March 3, 2023

Ms. Chiquita Brooks-LaSure
Administrator
Centers for Medicare and Medicaid Services
Attention: CMS- 2023-0010
Submitted electronically to https://www.regulations.gov/

RE: Advance Notice of Changes for CY 2024 Medicare Advantage

Dear Administrator Brooks-LaSure:

The National Association of ACOs (NAACOS) appreciates the opportunity to submit comments in response to advanced notice of changes for CY 2024 Medicare Advantage (MA). NAACOS represents more than 400 accountable care organizations (ACOs) in Medicare, Medicaid, and commercial insurance working on behalf of health systems and physician provider organizations across the nation to improve quality of care for patients and reduce health care cost. NAACOS member serve over 8 million beneficiaries in Medicare value-based payment models, including the Medicare Shared Savings Program (MSSP) and the ACO Realizing Equity, Access, and Community Health (REACH) Model, among other alternative payment models (APMs). Additionally, the majority of our members engaged in risk-bearing value arrangements in MA. Our comments below reflect our members shared goal of advancing value-based care across Medicare and the broader healthcare system.

Generally, we support CMS efforts to adjust the Part C risk adjustment model to reduce overpayments in the Medicare Advantage (MA) program. ACOs and other alternative payment models offer the opportunity to provide enhanced benefits and care coordination to beneficiaries without the need to join an MA plan. CMS should ensure that ACOs and APMs remain a viable alternative to MA; however, variation in risk score approaches has created an unlevel playing field between the two programs. Addressing overpayments in MA helps establish more parity between alternative payment models (APMs) and MA. Specifically, transitioning to ICD-10 and removing discretionary codes is an improvement to the model accuracy and makes it less susceptible to variation due to coding practices.

While correcting the risk adjustment model is imperative, we are concerned about the downstream impact on provider payment and applying this new risk adjustment model to ACOs. For example, initial analysis has shown that MSSP ACO risk scores are highly sensitive to this new model version with a variation between -5 percent and +5 percent for the same population in the same year due to the model change. This is due, in part to the fact that the HCC model versions can vary between benchmark and performance years making ACOs susceptible to bias in risk scores despite the renormalization accounting for such bias. Combined with an +3% cap on risk scores between the latest benchmark year and performance year, ACOs may exceed the cap solely due to the risk score. Ultimately, improvements in the model are limited by the artificial cap on risk scores.

We ask that CMS consider approaches to mitigate the impact, such as phasing-in implementation over an extended period.

To reduce the downstream impact to ACOs, we recommend that CMS:

- Use the same HCC model in the benchmark and performance years to avoid bias that cannot be addressed by the renormalization factor. A similar approach is used in ACO REACH.
- Change risk score caps to +/-5% to account for risk score changes resulting from the model change.
- Apply consistent caps to both the ACO risk score and the regional risk score to avoid penalizing the ACO for risk score changes that are similar to the region.

Thank you for the opportunity to provide feedback on to advanced notice of changes for MA in CY 2024. NAACOS and its members are committed to providing the highest quality care for patients while advancing population health goals for the communities they serve. We look forward to our continued engagement on ensuring that appropriate clinical risk is incorporated into benchmarks across MA and other APMs. If you have any questions, please contact Aisha Pittman, senior vice president, government affairs at aisha_pittman@naacos.com.

Sincerely,

Clif Gaus, Sc.D.
President and CEO
NAACOS