



Colorado Medical Society

"Advocating excellence in the profession of medicine"

December 13, 2015

Bill Lindsay
Colorado Commission on Affordable Health Care
Denver, CO 80203

Dear Mr. Lindsay:

The CMS Task Force on Health Care Costs & Quality has reviewed the commission's payment reform recommendations. We recognize that these recommendations are implicitly connected to other cost containment and quality improvement policies because payment reforms are necessary but not sufficient to drive the needed changes to Colorado's health system.

We support the draft recommendations to date and respectfully offer the following additions in the spirit of advancing your work.

The inclusion of value based insurance design (VBID) is an important addition that can help drive more patient engagement – a critical need that we have detailed in past correspondence to help break down some of the barriers to more meaningful cost containment. CMS supports accelerated use of VBID.

We recommend that the commission not limit its payment reform recommendations to bundled payment methodologies within Medicaid and the state employees' health plan, reference pricing, and expansion of the PRIME global payment model for Medicaid based upon the Western Slope Model. We commend the work of Harold Miller, on behalf of the American Medical Association, identifying seven, different payment reforms that can be used by physicians and others to drive necessary care delivery changes and enhance efficiency and quality.¹ As we have said in the past, there is no one single approach to payment reform and these additional, alternate payment models offer the state the opportunity to actively participate in efforts to align reforms across Medicare, commercial insurance and Medicaid. We believe that adding these alternate payment models to the list of recommended options will enhance the scope and breadth of physician participation in value-based models of care. Models that should be considered include:

- Payment for high-value service;
- Condition-based payment for physician services;
- Multi-physician bundled payment;
- Physician-facility procedure bundles;
- Warrantied payment for physician services;
- Episode payment for a procedure; and
- Condition-based payment.

In addition to these alternate payment models, CMS strongly supports and emphasizes the need for:

- Enhanced primary care reimbursement using value-based models – Without a strong foundation of high performance primary care, the entire system may falter due to lack of care coordination and solid preventive and chronic care treatment. Integrated care models, like the patient-centered

medical home, work but the necessary systems and people to make them run well cannot be built out and sustained by an underfunded, strictly fee for service system.

- All payer approaches – Models must be implemented that help to reduce administrative waste, align payment across payers and utilize common accountability metrics and systems to ensure the working success of these systems.
- Focus on what works clinically – Invest in and leverage the vast amount of financial and clinical data generated daily to inform individual and systemic improvement efforts.

Conclusion

Thank you again for this chance to share feedback on your draft recommendations. We look forward to continuing our work together.

Sincerely,

A handwritten signature in cursive script that reads "Michael R. Volz, MD".

Michael Volz, MD
President

¹ Miller, Harold. *A Guide to Physician-focused Alternate Payment Models*. American Medical Association. September 2015.