February 28, 2014

Marilyn Tavenner
Administrator
Centers for Medicare and Medicaid Services
Department of Health and Human Services
Mail Stop 314G
200 Independence Avenue, S.W.
Washington, DC 20201

Re: Centers for Medicare and Medicaid Services (CMS) Center for Medicare and Medicaid Innovation; Request for Information (RFI): Evolution of ACO Initiatives at CMS

Dear Administrator Tavenner:

On behalf of the nearly 13,000 U.S.-based members of the American Academy of Dermatology Association (AADA), I am responding to the Centers for Medicare and Medicaid Services (CMS) Center for Medicare and Medicaid Innovation (CMMI) Request for Information on the Evolution of Accountable Care Organization (ACO) Initiatives. The AADA is committed to excellence in medical and surgical treatment of skin disease; advocating high standards in clinical practice, education, and research in dermatology and dermatopathology; and supporting and enhancing patient care to reduce the burden of disease. The AADA appreciates the opportunity to provide comments to CMS and hopes CMS will take the AADA's concerns and recommendations into consideration when formulating future policy.

Introductory Remarks

The AADA commends CMMI on its interest in developing new iterations of Pioneer ACOs that encourage greater care integration. We believe the Pioneer program has made efforts to stay nimble and flexible in addressing the evolving health care environment and the needs of both patients and providers. The AADA supports the concept of accountable care, but believes value-based care is not a "one size fits all" proposition. Accordingly, we believe it is important to continue working to develop new payment and delivery models that are viable for physicians in all specialties and practice settings.

Specialty Physicians and the Transition to Value-Based Care

We would like to express our concerns regarding the role of specialists, including dermatologists, within the next generation of Pioneer ACOs. Payment and delivery reform seen in ACOs now emphasizes primary care because many health care experts believe primary care physicians (PCPs) can help to improve the quality of care by strengthening preventive care and coordinating patient care. In contrast, specialists are seen by some ACOs as cost centers, not as partners in the organization. We believe that dermatologists can and do share many of the core values of ACOs. We have long been focused on disease prevention, and providing...
high quality, cost-effective care is central to most of our practices. Many AADA members, for example, specialize in early detection of melanoma and other skin cancers and treating skin conditions in a low cost, office-based, E/M setting. As a group, we have very high patient satisfaction scores, which we believe to be a very important quality metric. The AADA believes that there is a growing need to look at how both primary care and specialty care are provided and compensated to ensure patients’ access to the full spectrum of primary and specialty care. Ultimately, this will guarantee that our patients receive the highest quality care. Although ACOs are largely primary-care centered, specialty care is essential to and can contribute to their success, and efforts must be made to provide viable pathways to integrate non-primary care physicians into the changing care delivery system.

The transition to value-based care presents particular concerns to specialists. Value-based payment models are a way to improve care and control costs by rewarding doctors for quality rather than the number of procedures performed or patients seen. During the transition to a value-based system, there is concern that specialist utilization will be lessened as “decreasing cost” may be confused with “cutting cost” to maximize shared savings. In addition, many dermatologists practice in solo or small practice groups, and because they are small businesses, they need to be able to project income and cash flow needs for overhead. Unfortunately, many of the evolving payment reforms are changing reimbursement too quickly for most specialty physicians to keep up, and there is a need for transitional methodologies, which provide more predictable payment streams and limit financial risk to specialty physicians, particularly those in small practices. The AADA believes there should be greater clarity in physician compensation so that specialists are afforded income predictability and limits to their downside risk, allowing them to develop and maintain sustainable business plans.

Advance Data Analytic Capabilities
Moving toward value-based care requires transforming both business models and care delivery. This dynamic change is dependent on having the appropriate tools in place to deliver better care at lower cost. To accomplish population health management, physicians need an electronic medical records platform that can aggregate both in-network and out-of-network clinical data, as well as cost-of-care data. Specialists need the capability to coordinate their patients’ care and manage and report quality metrics for their populations. Engaging in value-based contracts, however, requires a high level of sophistication in data analytic capabilities. Many dermatology practices wish to meet the challenges of the health care environment but have limited resources to invest in needed data infrastructure. Accordingly, the AADA recommends that CMS develop programs that provide greater financial and technical support to assist specialty physicians and others in building necessary, interoperable data analytic capabilities to improve patient care.

Utilize Telemedicine for Shared Savings
The field of dermatology is leading the way on using telemedicine to facilitate care in a cost-effective manner. Current telemedicine systems have not only been shown to improve care by providing near real-time care for lower risk cutaneous disease, they have streamlined specialty care for high risk disease and enabled collaboration between practitioners; ultimately improving the care coordination system. We encourage CMS to incorporate initiatives such as telemedicine into the shared savings payment model to improve engagement of specialists.
Conclusion
The AADA appreciates the opportunity to provide comments on the RFI. We look forward to additional opportunities to comment on these issues and to provide feedback that may help guide policy development.
Please contact Richard Martin, JD, Assistant Director, Regulatory Policy, at (202) 842-3555 or RMartin@aad.org if you require clarification on any of the points or would like more information.

Sincerely,

Dirk M. Elston, MD, FAAD
President, American Academy of Dermatology Association

CC:
Lisa A. Garner, MD, FAAD, Vice President
Brett M. Coldiron, MD, FAAD, President-Elect
Suzanne Olbricht, MD, FAAD, Secretary-Treasurer
Marta Jane VanBeek, MD, MPH, FAAD, Chair, Council on Government Affairs, Health Policy, and Practice
Elaine Weiss, JD, Executive Director and CEO