March 1, 2024

The Honorable Chiquita Brooks-LaSure Administrator Centers for Medicare and Medicaid Services 200 Independence Avenue, SW Washington, DC 20201

RE: CY2025 Advance Notice of Methodological Changes for Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies

Dear Administrator Brooks La-Sure:

Thank you for the opportunity to provide comments in response to the recently proposed Calendar Year (CY) 2025 Advance Notice. We appreciate CMS' continued work to strengthen the Medicare Advantage (MA) program and applaud the agency for providing a degree of policy stability in this proposal. At the same time, the agilon health Physician Network writes to share our concern over the potential downstream impact the proposal could have on patients and providers.

About the agilon health Physician Network

The agilon health Physician Network is comprised of 2,400+ primary care physicians providing care for nearly 650,000 Medicare patients in 30+ rural and urban communities across 13 states. Our network includes independent primary care physician practices, multi-specialty practices, practice associations, hospital physician groups, and hospital systems.

We believe our nation's fee-for service (FFS) healthcare system is broken, and that fixing it is a social and moral imperative. Individually and as a Network, we are deeply committed to delivering patient-centered care resulting in better outcomes and a more satisfying experience for patients and providers. We believe that value-based care is the best path to achieving these goals. That's why, together with agilon health, we have invested in a Total Care Model that puts our partnership at 100% upside/downside risk (full-risk) for the total cost and quality of care for our entire Medicare population across Medicare Advantage (MA) and the ACO REACH Model. We also participate in the highest risk track of the Medicare Shared Savings Program (MSSP).

In 2022, our Network collectively achieved a 99.8% quality score and returned \$24 million in savings to the Medicare Trust Fund through our participation in ACO REACH. In 2023, through our full-risk, shared savings agreements with Medicare Advantage plans and in combination with shared savings realized through REACH, our Network reinvested \$200+ million into local primary care within the communities we serve. Since 2018, we've reinvested more than \$600 million in total. These figures collectively demonstrate our commitment to improving quality, bending the cost curve, and sustaining the primary care profession.

Comments and Recommendations

Our Network's concerns regarding the Advance Notice center on our desire for all our Medicare patients, including those in Medicare Advantage, to maintain access to high-quality care at a reasonable cost. We are concerned that the proposals in the Advance Notice amount to significant, downward cost pressures on the program at a time when utilization and medical costs have risen to unpredictably high levels. As MA plans adjust to absorb higher costs and potentially declining benchmark rates, those downstream – patients and providers – will likely feel the greatest impact.

Many providers in our Network own, operate and practice in independent primary care practices. They have dedicated their life's work to caring for members of their own community; in many cases, people they have known and cared for across decades. Yet, independent primary care practices are increasingly rare as health workforce shortages plague our system and trends toward consolidation continue to accelerate. These practices are especially vulnerable to instability in Medicare payment programs.

Nevertheless, each of our Network partners has taken the leap into full-risk accountable care. As you know, accountable care is associated with lower costs to patients and the health care system as well as better coordinated, higher quality care. In accountable care relationships like ours, our most vulnerable patients are prioritized and closely managed to ensure their health is protected. We provide them with wrap-around care which can include house calls, addressing social determinants, and including family care givers in care plans. Moreover, we are enabled to coordinate the right care, at the right time, in the right setting which protects our patients from unnecessary and expensive care that does not improve their health.

For providers like those in our Network who are committed to accountable care and have, as a demonstration of that commitment, taken full risk from MA plans, the chief enabler for success in realizing the promise and value of accountable care is **predictability**. Predictability allows us the confidence to engage in total cost of care risk and make significant investments in care transformation and innovation to better care for our patients. These investments include clinical processes and programs to address priorities such as health equity, health-related social needs, disease prevention, chronic disease management and end-of-life care.

We are concerned that the CY2025 Advance Notice would destabilize the ecosystem that our Network depends on to effectuate CMS' accountable care goals across MA and FFS accountable care models and erode the predictability necessary for them to flourish. If finalized as proposed, we believe MA plans will shift toward pricing and benefit structures that negatively impact patients and providers. Specifically, a perceived flat or slightly negative growth rate for the program (when accounting for STARS and HCC V28 impacts) during a period of unexpectedly high Medicare utilization, coupled with significant changes to the Part D benefit and risk model under the Inflation Reduction Act (IRA), could result in benefit cuts, premium increases and unfavorable payment agreements for providers. Providers and patients have far fewer levers to absorb these potential downstream impacts of the proposal.



As CMS contemplates the Final Rate Notice, we **urge you to take a thoughtful, measured approach that considers the real-world implications and potential unintended consequences of the many recent changes to the MA program.** The sheer number, complexity and pace of changes being made to the MA program, often without adequate time for the industry to adjust and fully understand their impact, is having a destabilizing effect on the program and its participants.

Conclusion

The agilon health Physician Network remains steadfast in its commitment to driving value and improved outcomes through full-risk, accountable care across Medicare programs. We believe we are among the vanguard of providers advancing primary care-led accountable care models, in partnership with CMS, and acknowledge the importance of a strong and stable Medicare Advantage program. Thank you for considering our comments in response to the proposed CY2025 Advance Notice. We stand ready as a resource as you work to prepare final policies. If any questions arise, please do not hesitate to contact Claire Mulhearn, Chief Communications & Public Affairs Officer, at Claire.Mulhearn@agilonhealth.com or Katie Boyer, Director of Policy & Government Affairs, at Katie.Boyer@agilonhealth.com.

Sincerely,

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