



March 5, 2018

Seema Verma  
Administrator  
Centers for Medicare & Medicaid Services  
Department of Health & Human Services  
7500 Security Boulevard  
Baltimore, MD 21244-1850

Re: CY 2019 Medicare Advantage Advance Notice and Call Letter

Administrator Verma:

On behalf of 340 medical groups and independent practice associations, we write to respond to the proposals in the Medicare Advantage (MA) Advance Notice and Call Letter for CY 2019. As you know, physician organizations across the country are committed to the transition from volume to value. We view MA as instrumental to the movement away from fee-for-service (FFS) into alternative payment models (APMS). We are pleased to see that the agency has taken a variety of steps to strengthen and improve the MA program. In the advance notice, call letter, and the proposed rule issued earlier this year, we see significant regulatory opportunities to improve care for seniors. We enthusiastically support provisions that will enhance our flexibility to meet the needs of our senior patients and reduce regulatory burdens on our practices.

Below are some detailed comments on specific proposals in the advance notice and call letter. We hope that you will view us as a valuable resource and partner as you continue our shared work of strengthening the MA program.

#### **Encounter Data as a Diagnosis Source**

For plan year 2019, CMS is proposing to increase the weight of encounter data as a diagnosis source from 15 percent to 25 percent. We oppose the proposed continued phase in of encounter data as a diagnosis source.

We remain concerned about the accuracy of the encounter data system. Ensuring the completeness, accuracy, and timely submission of encounter data is essential to ensuring accurate payment and high-quality care in MA. Potential errors in the data may undermine our efforts by inappropriately reducing resources to care for patient populations.

Specifically, in recent reports, both the HHS Office of Inspector General and the Government Accountability Office raised concerns about the accuracy of encounter data.<sup>1</sup> Both reports outlined additional steps the agency should or could take to improve encounter data. In light of these well-documented concerns, dating back to 2014, we believe it is improper to continue to expand the use of encounter data at this time.

### **Medicare Advantage Coding Pattern Adjustment**

In the advance notice, CMS is proposing to apply the statutory minimum MA coding pattern adjustment of 5.9 percent. However, the agency notes that it is considering additional methodologies to inform its final decision regarding the coding intensity cut for 2019 and future years. We ask that CMS adhere to the statutorily required amount for 2019. Going forward, we ask that the agency undertake a serious effort to understand and potentially address coding differences between MA and traditional Medicare. This effort should be informed primarily by risk bearing provider groups in MA and traditional Medicare.

An increase in coding intensity is an expected consequence of population health payment and delivery models that empower primary care physicians to identify and manage chronic conditions. Capitated, coordinated care delivery involves a complex gathering and exchange of patient information. At multiple levels within each of our organizations, we are assessing individual patient and overall population health. The information gathered is reported both within our systems and to health plans – the information provides the foundation for accurate payment but also creates the foundation of a communication system about the resources needed to completely manage the health of each individual patient. It should, therefore, be no surprise that in capitated coordinated environments, the information is more complete than in an unmanaged, FFS environment. And this is the result that CMS should want as it enables physician organizations to stratify their populations, design care management programs specific to their patients, and to predict future disease burden.

We understand that there are differences in how organizations code and the purposes for which they use coding information. We believe that sweeping, across the board cuts to align coding patterns in MA to FFS inappropriately penalizes physician organizations and plans that are using proper coding to better manage population health. A well thought-out approach to coding intensity would identify the “gold standard” approach for proper coding as a component of population health management and incentivize the right behaviors. We would be pleased to work with the agency to identify those behaviors and design policy changes that achieve the result of encouraging risk-based coordinated care models and population health management.

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<sup>1</sup> Statement of James Cosgrove, Director, Health Care, Government Accountability Office, Testimony Before the Subcommittee on Oversight, Committee on Ways and Means, US House of Representatives (July 19, 2017); Suzanne Murrin, Deputy Inspector General for Evaluations and Inspections, Medicare Advantage Encounter Data Show Promise for Program Oversight, but Improvements are Needed (January 2018).

## **Advanced Alternative Payment Models in Medicare Advantage**

We are pleased to see the agency's announcement that it intends to begin collecting information about advanced alternative payment model contracting from MA plans in April 2018. This is a critical step in advancing the policy objective of creating more APMs and promoting the movement to risk-based contracting. As you know, incentives have been in place for risk contracting in traditional Medicare under the Medicare Access and CHIP Reauthorization Act (MACRA); we firmly believe it is time to afford equal credit to providers taking risk in MA.

We look forward to the agency's announcement of the MA APM demonstration project, originally announced in the Quality Payment Program Final Rule late last year. Many of our organizations are either currently taking or plan to take risk from MA plans in the future and are eagerly awaiting this announcement so they can plan accordingly. We know that creating greater opportunities and incentives for risk contracting in MA will advance the Medicare delivery system for all seniors.

### **Conclusion: Protect and Strengthen MA for the Future**

Risk-based physician organizations in MA are at the leading edge of delivery system reform. The combination of appropriate financial incentives and the program's flexibility to invest in care management and population health make MA a popular option for our patients. Today, over 19 million seniors are enrolled in MA, over one-third of overall Medicare enrollment. We believe that this number will continue to grow as long as policy decisions support a strong future for this important Medicare option. We look forward to a final rate announcement that creates a strong MA program for the future.

Sincerely,



DONALD H. CRANE

President & CEO

America's Physician Groups

Accountable Health Care IPA (CA)

Advanced Medical Management, Inc. (CA)

- Access Medical Group/Access Senior Health Care (CA)
- California IPA (CA)
- Community Care IPA (CA)
- Future Care IPA (CA)
- MediChoice IPA (CA)
- Premier Care IPA (CA)
- Seoul Medical Group (CA)

Advantage Medical Group (FL)  
 Adventist Health Physicians Network IPA (CA)  
 Affinity Medical Group (CA)  
 Agilon Health (CA)  
 Alameda Health Partners (CA)  
 AllCare Health (OR)  
 AllCare IPA (CA)  
 Allied Physicians of California (CA)  
 Allina Health (MN, WI)  
 AltaMed Health Services Corporation (CA)  
 Angeles, IPA (CA)  
 AppleCare Medical Group (CA)  
 Arizona Care Network (AZ)  
 Arizona Health Advantage, Inc. (AZ)  
 Arizona Primary Care (AZ)  
 Ascension Medical Group (AL, AZ, AK, CT, DC, FL, GA, IL, IN, KS, KY, LA, MD)  
 Atrius Health (MA)  
 Austin Regional Clinic (TX)  
 Baldwin IPA (AL)  
 Bay County POD (AL)  
 Bayhealth Physician Alliance, LLC (DE)  
 Beaver Medical Group, LLP (CA)  
 Bluestone Physician Services (FL, MN, WI)  
 Brown & Toland Physicians (CA)  
 Canopy Health (CA)  
 CareMore Medical Group (CA)  
 CareMount Medical (NY)  
 Castle Family Health Clinics (CA)  
 Catalyst Health Network (TX)  
 Catholic Health Initiatives Physician Enterprise (CO)
 

- Architrave Health (OR)
- Arkansas Health Network (AK)
- Colorado Health Neighborhoods (CO)
- KentuckyOne Health Partners (KY)
- Mercy Health Network (IA)
- Mission HealthCare Network (TN)
- PrimeCare Select (ND)
- St. Luke's Health Network (TX)
- TriHealth (OH)
- UniNet (NE)

Cavero Medical Group, LTD (IL)  
 Cedars-Sinai Medical Group (CA)  
 Central Ohio Primary Care Physicians, Inc. (OH)  
 Central Oregon Independent Practice Association (OR)  
 Central Virginia Coalition of Healthcare Providers, LLC (VA)  
 Cigna Medical Group (AZ)

ChenMed (FL)  
 CHESS Health Solutions (NC)  
 Chinese American IPA (NY)  
 Citrus Valley Independent Physicians (CA)  
 Colon-Rectal Surgery Associates, PC (SC)  
 Colorado Permanente Medical Group, PC (CO)  
 Complete Physicians Services (PA)  
 Crossroads Medical Group PLLC (TN)  
 Crown City (CA)  
 Cullman Primary Care IPA (AL)  
 DaVita HealthCare Partners Inc.  
     • DaVita Medical Group (CA)  
     • DaVita Medical Group (CO)  
     • DaVita Medical Group (FL)  
     • DaVita Medical Group (NM)  
     • DaVita Medical Group (NV)  
 DC Qualcare IPA (DC)  
 Delaware Valley Medical and Wellness Center (DE)  
 Dignity Health Medical Foundation (CA)  
 Dignity Health Medical Network (CA)  
 DFW HealthCare Partners, LLC (TX)  
 East Hawaii IPA (HI)  
 Edinger Medical Group (CA)  
 EHS Inland Valleys IPA (CA)  
 EHS Medical Group- Central Valley (CA)  
 EHS Medical Group LA (CA)  
 EHS Medical Group- Sacramento(CA)  
 El Paso Integral Physicians (TX)  
 El Proyecto Del Barrio, Inc. (CA)  
 Emerald Shores IPA (CA)  
 Entira Family Clinics (MN)  
 Equality Health - Q Point (AZ)  
 Esse Health (MO)  
 Etowah IPA (AL)  
 The Everett Clinic, P.S. (WA)  
 Facey Medical Foundation (CA)  
 Family Care Network (WA)  
 Family Medical Associates PC (TN)  
 Franklin IPA (AL)  
 Garcia Life Partners LTD (IL)  
 Global Care Medical Group (MA)  
 Golden Shore Medical Group (CA)  
 Greater Newport Physicians Medical Group, Inc. (CA)  
 Gundersen Health System (WI)  
 Guthrie Medical Group (PA)  
 Hattiesburg Clinic (AZ)

Hawaii Health Partners (HI)  
 Hawaii Pacific Health (HI)  
 Hawaii Permanente Medical Group (HI)  
 HealthONE Colorado Care Partners (CO)  
 Health Care LA IPA (CA)  
 Health Choice Preferred (AZ)  
 HEART Clinic (CA)  
 Henry Ford Physician Network (MI)  
 Heritage Provider Network (AZ, CA, NY)
 

- Affiliated Doctors of Orange County (CA)
- Arizona Priority Care Plus (AZ)
- Bakersfield Family Medical Group (CA)
- California Coastal Physician Network (CA)
- California Desert IPA (CA)
- Coastal Communities Physician Network (CA)
- Desert Oasis Healthcare (CA)
- Greater Covina Medical Group (CA)
- HealthCare Partners, IPA (AZ, NY)
- Heritage Physician Network (CA)
- Heritage Victor Valley Medical Group (CA)
- High Desert Medical Group (CA)
- Lakeside Community Healthcare (CA)
- Lakeside Medical Group (CA)
- Regal Medical Group (CA)
- Sierra Medical Group (CA)

 Highline Medical Services Organization (WA)  
 Hill Physicians Medical Group (CA)  
 Holmesburg Family Medicine (PA)  
 Identity MSO (CA)
 

- Valley Care IPA (CA)
- Valley Care Select (CA)
- Identity Medical Group and Care Coordination (CA)

 Imperial Beach Community Clinic (CA)  
 Independent Maricopa IGM (AZ)  
 Integrated Health Partners (MI)  
 InterMed, PA (ME)  
 Iora Health Inc. (MA)  
 Jefferson Health (PA)  
 Jest IPA (AL)  
 John Muir Network (CA)  
 Key Medical Group (CA)  
 Landmark Medical, PC (CA)  
 Lighthouse IPA (AL)  
 Little River Canyon IPA (AL)  
 Mankato Clinic (MN)  
 Marshfield Clinic Health System (WI)

Martin Luther King Community Medical Group (CA)

Maverick Medical Group (CA)

Medical Center of Bustleton (PA)

MedPOINT Management (CA)

- Accountable Health Care IPA (CA)
- Alpha Care Medical Group (CA)
- Bella Vista Medical Group IPA (CA)
- Centinela Valley IPA (CA)
- El Proyecto Del Barrio, Inc. (CA)
- Global Care Medical Group IPA (CA)
- HealthCare LA, IPA (CA)
- Jewish Home for the Aging IPA (CA)
- Pioneer Provider Network, A Medical Group, Inc. (CA)
- Premier Physicians Network (CA)
- Prospect Medical Group, Inc. (CA)
- Prudent Medical Group (CA)
- Redwood Community Health Network (CA)
- Watts Healthcare Corporation (CA)

Mehary Medical Group (TN)

MemorialCare Medical Group (CA)

Memorial Hermann Physician Network (TX)

Memorial Healthcare System (FL)

Memorial Physician Group (FL)

Methodist LeBonheur Healthcare (TN)

The Metro Health System (OH)

Mid-Atlantic Permanente Medical Group, PC (DC, MD, VA)

Mirshed Medical Center (SC)

Molina Medical Centers (CA, DC, IL, MI, NM, OH, PR, RI, TX, UT, WA, WI)

Monarch HealthCare (CA)

Monterey Bay IPA (CA)

Mount Sinai Health Partners IPA (NY)

MSO of Puerto Rico (PR)

- Advantage Medical Group (PR)
- AGUMENT (PR)
- BAM Medical (PR)
- Castellana East (PR)
- Castellana Metro North (PR)
- Castellana Northeast (PR)
- Castellana Sureste (PR)
- Centro de Medicina Prearia Advantage del Norte (PR)
- Comprehensive Geriatric Care San Juan (PR)
- Corporacion Medico Oriental (PR)
- East Coast (PR)
- EME Group (PR)
- Grupo de Advantage de Oeste (PR)

- Grupo de Cuidado Geriatrico Integral (PR)
- Grupo Medico Geriatrico (PR)
- In Salud (PR)
- Island Medical Group (PR)
- OMEGA (PR)
- PAMG (PR)
- Provider Network (PR)
- REMAS (PR)
- Solidarity Medical Group (PR)
- Southern Medical Alliance (PR)

#### NAMM (CA)

- Coachella Valley Physicians of PrimeCare, Inc. (CA)
- Mercy Physicians Medical Group (CA)
- Primary Care Associated Medical Group, Inc. (CA)
- PrimeCare Medical Group of Chino, Inc. (CA)
- PrimeCare Medical Network, Inc. (CA)
- PrimeCare of Citrus Valley, Inc. (CA)
- PrimeCare of Corona, Inc. (CA)
- PrimeCare of Hemet Valley, Inc. (CA)
- PrimeCare of Inland Valley, Inc. (CA)
- PrimeCare of Moreno Valley, Inc. (CA)
- PrimeCare of Redlands, Inc. (CA)
- PrimeCare of Riverside, Inc. (CA)
- PrimeCare of San Bernardino, Inc. (CA)
- PrimeCare of Sun City, Inc. (CA)
- PrimeCare of Temecula, Inc. (CA)
- Redlands Family Practice Medical Group, Inc. (CA)

#### National ACO, L.L.C. (CA)

#### New England Quality Care Alliance (MA)

#### New West Physicians, P.C. (CO)

#### North Texas Specialty Physicians (TX)

#### Northwell Health (NY)

#### Northwest Allied Physicians (AZ)

#### Northwest Permanente Physicians & Surgeons, PC (OR, WA)

#### Northwest Physicians Network (WA)

#### Ohio Integrated Care Providers (OH)

#### Omnicare Medical Group (CA)

#### Open Water Medical Group (NC)

#### OptumCare Network of Connecticut (CT)

#### Parkside Family Medicine (PA)

#### Pediatric Associates of the Northwest (OR)

#### The Permanente Medical Group – Northern California (CA)

#### Physicians DataTrust (CA)

- Greater Tri-Cities IPA (CA)
- Noble AMA IPA (CA)



- St. Vincent IPA (CA)

Physicians of Southwest Washington (WA)  
Physicians Medical Group of Santa Cruz (CA)  
PIH Health Physicians (CA)  
Pinnacle POD (PA)  
The Portland Clinic (OR)  
Preferred IPA of California (CA)  
Presence Health Care Preferred (IL)  
Primary Care of St. Louis (MO)  
PrimeHealth Physicians (FL)  
Princeton Premier IPA (AL)  
Pioneer Medical Group (CA)  
Privia Medical Group (VA)  
ProHealth Physicians, Inc. (CT)  
Prospect Medical Group (CA)

- AMVI/Prospect Medical Group (CA)
- Genesis Healthcare of Southern California, Inc., A Medical Group (CA)
- Nuestra Familia Medical Group, Inc. (CA)
- Pomona Valley Medical Group, Inc. (CA)
- Prospect Health Source Medical Group, Inc. (CA)
- Prospect Medical Group, Inc. (CA)
- Prospect NWOC Medical Group, Inc.(CA)
- Prospect Professional Care Medical Group, Inc. (CA)
- Prospect Provider Group RI, LLC (RI)
- Prospect Provider Group CT, LLC (CT)
- Prospect Provider Group CTW, LLC (CT)
- Prospect Provider Group NJ, LLC (NJ)
- Prospect Provider Group PA (PA)
- Prospect Health Services TX, Inc. (TX)
- StarCare Medical Group, Inc. (CA)
- Upland Medical Group, a Professional Medical Corporation (CA)

Providence IPA (CA)  
Redwood Community Health Coalition (CA)  
Reliance ACO (MI)  
Renaissance Physician Organization (TX)  
River City Medical Group, Inc. (CA)  
River Region IPA (AL)  
Riverside Medical Clinic (CA)  
San Bernardino Medical Group (CA)  
St. Joseph Heritage Healthcare (CA)

- Hoag Medical Group (CA)
- Mission Heritage Medical Group (CA)
- St. Mary High Desert Medical Group (CA)

St. Vincent IPA (CA)  
Sansum Clinic (CA)  
Santa Clara County IPA (SCCIPA) (CA)

Sante Health System, Inc. (CA)  
 Scripps Physicians Medical Group (CA)  
 Sharp Community Medical Group (CA)
 

- Arch Health Partners (CA)
- Graybill Medical Group (CA)

 Sharp Rees-Stealy Medical Group (CA)  
 Shelby Chilton IPA (AL)  
 Shore Physicians Group (CA)  
 Signature Partners Network (VA)  
 The Southeast Permanente Medical Group (GA)  
 Southern California Permanente Medical Group (CA)  
 Southern Medical Physicians IPA (AL)  
 Southwest Medical Associates (NV)  
 St. Thomas Medical Group (TN)  
 Summa Health Network (OH)  
 Summa Health System (OH)  
 Summit Medical Group (TN)  
 Summit Medical Group, PA (NJ)  
 Sutter Health Foundation (CA)
 

- Central Valley Medical Group (CA)
- East Bay Physicians Medical Group (CA)
- Gould Medical Group (CA)
- Marin Headlands Medical Group (CA)
- Mills-Peninsula Medical Group (CA)
- Palo Alto Foundation Medical Group (CA)
- Palo Alto Medical Foundation (CA)
- Peninsula Medical Clinic (CA)
- Physician Foundation Medical Associates (CA)
- Sutter East Bay Medical Foundation (CA)
- Sutter Gould Medical Foundation (CA)
- Sutter Independent Physicians (CA)
- Sutter Medical Foundation (CA)
- Sutter Medical Group (CA)
- Sutter Medical Group of the Redwoods (CA)
- Sutter North Medical Group (CA)
- Sutter Pacific Medical Foundation (CA)

 Swedish Medical Group (WA)  
 Synergy Healthcare (TN)  
 Synergy IPA (AL)  
 Tallaco IPA (AL)  
 Trendsetters IPA (MD)  
 Triad HealthCare Network, LLC (NC)  
 TriStar IPA (TN)  
 Toledo Clinic, Inc. (OH)  
 Tennessee Valley IPA (TN)  
 Torrance Hospital IPA (CA)

UC Davis Health System (CA)  
UCLA Medical Group (CA)  
USMD Physician Services (TX)  
The Vancouver Clinic, Inc., P.S. (WA)  
Valley Organized Physicians (TX)  
Virginia Mason Medical Center (WA)  
Watts Healthcare (CA)  
Washington Permanente Medical Group (WA)  
WellMed Medical Group (TX, FL)  
West Alabama IPA (AL)  
WVP Health Authority (WV)