepwise approach, include:

- Collecting race/ethnicity data in a standardized way,
- Updating patient survey data to incorporate equity,
- Incorporating SDOH screening tools,
- Stratifying a subset of quality measures by race/ethnicity,
- Providing incentives to ACOs for improving health equity gaps,
- Developing new quality measures to address equity, and
- Avoiding adjustment to quality benchmarks for race/ethnicity.

Many ACOs are already working to address health equity and implementing these recommendations could increase provider participation in the program, expand beneficiary access to high quality, coordinated care, and strengthen partnerships with community organizations.

While NAACOS supports the overall strategy refresh, we do have concerns about the potential use of mandatory models to achieve these goals. NAACOS has historically opposed mandatory models, citing lack of financial support for start-up and ongoing operational costs associated with model participation, and inadequate public input on Innovation Center model development as key concerns. Studies have shown that it takes additional resources and funding to care for patients experiencing social risk factors. Current policies make it very challenging for ACOs to manage the total care and costs of patients impacted by health inequities and negative SDOH. Mandating participation in a model will not change this. Instead, the Innovation Center should seek multistakeholder feedback to properly align incentives that enable providers in APMs to deliver high quality care to under-resourced communities.

Thank you for your engagement on these important issues and for your consideration of our feedback. NAACOS looks forward to engaging with CMS further on this issue to properly incentivize participation in new and existing models in order to encourage provider participation and greater access for beneficiaries.

Sincerely,



Allison Brennan  
SVP, Government Affairs  
NAACOS