asked to assume. Essentially requiring an eligible clinician to become an actuary to understand this regulation is unrealistic. Such a structure will function as a deterrent to eligible clinicians wishing to join an APM entity. There is a vast amount of variability in the risk arrangements this structure could create. A physician who joins an APM with a complex risk arrangement he or she is unable to understand is being set up to fail.

The AAFP encourages CMS to simplify the standard for nominal risk amount to include only the MLR and total potential risk requirements proposed in the regulation. We believe marginal risk introduces an unneeded and unnecessary level of complexity to the nominal risk standard. 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 potential of these entities to flourish by allowing for risk structures that support success.

The AAFP believes underserved populations, such as Medicaid beneficiaries, represent the most vulnerable population in danger of not receiving health care, but also represent the highest potential for improving health care outcomes. Clinicians need the freedom and latitude to explore innovative care delivery, coordination, and management strategies to generate savings and improve care. In addition, mitigating risk for clinicians and their practices to deliver care will enable them to ramp-up in accepting downside risk with rewards to improve outcomes. Lastly, the AAFP is concerned with the ongoing cuts states are making to Medicaid reimbursement rates and believes CMS should formulate additional regulations on preventing damaging reimbursement cuts that lead to diminished access to and quality of care.

(ii) Medicaid Medical Home Model Nominal Amount Standard
CMS also proposes for Medicaid Medical Home Models, the minimum total annual amount that an APM Entity must potentially owe or forego to be considered an Other Payer Advanced APM must be at least:

- 4 percent of the APM Entity's total revenue under the payer in 2019.
- 5 percent of the APM Entity's total revenue under the payer in 2020 and later.

AAFP Response
The AAFP believes strongly that 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. Furthermore, Medicaid users are more transient than other populations, which adds difficulty in care delivery, management, and coordination.

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.

(c) Capitation
CMS proposes that full capitation risk arrangements would meet this Other Payer Advanced APM financial risk criterion.