



The Honorable Tom E. Price, M.D.
Secretary
Department of Health and Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

February 13, 2017

Dear Secretary Price:

On behalf of our membership, the National Association of ACOs (NAACOS) would like to congratulate you on your confirmation as Secretary. As you know, health care policy is constantly evolving and this is a particularly transitional time in the healthcare industry in America. Having a Secretary who is a physician and a lawmaker brings a unique perspective and experience to the position.

We are encouraged by your recognition of both the successes and the challenges ACOs have faced since enactment and subsequent implementation. It is our goal to “remain a tool in the toolbox to ensure high quality, low cost health care for beneficiaries,” as you have stated. To strengthen the Medicare ACO program, NAACOS has several policy recommendations we urge you and the CMS Administrator to enact, including to:

- Reward the important work of ACOs in shifting the industry to value-based care by allowing all ACOs, including those in the Medicare Shared Savings Program (MSSP) Track 1, to qualify for the 5 percent Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) Advanced Alternative Payment Model (APM) bonuses
- Finalize plans for a new ACO model, Track 1+, with a more appropriate level of risk based on either a very small percent of total Medicare Parts A and B spending or on a small percent of physician revenue for covered professional services under the Medicare Physician Fee Schedule. Track 1+ should also be designated as an Advanced APM.
- Address the problematic interactions resulting from the overlap of CMS/CMMI programs which cause negative unintended consequences that undermine ACOs and their ability to succeed
- Modify ACO program methodologies, such as those related to benchmarking and risk adjustment, to ensure accurate and fair evaluation of ACOs

These and several other policy changes detailed in the attached [policy paper](#) will allow ACOs to collectively flourish and live up to the expectations set when Congress established the MSSP and further emphasized the important role of ACOs under MACRA. We look forward to working with you and your staff and can serve the Department as a valued resource on Medicare ACO policy.

It is our hope that we can confer with you and your staff at the earliest ability to share our experiences and thoughts on strengthening and prolonging ACOs for the benefit of the 10 million seniors receiving care from ACOs and for the approximately 240,000 physicians who treat this population. Jill Dowell, Vice President of Government Affairs, will contact your office to arrange a meeting, or she can be reached at 202-650-7084 or jdowell@naacos.com.

Sincerely,



Clif Gaus
President and CEO
National Association of ACOs