Governor’s Letterhead

Kathleen Sebelius

Secretary, United States Department of Health and Human Services

200 Independence Avenue, S.W.

Washington, DC 20201

Marilyn Tavenner

Administrator, Centers for Medicare and Medicaid Services

7500 Security Boulevard, Baltimore, MD 21244

Baltimore, MD 21244

Date

Dear Secretary Sebelius and Ms. Tavenner,

I would like to express my strong objection to the Centers for Medicare and Medicaid Services’ decision, as of January 1, 2015, to let the Multi-payer Advanced Primary Care (MAPCP) Demonstration expire and to the proposed mechanism for payment under the Physician Fee Schedule (CY 2014) for complex chronic care management services[[1]](#footnote-1). CMS can seize the opportunity to move payment for medical and allied services towards a more rational and effective mechanism. Instead, these actions take us in the reverse direction.

It is widely recognized that support for Primary Care infrastructure is an essential building block of broader payment reforms such as Accountable Care Organizations, shared savings programs and bundled payments. In my state and at least 15 others, we have done just that, establishing multi-payer Patient Centered Medical Home collaboratives to transform primary care as the basis for larger delivery system reform. Medicare has joined us, giving real hope for payer alignment and accelerated change.

The participation of CMMI in the eight MAPCP Demonstration states has, in its brief time, resulted in significantly increased implementation of the important innovations of the Patient Centered Medical Home, a central element of healthcare improvement. The absence of Medicare’s participation will result in devastating and unnecessary cessation of essential services designed to improve the health of the population, the experience and delivery of care and to have an impact upon trends in healthcare utilization and associated costs. In the future, the patients and providers in the CMS Comprehensive Primary Care Initiative (CPCI) may find themselves in the same position.

The decision to let the MAPCP Demonstration expire prior to the completion of its robust evaluation is ill-advised and premature. Rather than eliminating it, CMS should allow the evaluation to continue for the full period to which it committed, learn from that evaluation, and bring the lessons to scale as planned, as part of a defined portfolio of payment innovations that balance State-led approaches with consistent standards at the national level to create the all payer model that is crucial for delivery system transformation.

Relatedly, CMS, in terminating its first effort to take an innovation through CMMI to scale, is instead proposing to revert to the federally mandated fee for service payment models, which have led to our dysfunctional delivery system. The CY 2014 Proposed Rule for Complex Care Management ignores the ongoing testing of the innovations in the MAPCP Demonstration and the CPCI, including aligned payments to primary care and allied providers, a per-beneficiary based payment structure, primary care practice transformation support and an infrastructure for a Learning Health System as defined and encouraged by the Institutes of Medicine of the National Academies. The proposed rule cannot be seen as a replacement for these mechanisms to support the PCMH. Their reliance on targeted case management, while a modest advance, is in no way a substitute for the CMMI innovations.

In my state and others we are working hard, in public-private partnerships with other payers, to transform our primary care delivery and pave the way for integrated systems of care that will save money and improve care. We need the power and credibility of CMS’s partnership in this work. As a former Governor, the Secretary recognizes the balance between State flexibility and national consistency, which must be maintained in these efforts. States such as those in these collaboratives will work with you to achieve that balance and to be held accountable for results; rules that impose a single solution based on failed fee for service practices lack that balance and will not help us succeed in our common challenge.

I applaud the recognition by CMS that complex care management done by primary care practices requires investment of resources beyond the standard fee for an office visit as represented in the discussion in the proposed rule. However, the payment mechanism as proposed will compromise the ultimate success of delivery system transformation - our common goal - moving away from innovation rather than embracing it.

Sincerely,

Governor

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1. CMS-1600-P: Medicare Program; Revisions to Payment Policies under the Physician Fee Schedule, Clinical Laboratory Fee Schedule & Other Revisions to Part B for CY 2014, pages 43337-43342 [↑](#footnote-ref-1)