



April 19, 2017

Seema Verma
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
P.O. Box 8013
Baltimore, MD 21244-1850
File Code: CMS-5519-IFC

Re: Medicare Program; Advancing Care Coordination Through Episode Payment Models (EPMs); Cardiac Rehabilitation Incentive Payment Model; and Changes to the Comprehensive Care for Joint Replacement Model (CJR); Delay of Effective Date

Dear Ms. Verma:

The Healthcare Financial Management Association (HFMA) would like to thank the Centers for Medicare & Medicaid Services (CMS) for the opportunity to comment on the CMS's Medicare Program; Advancing Care Coordination Through Episode Payment Models (EPMs); Cardiac Rehabilitation Incentive Payment Model; and Changes to the Comprehensive Care for Joint Replacement Model (CJR); Delay of Effective Date interim final rule (hereafter referred to as the EPM IFR), published in the March 21, 2017, *Federal Register*.

HFMA is a professional organization of more than 40,000 individuals involved in various aspects of healthcare financial management. HFMA is committed to helping its members improve the management of and compliance with the numerous rules and regulations that govern the industry.

Introduction

HFMA fully supports CMS's goal of transitioning 50 percent of Medicare fee-for-service (FFS) payments to value-based arrangements (such as the payment models in the EPM IFR) by the end of 2018. However, we believe that these models should encompass HFMA's principles¹ of a fair and rational payment system. Over the past five years, HFMA has invested significant resources in our Value Project and Bundled Payment for Care Improvement (BPCI)-Comprehensive Care for Joint Replacement (CJR) Council in an effort to help our members and the industry-at-large prepare for the transition to value-based payments, as envisioned by CMS. Our members have also provided CMS and the Center for Medicare & Medicaid Innovation (CMMI) with significant technical feedback related to bundled payment design, both proactively and in response to proposed rules. Links to prior comment letters are included below.

¹ <http://www.hfma.org/Content.aspx?id=1017>

Episode Payment Models

HFMA's members strongly support delaying the start of the cardiac and hip fracture episodes described in the EPM final rule. At this time, the bundles included in the EPM IFR do not reflect the principles HFMA has articulated for "fair and rational" payment models. In our comment letter related to the proposed rule, HFMA's members identify specific technical design flaws with those bundles. The most

significant issues identified are:

- Lack of risk adjustment
- Insufficient episode exclusions
- Insufficient access to Medicare claims data in a timely fashion
- Insufficient (or inapplicable) quality measures
- Inadequate waivers from antiquated fraud-and-abuse regulations that were designed to address the volume incentives inherent in fee-for-service-payments

HFMA's members believe these issues, among others, were not adequately addressed in the final rule. We encourage you to delay the start of these episodes until the key design issues described in HFMA's proposed rule comment letter (link included below) are adequately addressed.

Finally, beyond the specific design challenges mentioned above, HFMA's members are deeply concerned with the rapidly increasing number of regulatory requirements that hospitals, physicians, and health systems must comply with. Even our most sophisticated and best resourced organizations report that the sheer volume of significant mandatory requirements that have been promulgated over the past 30 months (e.g., MACRA, CJR, changes to outpatient department status as a result of section 603 of the Bipartisan Budget Act of 2015) and voluntary programs (e.g., Medicare Shared Savings Program [MSSP], MSSP Track 1+, Next Generation ACO Model, BPCI, Oncology Care Model) coupled with state-level initiatives is making it difficult to understand how the myriad of programs interact with each other and impact individual delivery systems. Given that the only constant in the current environment is that these programs will change (and likely significantly), it makes it difficult for organizations to efficiently invest in the capabilities necessary to improve care delivery and reduce cost. Due to the relatively short implementation times, many organizations are responding by adding significant administrative cost to manage this torrent of change. The volume and velocity of change make it extremely difficult to engage, educate, and provide front-line caregivers with the tools they need to focus on the most significant opportunities to improve individual delivery systems' performances. **Therefore, HFMA's members believe it is inappropriate to compel selected hospitals to participate in the Acute Myocardial Infarction, Coronary Artery Bypass Graft, and Surgical Hip and Femur Fracture Treatment bundles. We ask that you make participation in the model available on a voluntary basis.**

Changes to Comprehensive Care for Joint Replacement (CJR) Program

CMS delays the effective date of finalized changes to the CJR model to October 1, 2017. **HFMA strongly encourages CMS not to delay these changes further.** These adjustments create a pathway for the CJR program to be considered an Advanced Alternative Payment Model (AAPM) under the Medicare Access and CHIP Reauthorization Act (MACRA). As discussed in HFMA's MACRA comment letter, we support changes to existing alternative payment models that provide increased opportunities for physicians to become Qualified Participants (QPs) under the Quality Payment Program (QPP) instead of defaulting



into the Merit-Based Incentive Payment System (MIPS). Creating additional opportunities for physicians to voluntarily participate in AAPMs will increase the alignment between hospitals and the physicians who practice in them. This in turn will improve patient outcomes and reduce the total cost of care not only for Medicare patients, but all for all patients.

HFMA looks forward to any opportunity to provide assistance or comments to support CMS's efforts to refine and improve outcomes-based payment models. As an organization, we take pride in our long history of providing balanced, objective financial technical expertise to Congress, CMS, and advisory groups.

We are at your service to help CMS gain a balanced perspective on this complex issue. If you have additional questions, you may reach me or Richard Gundling, Senior Vice President of HFMA's Washington, DC, office, at (202) 296-2920. The Association and I look forward to working with you.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Fifer", enclosed in a thin black rectangular box.

Joseph J. Fifer, FHFMA, CPA
President and Chief Executive Officer
Healthcare Financial Management Association

About HFMA

HFMA is the nation's leading membership organization for more than 40,000 healthcare financial management professionals. Our members are widely diverse, employed by hospitals, integrated delivery systems, managed care organizations, ambulatory and long-term care facilities, physician practices, accounting and consulting firms, and insurance companies. Members' positions include chief executive officer, chief financial officer, controller, patient accounts manager, accountant, and consultant.

HFMA is a nonpartisan professional practice organization. As part of its education, information, and professional development services, HFMA develops and promotes ethical, high-quality healthcare finance practices. HFMA works with a broad cross-section of stakeholders to improve the healthcare industry by identifying and bridging gaps in knowledge, best practices, and standards.

EPM Proposed Rule Comment Letter:

<http://www.hfma.org/Content.aspx?id=50365>

Prior Comment Letters Related to BPCI and CJR:

<http://www.hfma.org/Content.aspx?id=32061>

<http://www.hfma.org/Content.aspx?id=31072>

<http://www.hfma.org/Content.aspx?id=1279>

<http://www.hfma.org/Content.aspx?id=41399>

MACRA Proposed Rule Comment Letter:

<http://www.hfma.org/Content.aspx?id=49051>