United States Senate
COMMITTEE ON FINANCE
WASHINGTON, DC 20510–6200

October 11, 2016

Andrew Slavitt
Acting Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Mr. Slavitt:

We appreciate your extensive and ongoing outreach to physicians and other stakeholders regarding the implementation of the physician payment reforms set forth in the historic, bipartisan Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). As Chairman and Ranking Member of the Finance Committee, we viewed with great interest your recent announcement that physicians (and other health professionals) will be able to "pick their pace" by selecting from participation options that reflect varying degrees of readiness when these physician payment reforms take effect in 2017. In that spirit of positioning the reforms, collectively referred to as the Quality Payment Program (QPP), for long-term success, we urge the Centers for Medicare & Medicaid Services (CMS) to build upon the positive aspects in its April proposed rule by making the improvements described below in the final rule that will be released this fall.

Ensuring Small Practice Viability

In the proposed rule, CMS included several accommodations to help small and rural physician practices participate in the new payment system. We urge CMS to consider further steps to ensure the viability of small physician practices, many of which serve Medicare beneficiaries in rural and underserved areas. For example, CMS should consider establishing a more expansive threshold for exempting physicians from the Merit-based Incentive Payment System (MIPS) due to low Medicare volume. Exempting small practice and other physicians with few Medicare patients or little Medicare revenue would relieve them of the administrative requirements of participation. In addition, we urge CMS to specify its plan for making the MIPS virtual group participation option available to physicians beginning in 2018, which would expand options for small practices as the reporting pace accelerates in the second year.

Providing Additional Advancing Care Information Flexibility

We also urge CMS to provide additional flexibility in how physicians can meet requirements for the MIPS Advancing Care Information (ACI) category. For example, CMS should consider lowering the reporting thresholds for the ACI performance component metrics to better align with the current requirements. In addition, CMS should consider further reducing the number of required performance measures in order to minimize administrative burden. As a general matter, increased flexibility and other changes to ACI category

requirements—for 2017 and beyond—should focus on improving patient outcomes and facilitating interoperability.

Facilitating Alternative Payment Model Opportunities
CMS should also expand the Alternative Payment Model (APM) opportunities consistent with the MACRA statute and, to the extent possible, enable physicians to know in advance whether they satisfy APM requirements so as to avoid duplicate reporting under MIPS. For example, CMS should consider defining the "more than nominal financial risk" requirement for Advanced APMs based on a percentage of practice revenue rather than a percentage of total Medicare spending. A revenue-based threshold would ensure that practices are taking on financial risk while also making it more straightforward to assess risk and limit exposure to financial loss. In addition, CMS should consider expanding the definition of "medical home" to include patient-centered medical homes certified by approved regional, state, and payer-sponsored accrediting bodies. Many state and regionally-specific medical home models have been in place for years and have already demonstrated success in improving quality and outcomes.

Providing Timely Feedback and Access to Data
It is imperative that CMS provide feedback and data to physicians related to their QPP participation in a manner that is timely, informative, and interactive. In order to accomplish that goal, CMS should make significant changes and improvements to the web-based portal through which physicians can input and receive data. Enabling physicians to view their progress toward meeting MIPS category requirements and access data on services their patients received from other providers would both ease administrative burden and better position them for success. Encouraging further use of qualified clinical data registries (QCDRs) that assess performance on metrics would also strengthen the feedback loop. QCDRs can provide timely, actionable information to physicians on quality and potentially other MIPS categories.

As was noted repeatedly during your July 13, 2016 appearance at the Finance Committee MACRA hearing, we appreciate CMS's engagement with members of this Committee and the Committees of jurisdiction in the House of Representatives regarding the implementation of the physician payment reforms set forth in MACRA. We share your commitment to the successful implementation of these reforms and look forward to continuing to work with the agency toward this goal.

Sincerely,

Orrin Hatch
Chairman

Ron Wyden
Ranking Member

Cc: Shaun Donovan, Director, Office of Management and Budget