



Charles N. Kahn III
President and CEO

January 29, 2018

The Honorable Seema Verma
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
200 Independence Avenue, SW, Room 445-G
Washington, DC 20201

SUBJECT: CMS-5524-F and IFC, Medicare Program: Cancellation of Advancing Care Coordination through Episode Payment and Cardiac Rehabilitation Incentive Payment Models, etc.

Dear Administrator Verma:

The Federation of American Hospitals (FAH) appreciates the opportunity to comment to the Centers for Medicare & Medicaid Services (CMS) on the above interim final rule with comment period, published in the Federal Register on December 1, 2017 (82 FR 57092). The FAH is the national representative of more than 1,000 investor-owned or managed community hospitals and health systems throughout the United States. Our members are diverse, including teaching and non-teaching, short-stay, rehabilitation, long-term acute care, psychiatric, and cancer hospitals in urban and rural America, and they provide a wide range of acute, post-acute and ambulatory services. Our members are united, however, by their shared commitment to ensure that all patients, including Medicare beneficiaries, have timely access to appropriate medical care in their communities.

The interim final rule details the Extreme and Uncontrollable Circumstances policy for the Comprehensive Care for Joint Replacement (CJR) Model. Under the proposal, this policy would be applied to CJR participant hospitals that are located in an emergency area during an emergency period for which the Secretary of Health and Human Services has issued a waiver under section 1335 of the Social Security Act and is located in a county, parish, or tribal government designated in a major disaster declaration under the Stafford Act. If such requirements are met, payment caps will apply separately for non-fracture and fracture episodes. For non-fracture episodes with a date of admission to the anchor hospitalization on or within 30

days before the date that the emergency period begins, actual episode payments will be capped at the target price determined for the episode under regulation. For fracture episodes with a date of admission to the anchor hospitalization that is on or within 30 days before or after the date that the emergency period begins, actual episode payments will be capped at the target price determined for the episode under regulation.

The FAH appreciates CMS's recognizing the need for an Extreme and Uncontrollable Circumstances policy and the relief it provides to the hospitals affected by this year's disasters including the devastating hurricanes. We believe the policy could be significantly improved if CMS treated fracture and non-fracture episodes in the same manner. Specifically, we believe episode payments should be capped for non-fracture episodes with an anchor hospitalization that is on or within 30 days before **or after** the date that the emergency period begins. Such a change is warranted based on the actual experience of our hospitals in the impacted areas. Significant disruption in the post-acute environment occurred, which will negatively affect fracture and non-fracture episodes alike. Specifically, our participating hospitals experienced problems with skilled nursing facilities that were unable to reopen, experienced reduced capacity and were readmitting patients to the hospital due to an inability to manage patient load. Our hospitals also experienced home health agencies that lacked the ability to visit patients at home. CMS should consider this disruption in post-acute care, which is critical to the success of the episode, and finalize a policy that treats fracture and non-fracture episodes in the same manner.

While not addressed in this rule, we would also suggest that CMS consider applying a similar policy to the voluntary Bundled Payments for Care Improvement (BPCI) model. BPCI's design is similar to that of CJR and as such, the factors that lead CMS to propose the Extreme and Uncontrollable Circumstances policy for CJR apply to BPCI.

The FAH appreciates the opportunity to comment on the interim final rule with comment period. We look forward to continued partnership with the CMS as we strive for a continuously improving health care system. If you have any questions regarding our comments, please do not hesitate to contact me or a member of my staff at (202) 624-1500.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew M. Reinhart". The signature is fluid and cursive, with a large initial "A" and "M".