October 5, 2023

The Honorable Jason Smith
Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Smith,

On behalf of the agilon health Physician Network, we are pleased to provide our input on the key policy areas outlined in your September 7th, 2023 request for information (RFI) entitled *Improving Access to Health Care in Rural and Underserved Areas*. We agree that our nation needs solutions to reshape our health care system and improve health care access. Thank you for your leadership in highlighting these important issues.

Our Network offers two key recommendations to support rural health access through investments in value-based, accountable care. We urge Congress to:

1. **Pass the Value in Health Care Act (H.R. 5013), introduced by Representatives LaHood and Delbene, which would establish a voluntary full-risk track in MSSP and extend MACRA's AAPM bonuses for 2 years.**
2. **Encourage CMMI to develop and announce an ACO REACH successor model by 2025.**

About the agilon health Physician Network

agilon health is a value-based care company that partners with a network of primary care physicians – the agilon health Physician Network – to sustain their primary care business and transform care delivery for their Medicare patients. Through our partnerships, primary care physicians are empowered to transform health care in their communities through full-risk, value-based care models. With agilon's investment in local primary care, patient outcomes are improved, the primary care profession is renewed, and every dollar spent on a patient in our model is a better investment. In 2023 alone, the agilon health Physician Network will reinvest more than $250 million of shared savings into local primary care within our communities.

Together with agilon health, our Physician Network has invested in a Total Care Model that puts our partnership at full risk for the total cost of care for our nearly 500,000 Medicare patients in 32 rural and urban communities. 41 percent of the communities we serve are considered health professional shortage areas (HPSAs) and 22 percent are medically underserved areas (MUAs). Our network includes 3,000 physicians delivering care in independent primary care physician practices, multi-specialty practices, practice associations, hospital physician groups, and hospital systems. We are united by our deep commitment to caring for seniors in our communities and our shared desire to provide accountable care that improves patient experience and health outcomes, sustains the primary care profession, and improves physician satisfaction, all while reducing the overall cost of care.

Primary Care Sustainability

As the RFI states, key barriers to sufficient health care access across rural and underserved communities include geography, misaligned Medicare payment incentives, health care consolidation, and workforce

shortages. Each of these barriers represent facets of the economic challenge facing health care, particularly primary care. Historically, the fee-for-service (FFS) payment model has driven Medicare economics. In this system, providers face significant financial pressures due to insufficient payment rates and payment lags. To sustain their businesses in this environment, providers focus on increasing the volume of visits and services, and reducing appointment times, often leading to poor patient experience, worse health outcomes and significant provider burnout.

By contrast, a value-based care payment model that provides sustainable, prospective payment helps sustain a vibrant primary care workforce and unlocks potential to achieve higher quality and improved patient outcomes. When patients have consistent access to a primary care provider (PCP), they can develop long-term relationships with their doctors who are then better positioned to understand their health history and provide personalized care. This continuity of care helps to address cost by preventing unnecessary utilization and hospitalizations, and improving disease management. Moreover, a well-functioning primary care system plays a crucial role in reducing health disparities among different populations. Stable and adequate payment through value-based care models can help practices remain in underserved areas and care for patients with complex medical needs.

Through our partnership with agilon health, our practices have transitioned away from the Medicare FFS model in favor of an a**ccountable care model** where payment is prospective, focused on high-value care, rewards quality and promotes prevention, disease management and care coordination. Often referred to as value-based care, accountable care models like our Total Care Model place the primary care physician at the center of a full-risk arrangement where compensation is less about volume and more about our ability to optimize our patients' health and health care. Not only are our practices financially supported by this model, but our collective results also demonstrate the power of accountable care. Across our network, for the same or lower cost, we are providing better care and advancing shared goals.

- 78% of patients receive their annual wellness visit, compared to 36% in Medicare FFS
- High-risk patients receive 43% more touchpoints
- ED visits and hospital readmissions are down 21% and 33%, respectively
- Our network had a physician retention rate of 93% in 2022
- 90% of partner locations are accepting new patients (a full 20% more than the national average)

This model works across our varied geographies, including in rural communities, because of the upfront investments and ongoing shared savings opportunities that are key features of our full-risk model. Our practices are now equipped to fight burnout by reorienting our workflows to spend more time with our patients and practice medicine the way we were trained to. Through our value-based, accountable care model, many of our practices have expanded and our independently owned physician practices are able to resist economic pressures to consolidate, sell or close their practices. **Continued investment in value-based care is how primary care will be sustained in the long-term, especially in rural and underserved areas.**

Innovation in Medicare

Congress and the Center for Medicare and Medicaid Innovation (CMMI) have each crafted essential programs in Medicare FFS that have sparked innovation in care delivery and payment. The Medicare Shared Savings Program, created by Congress, allows providers to establish accountable care organizations (ACOs) to take on varied levels of financial risk for their Medicare patients' health and

health care. As of January 1, 2023 MSSP was comprised of 456 ACOs, which collectively included more than 2,000 rural health clinics, 467 critical access hospitals, and 4,400 federally qualified health centers. CMS recently announced tremendous performance results for 2022, demonstrating that accountable care saves money and achieves better outcomes. Overall, MSSP returned $1.8 billion to the Medicare Trust Fund and reinvested shared savings that help sustain and expand participating ACOs. Interestingly, the 2022 results suggest that when ACOs are led by primary care providers and can assume higher levels of financial risk, they achieve the best results.

At CMMI, multiple ACO model tests have provided essential opportunities to explore full-risk arrangements that do not exist in MSSP. The latest model, ACO REACH, provides a key opportunity for primary care-led ACOs to take full-risk (100% upside and downside) for their attributed Medicare FFS population. Within our Network, we have formed 8 REACH ACOs located across Hawaii, North Carolina, New York, Ohio, Pennsylvania, and Texas. These 8 ACOs are comprised of 12 independent physician groups caring for a collective attributed population of about 90,000 Medicare FFS patients. Program-wide performance results for 2022 are expected in October. We expect our network ACOs' results to once again demonstrate strong savings and quality performance, ultimately improving the health of our patients and reducing the cost of their care.

The Rural Connection

Our network features many practice locations across Hawaii, Maine, Michigan, Minnesota, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Texas that provide value-based, accountable care to rural and underserved communities.

Ohio

One of our Network partners, the Physicians Group of Southeastern Ohio (PGSEO), is comprised of a largely rural 23-practice network which includes two rural health clinics and serves over nine-thousand Medicare beneficiaries, 40 percent of which live in socioeconomically challenged areas. As PGSEO transitioned to a full-risk model for nearly all their Medicare patients, incentives inherent in full-risk accountable care models helped PGSEO prioritize population health activities that benefit all their patients rather than focusing on each individual patient. For example, the previously disparate practice network formed stronger associations and invested in care management infrastructure and technology which has improved care quality and patient experience.

As a result, this group has been among our strongest performing ACOs in the ACO REACH program, demonstrating the power of accountable care models to improve care quality and address health equity in a predominantly rural and underserved population. For example, with financial support drawn from full-risk, accountable care efforts resulting in shared savings, the team designed and implemented a centralized care management program to improve transitions of care for patients at high risk of hospital readmission. To impact this driver of high costs and poor patient experience, a multidisciplinary care management team was created to help identify high-risk patients and coordinate improved care transitions after an inpatient hospital admission and Emergency Department visits.

The team achieved a 90 percent success rate for reaching patients and scheduling a follow-up appointment with their primary care physicians after hospital discharge. 11 percent of total discharges were identified as high risk and scheduled for follow-up within two business days, and 42 percent of discharges were identified for a 30-day transition of care visit, during which patients receive extended care management services to reduce readmissions and improve quality outcomes. This new clinical

process enabled the practice to reach higher levels of shared savings in the REACH model, and ultimately reinvest in their business and design additional clinical improvements.

Texas

Similarly, in East Texas, three agilon health Physician Network partners have invested in practice transformation to better care for their patients. East Texas communities are largely considered socioeconomically disadvantaged according to the national area depravation index, and many of our locations are in HPSAs and/or MUAs.

In Longview, the Diagnostic Clinic of Longview established a case management department focused on decreasing hospital readmissions through a transitions of care program, similar to PGSEO in Ohio. The clinic has also implemented a palliative care program in parallel, and efforts to avoid readmissions have been integral to its success. The palliative care program is designed to give patients the end-of-life care they want and help them enjoy more days at home. Palliative care providers are in short supply, so leveraging the primary care relationship to facilitate a palliative care program has increased access for seniors. In the community served by the Diagnostic Clinic of Longview, there was previously no palliative care available.

Two practices in Texarkana are doing similar, transformational work. Both Collom & Carney Clinic and Family Medical Group in Texarkana have transformed their practices to focus on high-risk patient access, ensuring that high-risk patients are identified and seen multiple times a year. Through their transitions of care programs, those high-risk patients are seen within two days of hospital discharge to ensure follow-up care is provided and patients are not readmitted unnecessarily. Additionally, Collom & Carney Clinic established a palliative care program to fill a need in the community and Family Medical Group of Texarkana has plans to establish their palliative care program in early 2024.

Recommendations

Rural and underserved communities can be well-served by value-based, accountable care models that not only improve the quality of care and health outcomes but help to address systemic barriers to health care access such as provider shortages, practice closures, consolidation, burnout, and overall economic pressures created by the FFS chassis on which Medicare was built.

As our Network contemplates the future of health care, including in rural and underserved areas, we urge Congress to facilitate the proliferation and advancement of value-based, accountable care models that are showing great promise. **Specifically, we recommend that Congress:**

1. **Pass the Value in Health Care Act (H.R. 5013), which would establish a voluntary full-risk track in MSSP and extend MACRA's AAPM bonuses for 2 years.**
2. **Encourage CMMI to develop and announce an ACO REACH successor model by 2025.**

The Value in Health Care Act (H.R. 5013)

H.R. 5013, introduced by Representatives LaHood and Delbene, would achieve two key steps in supporting value-based, accountable care by establishing a voluntary full-risk track in the Medicare Shared Savings Program and extending MACRA's advanced alternative payment model bonuses by two years. A full-risk track in MSSP would support the continued success of full-risk models which, in our experience, more successfully address cost, achieve better outcomes, and improve patient satisfaction within traditional Medicare. MSSP does not currently allow ACOs to assume full-risk for the cost and

quality of their attributed patients, and as providers deeply invested in full-risk models, our deepest concern is a future state where our ACOs are disrupted or, worse, dissolved because there is no permanent full-risk program available.

Additionally, an extension of MACRA's AAPM bonus – which is set to expire at the end of 2023 – would incentivize more providers to enter value-based, accountable care arrangements. As we've stated, transitioning away from FFS requires upfront and ongoing investments in practice transformation and infrastructure, and the AAPM bonus provides some additional capital to help defray costs.

Successor ACO Model at CMMI

The ACO REACH program is scheduled to conclude in 2026. As the only currently available full-risk program in Traditional Medicare, ACO REACH has become a critical component of value-based, accountable care portfolios among our network and many others. In addition to establishing a permanent full-risk track in MSSP, we believe there is much more opportunity for ACO innovation and testing at CMMI. We strongly advise a multi-faceted approach wherein ACOs may choose a permanent full-risk track within MSSP or elect to participate in a new CMMI model, which should be announced by 2025. This approach would further encourage new and sustained provider participation and ensure a reasonably smooth transition for current REACH ACOs that want to transition to a successor CMMI model.

Conclusion

Thank you for the opportunity to share our comments in response to this important request for information. The agilon health Physician Network stands ready as a resource to and your staff as you work to improve access to health care in rural and underserved areas. If any questions arise, please do not hesitate 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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