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June 17, 2011

Donald Berwick, MD
Administrator
Centers for Medicare and Medicaid Services
Department of Health and Human Services
Baltimore MD 21244-8013

Dear Dr. Berwick:

The American College of Cardiology (ACC) is pleased to offer brief comments on the Advanced Payment Initiative for Accountable Care Organizations (ACOs) as requested by the Centers for Medicare and Medicaid Services (CMS).

The American College of Cardiology is transforming cardiovascular care and improving heart health through continuous quality improvement, patient-centered care, payment innovation and professionalism. The College is a 40,000-member nonprofit medical society comprised of physicians, nurses, nurse practitioners, physician assistants, pharmacists and practice managers, and bestows credentials upon cardiovascular specialists who meet its stringent qualifications. The College is a leader in the formulation of health policy, standards and guidelines, and is a staunch supporter of cardiovascular research. The ACC provides professional education and operates national registries for the measurement and improvement of quality care. More information about the association is available online at <http://www.cardiosource.org/ACC>.

CMS requested opinions on whether prepaying a portion of shared savings could increase participation in the Medicare Shared Savings Program. As we expressed in our letter commenting on the proposed ACO regulation, we believe there are substantial upfront costs for providers that wish to form an ACO. We believe that a lack of available capital may reduce the number of providers who pursue this option, particularly those who are not already part of an integrated healthcare system. For this reason, we support a CMS proposal to offer some portion of assumed shared savings as an upfront cost to ACOs.

The mission of the American College of Cardiology is to advocate for quality cardiovascular care — through education, research promotion, development and application of standards and guidelines — and to influence health care policy


It appears from the brief proposal that CMS would distribute these funds as a monthly check during the ACO participation to help to cover these costs. We believe that this may not be effective as some of the costs of care coordination and health information technology require substantial payment to acquire. We believe it would be more appropriate to offer ACOs the opportunity to receive a large portion of the funds immediately in order to cover these upfront costs. In addition, we recommend that these funds be offered as an upfront payment for expected capital costs rather than as a loan. If shared savings are achieved as a result of this investment, then we support that these advanced payments be withheld from that shared savings. Based on the response to the ACO proposed rule, it is clear that providers will need more of an incentive to take on this increased responsibility and offering this necessary capital at this rate will likely increase participation.

We are aware that making money available in this fashion could attract those who are not serious about the goals of reducing costs and improving quality. We believe that the documentation associated with forming an ACO required will act as significant protection to ensure that ACOs that are offered this opportunity are serious about their responsibility and role in the system.

The ACC believes that this kind of funding will be most needed by small ACOs that are physician-run that may not include large organizations such as hospitals. We believe that CMS may want to limit their use of these upfront payments to small ACOs and to those who would not have easy access to capital for these purposes. This would best serve the agency's intention of fostering ACOs that might not be formed absent this funding mechanism.

We look forward to further work with CMS to create meaningful incentives to move our payment system towards one more focused on quality outcomes. If you have any questions, please contact Brian Whitman, Associate Director of Regulatory Affairs at bwhitman@acc.org or (202) 375-6396.

Sincerely,



David R. Holmes, Jr., MD, FACC
President