

August 24, 2021

The Honorable Ron Wyden
U.S. Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Richard Neal
Ways & Means Committee
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Wyden and Chairman Neal,

On behalf of the undersigned organizations, we urge you to include the *Value in Health Care Act of 2021* in the Reconciliation bill pursuant to the FY 2022 Budget Resolution. H.R. 4587, the *Value in Health Care Act of 2021*—**which independent analysts have evaluated in this [report](#) and estimate would save the Medicare Trust Fund \$280 million over 10 years**¹—would ensure that value-based health care continues to serve Medicare patients by embracing higher value and lower cost.

Specifically, the *Value in Health Care Act of 2021* makes a number of important reforms to strengthen Medicare’s value-based care models and Accountable Care Organizations (ACOs) to ensure that these models continue to produce high quality care for the Medicare program and its beneficiaries as well as to generate savings for taxpayers. With estimates showing less than 40 percent² of healthcare dollars are tied to value-based payment and goals to increase that percent moving forward, the value-based care movement is at a critical juncture.

The policies in this bipartisan bill are more important than ever given lessons learned about our nation’s health care system as we continue to confront the COVID-19 pandemic. ACOs and other alternative payment model (APM) participants have been on the front lines supporting clinicians and patients throughout the COVID-19 crisis. As part of their commitment to value-based care, ACOs and APM participants were already utilizing many of the tools which have been key to managing the COVID-19 crisis—such as care coordinators, remote monitoring, data analysis and aggregation, and patient tracking. They were able to quickly and effectively deploy these same resources to manage patient populations throughout the pandemic. Additionally, the disproportionate impact of COVID-19 on the Black, Latino, and other communities highlights the need for program improvements, such as fair and accurate risk adjustment.

The reforms in this legislation are projected to save the Medicare Trust Fund \$280 million over 10 years and will further strengthen ACOs and APMs and ensure their continued success.

We are pleased that the bill removes barriers to participation, provides appropriate shared savings rates, modifies risk adjustment methodologies, improves the fairness and accuracy of

¹ The Moran Company, “Value in Health Care Act: Improvement to Medicare’s ACOs and APMs: Fiscal Implications” (August 2021) (enclosed).

² Health Care Payment Learning and Action Network (HCPLAN), “APM Measurement: Progress of Alternative Payment Models: 2019 Methodology and Results Report,” (2019) at page 15, available at <http://hcplan.org/workproducts/apm-methodology-2019.pdf>.

benchmarks, and provides educational and technical support for ACOs. The bill also makes important steps to reinforce the transition to value through extending and modifying Advanced APM bonuses and addressing aspects of APM overlap. To advance goals of addressing health inequities, the bill directs a study of the impact of value-based care on health equity. These reforms will ensure that value-based care models continue to be viable for physician and hospital participants.

Thank you for your leadership on these important issues. This bill is a comprehensive approach that will save Medicare Trust Fund dollars, strengthen our country's value-based care program and ensure high quality, lower cost care for our nation's patients.

Sincerely,

American Academy of Family Physicians
American College of Physicians
American Hospital Association
American Medical Association
AMGA
America's Physician Groups
Association of American Medical Colleges
Federation of American Hospitals
Health Care Transformation Task Force
Medical Group Management Association
National Association of ACOs
Premier healthcare alliance

cc. The Honorable Frank Pallone, Chairman, House Committee on Energy & Commerce
The Honorable Patty Murray, Chair, U.S. Senate Committee on Health, Education, Labor & Pensions