

Congress of the United States

Washington, DC 20515

November 5, 2024

Elizabeth Fowler
Deputy Administrator and Director, CMS Innovation Center
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Deputy Administrator and Director Fowler:

We write to request additional information on the decision-making process related to the development, implementation, and evaluation of innovative payment and service delivery models by the Center for Medicare and Medicaid Innovation (CMMI). CMMI was authorized to increase access to high-quality care and reduce costs by supporting health care transformation for Medicare and Medicaid beneficiaries. We are committed to ensuring that CMMI lives up to this Congressionally directed mission.

Transparency, accountability, and notice are fundamental to the success of CMMI innovation models. Congress and the public must be informed of how these models are evaluated in terms of both their cost and patient outcomes, what insights have been garnered from the model evaluations, and how those insights are applied to the development and implementation of new and existing innovation models. We believe that CMMI can do more to reach its full potential to improve health care delivery for the future, particularly with regard to transparency, accountability, and notice for Congress and interested stakeholders.

Recent changes to the Accountable Care Organization Realizing Equity, Access, and Community Health (ACO REACH) Model illustrate this concern. On July 10, 2024, CMMI released the second annual evaluation report for the Global and Professional Direct Contracting (GPDC) Model. Later that month, CMMI announced sweeping changes to the ACO REACH Model for Performance Year (PY) 2025. The authorizing statute for this model and other CMMI models requires the gathering of “input from interested parties,” yet there is no indication that CMMI adequately addressed this requirement in the short period between the release of the evaluation report and the announcement of changes to the ACO REACH Model for PY 2025.

To date, CMMI has not made clear how these changes help fulfill its Congressional mandate or the goals of the ACO REACH Model. We also have some pause that the changes made by CMMI to the ACO REACH Model do not seem to consider insights from past ACO performance. In an April 2024 analysis entitled “Medicare Accountable Care Organizations: Past Performance and Future Directions,” the Congressional Budget Office (CBO) reported the following findings:

Some factors limit the savings from Medicare ACOs. Those factors include weak incentives for ACOs to reduce spending, a lack of the resources necessary for providers to participate in ACO models, and providers' ability to selectively enter and exit the program on the basis of the financial benefits or losses they anticipate from participating.

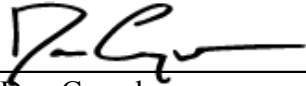
As supporters of extending value-based care models into the future, we want to ensure that the incentives for the transition to value-based care are aligned and clear for stakeholders that want to partner on care innovation. It's critical that any changes to the model structure consider which models are saving money, and which participants are saving money. As we look ahead to PY 2026, we ask that you work to provide more notice and opportunity for feedback. For innovation models that require substantial upfront investments for participants to operate clinics, pay providers, and support meaningful care improvement, unpredictable and punitive methodology changes have a destabilizing effect that may discourage program participation – especially for providers who are not already well-capitalized.

To that end, we request additional information from CMMI on the following questions:


- What methodology is used by CMMI to evaluate the impact of innovation models relative to the mandate laid out by Congress?
- How does CMMI report the results of these evaluations, and subsequently apply them to the implementation of existing models and the development of new models?
- What steps does CMMI take to obtain “input from interested parties” on model development, implementation, and evaluation, and the underlying methodology, as mandated by statute?
- How does CMMI estimate the impact of its changes to a model, evaluate the impact after the change occurs, and communicate this information to relevant stakeholders?
- What factors has CMMI identified as positively impacting access to quality care and cost efficiency, and how are these factors applied in its demonstrations?

Thank you and we look forward to receiving additional information on these questions. We would also like to invite you to brief staff on your response to these questions. Please contact Colin.Yokanovich@mail.house.gov and Amy.Zhou@mail.house.gov by November 25th to arrange this briefing.

Sincerely,



Dan Crenshaw
Member of Congress



Kim Schrier, M.D.
Member of Congress