

March 22, 2023

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RE: Principles for a hybrid primary care payment option in the Medicare Shared Savings Program

Dear Deputy Administrator Fowler and Deputy Administrator Seshamani,

On behalf of the undersigned organizations, thank you for your support and leadership to strengthen the Medicare program and further its transition to value-based care. We are committed to strengthening primary care as a foundation of a high performing health care system and a cornerstone of high performing accountable care organizations (ACOs). The evidence is unassailable: organizations and systems with robust primary care demonstrate better population health outcomes, greater equity, and lower costs.

We collectively urge CMS to establish a hybrid primary care payment option in the Medicare Shared Savings Program (MSSP) as one approach to strengthen both primary care and ACOs. This proposal aligns with the evidence-based payment recommendations in the 2021 NASEM Report, [Implementing High-Quality Primary Care](#). Its implementation in MSSP would mark a powerful step toward the agency's value, innovation, and equity aims, detailed in CMS' [Strategic Pillars](#) and the Innovation Center's [Strategic Objectives](#).

The 27 undersigned organizations ask CMS to act on this proposal this year.

As you have each articulated, CMS' beneficiaries and the larger American public are grappling with pressing health needs. All communities – especially those that are disadvantaged or underserved – face lapses in preventive care, unmanaged chronic conditions, skyrocketing mental health and substance use issues, and emerging health challenges associated with long COVID. Time is of the essence to implement multiple strategies to strengthen the primary care platform to get to better health.

We collectively endorse the following six principles that we believe must govern a new hybrid payment option within MSSP. Additionally, we look forward to continuing to discuss with CMS how these principles might be operationalized within MSSP.

- 1. Equity considerations must be embedded in the hybrid payment option.** – The hybrid payment should be designed to reflect beneficiaries' social risk and support efforts to address health-related social needs (HRSNs) and social determinants of health (SDOH). Additionally, the payment option should reflect practice capabilities and participants' capacity to take on risk and include incentives for practices that serve more vulnerable/at-risk populations, including small, independent, safety net and rural primary care practices.

2. **There must be added value for the Medicare beneficiary.** – The new option must provide cost-sharing relief from any services covered by the per-beneficiary payment. This option should allow for enhancement of primary care payment to support coordinated, whole-person care for beneficiaries, including addressing behavioral health. CMS should consider how to better support primary care in connecting patients to community resources which address social needs.
3. **The option must result in increased investment in primary care.** – Primary care payments must reach and comprehensively support primary care for beneficiaries and these practices must directly share in financial incentives for improved performance. Primary care practices should be empowered with data and transparent information to shape the decisions that impact their practice and the ACO. Meaningful participation of primary care in the governance of the ACO is key.
4. **The option must be fully voluntary.** – No ACO should be required to implement hybrid payment and MSSP participation remains voluntary.
5. **The option must be available rapidly and in all geographies.** – Implementation of this option should begin in 2025 with no limited window for new participants and no geographic restrictions on participation.
6. **Implementing this option must create additional value for Medicare.** – The evidence suggests that this new payment approach for primary care would benefit the Medicare program by expanding primary care and ACO participation in MSSP and the program’s overall performance.

CMS has acknowledged that ACOs with a high proportion of primary care practice participants have generated greater net savings to Medicare. It is in Medicare’s interest to attract more primary care practices to form and participate in ACOs. We recognize the effort and complexity of introducing a new option within MSSP and are collectively committed to providing the input CMS needs to design an option that will simultaneously enhance quality and equity while not growing overall total costs of care within a reasonable time period.

We stand ready to bring the primary care and ACO communities together in support of efforts to expand options within MSSP that we believe will strengthen primary care and result in enhanced value for the program and its beneficiaries. Neither Medicare beneficiaries, the nation's primary care practices, nor MSSP ACOs can wait for progress and watch the primary care platform be weakened further. We urge CMS action this year.

Sincerely,

American Academy of Family Physicians
American Academy of Physician Associates
American Association of Nurse Practitioners
American College of Clinical Pharmacy
American College of Lifestyle Medicine
American College of Osteopathic Family Physicians
American College of Osteopathic Internists
American College of Physicians
AMGA

American Psychological Association
Blue Cross Blue Shield of Michigan
Blue Shield of California
Families USA
Harvard Center for Primary Care
Health Care Transformation Task Force
Health Team Works
Mental Health America
National Alliance of Healthcare Purchaser Coalitions
National Association of ACOs
National Center for Primary Care at Morehouse School of Medicine
National Partnership for Women and Families
National Rural Health Association
Partnership to Empower Physician-Led Care
Primary Care Collaborative
Primary Care Development Corporation
Society of General Internal Medicine
URAC