



May 8, 2019

The Honorable Chuck Grassley  
Chairman  
Senate Committee on Finance  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Ron Wyden  
Ranking Member  
Senate Committee on Finance  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Chairman Grassley and Ranking Member Wyden:

As the Senate Committee on Finance holds a hearing on, “Medicare Physician Payment Reform After Two Years: Examining MACRA Implementation and the Road Ahead,” the Healthcare Leadership Council (HLC) welcomes the opportunity to share its perspectives with you.

HLC is a coalition of chief executives from all disciplines within American healthcare. It is the exclusive forum for the nation’s healthcare leaders to jointly develop policies, plans, and programs to achieve their vision of a 21st century healthcare system that makes affordable high-quality care accessible to all Americans. Members of HLC – hospitals, academic health centers, health plans, pharmaceutical companies, medical device manufacturers, laboratories, biotech firms, health product distributors, post-acute care providers, home care providers, and information technology companies – advocate for measures to increase the quality and efficiency of healthcare through a patient-centered approach.

HLC has long supported a shift away from fee-for-service healthcare toward a system based on providing better value for healthcare consumers. Our member organizations have been proponents of delivery system innovations that are value-based, patient-centered and reward improved quality and cost-effective care.

HLC strongly supported the “Medicare Access & CHIP Reauthorization Act (MACRA) of 2015” and is pleased to provide feedback that we expect will strengthen the broader transition to a payment system that emphasizes value. As providers in the delivery system transition to a new payment system that emphasizes value, we encourage prioritizing consumer feedback and outreach, provider feasibility and minimizing new administrative burdens. We have been pleased to see significant action on key recommendations provided by HLC in previous years.

In particular:

- HLC supports CMS’s recognition of Medicare Advantage (MA) as an advanced alternative payment model. In payment years 2019 and 2020, the participation criteria for Advanced APMs were only for traditional Medicare payments or patients. Starting in

payment year 2021, the participation requirements for Advanced APMs may include MA plans. The demonstration would allow physicians that participate in value-based arrangements with MA plans to see the same payment benefits as physicians participating in one of the CMS designated Advanced Alternative Payment Models (AAPMs).

- HLC encourages Congress and the Administration to continue to push forward with its efforts to facilitate the movement of organizations to pay-for-performance and AAPMs. A critical element of this effort will be incorporating complementary value-based arrangements (such as Medicare Advantage) into AAPM MACRA thresholds as soon as possible.
- HLC strongly supports efforts to reduce the quality measure reporting burden on clinicians. HLC continues to emphasize that this flexibility is necessary as it may be difficult – particularly in the initial years – to design APMs that are attractive to a variety of providers. The federal government must ensure, however, that these flexibilities do not lessen important incentives for provider participation.
- HLC supports the creation of a new improvement activity for clinician leadership in clinical trials, research alliances, or community-based participatory research (CBPR) – especially around minimizing disparities in healthcare access. HLC supports this effort to improve clinical trial enrollment and encourages the federal government to consider including other physicians or even a counseling service payment to incentivize providers to provide information on clinical trials.

As shared in previous correspondence, HLC continues to emphasize several broader priorities that we believe are critical for the overall success of value-based care programs.

**Congress should adopt changes to modernize the federal fraud and abuse legal framework to facilitate stronger provider performance in the Merit-based Incentive Payment System (MIPS) measurement categories and facilitate growth into full AAPMs.**

Modernization of the current legal framework is needed to make it more compatible with healthcare delivery system transformation while retaining appropriate protections against fraud and abuse. Congress should amend the Anti-Kickback Statute and Stark Law to allow waivers for stakeholders engaged in alternative payment arrangements (both AAPMs and MIPS-reporting APMs) that meet certain conditions. The current unpredictable and burdensome system of “one-off” waivers is not sufficient for alternative payment goals. Congress should also extend existing Anti-Kickback Statute and Stark Law exceptions for donation and financial support of electronic health information products that facilitate care coordination, cybersecurity protection, and compliance with systems’ interoperability goals.

**Quality measurement and coding updates should better incorporate socioeconomic status adjustments to incentivize alternative payment arrangements in areas of high need.**

It is critical that all efforts to move to outcome-based payment properly account for complexities of patients as well as the socioeconomic challenges that providers face in caring for patients. Without these adjustments, efforts to reward higher performing providers may result in lower funding for those serving the most vulnerable. To ensure appropriate payment and risk-adjustment, quality programs under MACRA should include a reasonable number of measures that effectively capture variance in patient populations. We support the use of a

limited number of standard, vetted measures and urge CMS to synchronize measures, expectations, and reporting requirements with existing efforts in the private sector. By working closely with experts in the private sector, a system that appropriately reflects health system challenges – such as the social and economic status of consumers – can create a more accurate payment system.

Traditionally, ICD-10 codes are used to document diagnoses, symptoms, treatment, and procedures into the patient medical record. The expansion of these codes to include social determinants of health, including socioeconomic status, education, geographic location, home environment, functional limitation, employment, access to healthcare, transportation, food and nutrition, social isolation and many more broad categories would allow physicians to better assess the whole patient. Further, healthcare providers would be able to use these codes to document when a patient may benefit from a social service such as better access to transportation or access to nutrition services. For example, if a patient does not have a means of transportation or cannot afford to pay for transportation to a breast cancer screening center, the probability is high that this screening will not occur. The implementation of new ICD-10 codes for social determinants of health would help manage these types of situations to drive better patient engagement, care, and outcomes.

**It is imperative that Congress and CMS continue to work closely with private-sector health leaders during MACRA implementation.** The law provides CMS with an unprecedented ability to transform healthcare delivery through incentives. These changes, which will have far-reaching and significant effects on consumers nationwide, should be validated by healthcare experts across the healthcare system. These changes must be deliberate, transparent, and allow for meaningful collaborative efforts. Similarly, we urge the federal government to provide clear, concise, and actionable feedback on a timely and regular basis to allow providers to improve the quality of care delivered to patients and enhance program performance.

Thank you for examining this important issue and please feel free to reach out to Tina Grande, Senior Vice President for Policy, at (202) 449-3433 or [tgrande@hlc.org](mailto:tgrande@hlc.org) with any questions.

Sincerely,



Mary R. Greal  
President