

- Reduce payment rates to the APM Entity and the APM Entity's eligible clinicians
- Require the APM to owe payments to CMS

CMS notes that financial risk must be tied to performance as opposed to indirect losses related an APM Entity's financial investments.

#### *AAFP Response*

We feel the proposed financial risk standard is overly complex, and we urge CMS to simplify it. For example, the AAFP recommends that CMS should reduce payments over a calendar year if either:

- Actual expenditures for which the APM Entity is responsible under the APM exceed expected expenditures during a performance period; OR
- The APM entity's performance on specified measures does not meet or exceed performance for a specified period.

We believe these options will help reduce the potential burden of requiring entities to pay CMS a lump sum amount. The AAFP represents many independent family physicians. These family physicians are not part of a larger system, therefore making it possible that they will comprise the entire APM Entity. Requiring such a practice to pay may be difficult as they have small operating margins and little to no reserves available. Additionally, withholding payment for services already rendered not only disincentivizes physicians from providing services for which they know they will not receive payment, but it places a strain on practices that count on such payments to meet payroll and other financial obligations.

The AAFP continues to believe family physicians already have risk associated with their own operating expenses. CMS should continue to investigate ways in which to incorporate investment risk into the financial risk for monetary losses standards.

#### (ii) Medical Home Model Standard

For a Medical Home Model to be an Advanced APM, it must include provisions that potentially:

- "Withhold payments for services to the APM Entity and the APM Entity's eligible clinicians;
- Reduce payment rates to the APM Entity and the Entity's eligible clinicians
- Require the APM Entity to owe payments to CMS; or
- Lose the right to all or part of an otherwise guaranteed payment or payments if either:
- Actual expenditures for which the APM Entity is responsible under the APM exceed expected expenditures during a specified reporting period; or
- APM Entity performance on specified performance measures does not meet or exceed expected performance on such measures for a specified performance period."

#### *AAFP Response*

The AAFP adamantly opposes this CMS proposed financial standard for the Medical Home Model. The AAFP views this as an egregious misinterpretation of the law which was designed to protect and foster Medical Homes. The financial standard for the Medical Home Model is an arbitrary imposition of financial risk placed upon clinicians in these models and violates the intent of the law. Therefore, the AAFP strongly believes CMS should remove the Medical Home Model financial standard in its entirety from the proposed rule and Medical Homes should not be subject to any financial risk.