

Not adjusting could lead to misleading conclusions about physician performance. As a result, further disparities in care could be magnified.

(6) Financial Risk for Monetary Loss

CMS proposes using criterion that is similar to that proposed for the Advanced APM criterion, with no additional performance criteria.

*AAFP Response*

The AAFP supports using similar criterion to gauge the payment arrangement structure and not the performance of the participants to determine financial risk for monetary loss. This is precisely what CMS should be doing to align value-based arrangements with private payers to ease administrative burdens on clinicians.

We feel the financial risk criterion developed is overly complex and we urge CMS to simplify it. 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.

(6)(a)(i) Generally Applicable Other Payer Advanced APM Standard

CMS proposes that the generally applicable financial risk standard for Other Payer Advanced APMs requires a payment arrangement must, if APM Entity actual aggregate expenditures exceed expected aggregate expenditures during a specified performance period:

- withhold payment for services to the APM Entity and/or the APM Entity's eligible clinicians;
- reduce payment rates to the APM Entity and/or the APM Entity's eligible clinicians; or
- require direct payments by the APM Entity to the payer.

*AAFP Response*

Similar to our comments on the Medical Home Model, the AAFP adamantly opposes the proposed financial standard for the Other Payer Advanced APM Standard. This financial standard places an arbitrary imposition of financial risk upon clinicians in these models and violates the intent of the law. Therefore, the AAFP strongly believes CMS should remove this financial standard from the proposed rule and that Medical Homes should not be subject to any financial risk.

CMS proposes to remove the provisions of the law that were both placed there to provide a safety net for small and solo practices and designed to help these practices succeed under value-based payment. CMS needs to remove this provision to foster an environment in which a small or solo physician can thrive.

(ii) Medicaid Medical Home Model Financial Risk Standard

CMS proposes that for a Medicaid Medical Home Model to be an Other Payer Advanced APM if the APM Entity's actual aggregate expenditures exceed expected aggregate expenditures, the APM must:

- withhold payment for services to the APM Entity and/or the APM Entity's eligible clinicians;
- reduce payment rates to the APM Entity and/or the APM Entity's eligible clinicians;
- require direct payment by the APM Entity to the payer; or