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March 3, 2017

Dr. Patrick Conway
Acting Administrator
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

Dear Dr. Conway:

On behalf of AMGA, we appreciate the opportunity to comment on the Advance Notice of Methodological Changes for Calendar Year 2018 for Medicare Advantage (MA) Capitation Rates, Part C and Part D Payment Policies and 2018 Call Letter. Founded in 1950, AMGA represents more than 440 multispecialty medical groups and integrated delivery systems representing about 175,000 physicians who care for one in three Americans. Our member medical groups work diligently to provide innovative, high quality patient-centered medical care in a spending efficient manner. Many of our medical groups treat Medicare Advantage beneficiaries. AMGA therefore has a strong interest in the proposed payment and regulatory policy changes in the MA Advance Notice.

On balance, AMGA supports several proposals in the 2018 Call Letter.

2018 Payment Change

The Centers for Medicare & Medicaid Services (CMS) estimates an expected average change in revenue for plan payments of 0.25 percent after the application of advance notice policies including a -0.25 percent MA coding intensity adjustment. With an estimated positive 2.5 percent coding trend, CMS expects average plan revenue to increase by 2.75 percent. AMGA generally is pleased with this year-to-year percentage change as it will help to continue to improve the program and grow participation.

Use of Encounter Data

CMS proposes to delay increasing the percent weight attributed to encounter data in calculating plan risk scores. AMGA supports the agency's decision to maintain calculating risk scores by weighing encounter data at 25 percent and RAPS (Risk

Adjustment Payment System) data by 75 percent. As CMS is well aware, a January 2017 General Accountability Office (GAO) report concluded that CMS “has made limited progress to validate the completeness and accuracy of the Medicare Advantage (MA) encounter data.” (See: <http://www.gao.gov/assets/690/682145.pdf>.) Also, a recently published Avalere report found risk scores using encounter data for 2015 and 2016 were respectively 26 percent and 16 percent lower compared to RAPS. (See: <http://avalere.com/expertise/managed-care/insights/final-report-the-impact-of-medicare-advantaat-ge-data-submission-system-on-ris>.)

MA Employer Group Waiver Plans (EGWPs) Payment Rates

CMS also proposes to retain the agency's 2017 methodology in calculating EGWP pricing. That is for 2018, CMS will continue its policy where individual market plan bids and EGWP bids are each weighted 50 percent. AMGA supports the agency's proposal not to switch to full use of individual market data at this time.

2018 Star Ratings

CMS proposes numerous changes in star quality ratings. AMGA supports the continuation of the Categorical Adjustment Index to address disparities between low-income subsidy (LIS)/dual eligible plans and non-LIS/duals plans. AMGA also supports, among other proposed changes, moving the Medication Reconciliation Post Discharge and Improving Bladder Control quality measures from the display page into the 2018 Star Ratings. AMGA supports the agency's proposed changes to the Beneficiary Access and Performance Problems (BAPPS) measure. Per the agency's mention on page 96 of the Assistant Secretary for Planning and Evaluation's (ASPE's) recently published analysis of the effect of social risk factors on health outcomes (see: <https://aspe.hhs.gov/pdf-report/report-congress-social-risk-factors-and-performance-under-medicares-value-based-purchasing-programs>), AMGA encourages CMS to, over time, adopt the recommendations made in this report. Concerning CMS's discussion of more than a dozen display measures, AMGA generally supports the proposed changes. Though not discussed in the Call Letter, per MedPAC's recommendation that the agency work to synchronize quality measurement and performance benchmarking, AMGA recommends the agency consider employing display measures in the Medicare Shared Savings or Accountable Care Organization (ACO) program, particularly in context of ACO topped out measures.

MA SNP Networks

AMGA supports in concept exploring separate adequacy evaluations of MA Special Needs Plans (SNPs) provider networks because, as the agency notes, SNP beneficiaries are particularly vulnerable and generally are in greater need of care coordination.

Part D

AMGA supports proposed changes to the agency's Overutilization Monitoring System to better align with CMS guidelines on opioid prescribing. AMGA supports as well CMS's expectations for hard formulary-level cumulative opioid safety edits.

Additional Concerns: Coding Intensity and Benchmark Caps

Although outside the scope of the Advance Notice, AMGA is taking this opportunity to restate its concerns regarding coding intensity and benchmark caps.

Regarding coding intensity, AMGA is pleased that CMS proposed to implement the statutory minimum adjustment as required by law for 2018. In its March 2016 report to Congress, MedPAC again examined MA coding intensity. MedPAC recognized MA plan enrollees have higher risk scores than similar FFS beneficiaries. AMGA recommends CMS consider MedPAC's 2016 recommendation, based on the Commission's 2012 work, that the agency begin using two years of diagnostic data to estimate CMS-HCC model coefficients and two years of MA diagnostic data to calculate MA risk scores. This would improve the accuracy of chronic condition coding by in part mitigating year-to-year variation in documentation and decrease the differences in MA and FFS coding intensity. Implementing this approach would then give CMS the ability to recalculate or reset the coding intensity adjustment should any remaining coding differences remain.

Regarding the benchmark cap, CMS noted in its CY 2017 final call letter that the agency does not have the discretion to waive or reduce the cap. This year's advanced notice acknowledged the concerns stakeholders have raised in connection with the cap. We also would note President Obama's FY 2017 budget plan included a proposal to "lift the cap on benchmarks for plans that are entitled to receive a quality bonus payment." AMGA appreciates the agency recognizing this problem and encourages CMS to work with MedPAC and the Congress to find a way to eliminate it. As CMS is well aware, in MedPAC's March 2016 report to the Congress, the commission recommended the agency eliminate both the cap on benchmarks and the doubling of quality increases.

We thank CMS for consideration of our comments. Should you have questions please do not hesitate to contact AMGA's David Introcaso, Ph.D., Senior Director of Public Policy at (703) 842.0774 or at dintrocaso@amga.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald W. Fisher". The signature is fluid and cursive, with a large initial "D" and "W".

Donald W. Fisher, Ph.D., CAE
President and CEO