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Statement for the Record Submitted by
The Society of Thoracic Surgeons to the
House of Representatives Committee on Energy and Commerce Subcommittee on Health:
"Checking-In on CMMI: Assessing the Transition to Value-Based Care"
Submitted June 14, 2024

The Society of Thoracic Surgeons (STS) appreciates the opportunity to provide feedback on the important issues raised during the Subcommittee's hearing "Checking-In on CMMI: Assessing the Transition to Value-Based Care." Founded in 1964, STS is a not-for-profit organization representing more than 7,700 surgeons, researchers, and allied healthcare professionals worldwide who are dedicated to ensuring the best possible outcomes for surgeries of the heart, lungs, and esophagus, as well as other surgical procedures within the chest.

STS appreciates that the Centers for Medicare and Medicaid Innovation (CMMI, Innovation Center) continues to develop new alternative payment models (APMs) that aim to align financial incentives while improving care coordination. STS also appreciates that the Innovation Center is focusing on developing payment models for specialty medicine, where limited APM options under the Quality Payment Program (QPP) exist (i.e., Advanced APMs). STS shares the same goals as CMMI and Congress of moving reimbursement methodologies towards value-based payment models. When appropriately implemented, APMs can help to improve care delivery for our patients. **However, STS has concerns with how CMMI is vetting and implementing new models and whether they will be successful in reducing costs while improving quality and care coordination.**

Since the Advanced APM pathway was introduced under the Medicare Access and Chip Reauthorization Act (MACRA), it has been primarily geared towards primary care with limited participation options for specialists. The physician community has devoted significant effort into developing well-designed APM proposals consistent with the goals of MACRA. Unfortunately, seven years after passage of MACRA, most specialists are unable to participate in an APM designed for the patients they treat, nor are they equipped to accept downside risk.

STS believes a large reason for the inadequate number of models geared towards specialists comes from CMMI's unwillingness or disinterest in testing new specialty-focused models. To facilitate specialist participation in Advanced APMs, CMMI should test and approve Advanced APMs that have been endorsed by the Physician-Focused Payment Model Technical Advisory Committee (PTAC). STS in conjunction with the American College of Surgeons (ACS) submitted an APM which was never brought forward to CMMI for testing. **Without the introduction of new models that are designed and tested by specialists, our members are continuously denied the opportunity to participate in APMS.**

In the Federal Year (FY) 2025 Inpatient Prospective Payment System (IPPS) proposed rule that was recently released, CMS proposed mandatory participation in a new value-based payment model

Transforming Episode Accountability Model (TEAM). STS appreciates that CMMI has developed this new model which aims to align financial incentives while improving care coordination at the hospital level. STS also appreciates that this is one of few models that focuses on specialty medicine. **At the same time, STS does have significant concerns about the roll out and mandatory nature of TEAM.** You can review STS's submitted FY 2025 IPPS comments here.

Based on the insights we have learned from the Bundled Payment for Care (BPCI) Advanced and Comprehensive Joint Replacement (CJR) models, CMMI's models have not proven to be successful. Current data captured on BPCI Advanced and CJR show that there were no Medicare savings generated, statistically insignificant Medicare savings, or significant Medicare losses. In a study of 694 participating and 2,852 nonparticipating hospitals between 2013 and 2019, BPCI Advanced was associated with a $279.2 million net increase in Medicare spending. Additionally, participation in BPCI Advanced was not associated with changes in care utilization or quality improvements for the cardiovascular medical events or procedures offered in the model.

This is why STS believes new APMs should not be made mandatory, and a voluntary track is necessary for participants. It is even more essential for smaller, rural, and safety-net hospitals that have not previously participated in APMs and may not have the resources necessary for successful participation. In a study of 832 hospitals that participated in BPCI Advanced, participants were more often large, urban teaching hospitals with higher operating margins and lower proportions of dually enrolled beneficiaries (i.e., Medicare and Medicaid dual enrollees). Conversely, among initial BPCI Advanced participants, 123 (14.8%) dropped out of inpatient bundles fully and 371 (44.6%) dropped at least 1 bundle. These hospitals were more often for-profit, smaller, and located in areas of lower supply of skilled nursing and inpatient rehabilitation centers. [1]

Along with a voluntary track, CMMI should incorporate into their models a method to account for the investment and infrastructure start-up costs associated with transitioning to an APM. Outside of some provisions for safety-net hospitals, most APM participation requirements fail to broadly account for these investment resources needed to redesign care delivery to align with the incentives of a model.

Through our quality measurement, public reporting, and other quality improvement initiatives using the STS National Database, STS remains on the forefront of quality assessment and improvement. We continue to seek opportunities to work with the administration to share our expertise and ideas on how to build a payment model that truly recognizes healthcare quality.

STS appreciates your attention to the critical issues surrounding CMMI APM development and thanks you for holding this hearing. We value the opportunity to provide our comments. Please contact Molly Peltzman, Associate Director of Health Policy, at mpeltzman@sts.org or Derek Brandt, Vice President of Government Affairs, at dbrandt@sts.org, should you need additional information or clarification.

[1] Joynt Maddox KE, Orav EJ, Zheng J, Epstein AM. Characteristics of Hospitals That Did and Did Not Join the Bundled Payments for Care Improvement–Advanced Program. *JAMA.* 2019;322(4):362–364. doi:10.1001/jama.2019.7992