

The AAFP encourages CMS to simplify the standard for nominal risk amount to include only the minimum loss rate (MLR) and total potential risk requirements proposed in the regulation. We believe marginal risk introduces an unneeded level of complexity to the nominal risk standard and do not view it as necessary. The total potential risk should be sufficient to meet the nominal risk requirement of the law and is the key measurement of risk. The AAFP believes the MLR is an important component to insure risk is not being triggered by chance. We ask that CMS modify the total potential risk and base it on an entity's Part A and B revenue to provide the assurance that an entity is not assuming more risk than their potential revenues. Entities of all sizes will be able to assume varying levels of risk. It is critical that CMS ensures the success of these entities by allowing for risk structures that will support this success.

(b) Medical Home Model Standard

CMS proposes a separate nominal risk amount standard for Medical Home Models who meet the corresponding financial risk standards. CMS feels Medical Home Models operate in a unique setting that warrants a nominal risk standard that addresses their lack of experience with risk. As proposed, Medical Home would be required to take on risk based on Medicare Parts A and B revenue, rather than having their risk based on benchmarks that incorporate total cost of care. An APM entity could potentially owe CMS or forego must be at least:

- 2017 – 2.5 percent of Entity's total Medicare Parts A and B revenue
- 2018 – 3 percent of Entity's total Medicare Parts A and B revenue
- 2019 – 4 percent of Entity's total Medicare Parts A and B revenue
- 2020 and beyond – 5 percent of Entity's total Medicare Parts A and B revenue.

*AAFP Response*

The AAFP strongly believes this provision should be removed from the proposed rule as the law did not intend for Medical Homes to assume risk of any amount. Medical Homes were intended to be a protected group under the law.

We reiterate our steadfast opposition to the Medical Home Model financial risk and the Medical Home Model nominal amount standards. Both provisions need to be removed from the program.

(5) Capitation

CMS proposes that full capitation risk arrangements would meet the Advanced APM financial risk criterion. For the purposes of this rule, a capitation risk arrangement means an arrangement in which a per capita or predetermined payment is made to an APM Entity for all items and services furnished to beneficiaries without a reconciliation process or sharing losses incurred or savings earned by the Entity. CMS distinguishes between capitation as a risk arrangement from capitation as only a cash flow mechanism. Capitation as only a cash flow mechanism will not meet the financial risk criterion.

*AAFP Response*

The AAFP supports a payment model that includes a primary care global payment for direct patient care, a care management fee, and fee-for-service limited to services not otherwise included in the primary care global fee. Advanced primary care practices with patients that qualify for participation in this payment model would elect one of two levels of primary care global payment. At level one, the primary care global payment for patient care encounters should be a standardized payment that would only include care provided under the E/M and select "G codes" pertaining to ambulatory, office-based, face-to-face care. All other E/M codes