

July 20, 2021

The Hon. Peter Welch  
U.S. House of Representatives  
2187 Rayburn House Office Building  
Washington, DC 20515

The Hon. Suzan DelBene  
U.S. House of Representatives  
2330 Rayburn House Office Building  
Washington, DC 20515

The Hon. Darin LaHood  
U.S. House of Representatives  
1424 Longworth House Office Building  
Washington, DC 20515

The Hon. Brad Wenstrup  
U.S. House of Representatives  
2419 Rayburn House Office Building  
Washington, DC 20515

Dear Reps. Welch, DelBene, LaHood, and Wenstrup:

On behalf of the undersigned organizations, we thank you for your leadership to ensure that value-based health care continues to serve Medicare patients by embracing higher value and lower cost. 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 almost 40 percent<sup>1</sup> 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 emerge from 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 will further strengthen ACOs and APMs and ensure their continued success. We are pleased that the bill provides appropriate shared savings rates, modifies risk adjustment methodologies, removes barriers to participation, ensures fair and accurate 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.

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<sup>1</sup> 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>.

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

Sincerely,

AHIP

American Academy of Family Physicians

American College of Physicians

American Hospital Association

American Medical Association

America's Essential Hospitals

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