



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

7500 Security Boulevard  
Baltimore, MD 21244-1850

MAY 08 2015

Tony Coelho  
Chairman  
Partnership to Improve Patient Care  
1720 Eye Street, NW, Suite 400  
Washington, DC 20006

Dear Mr. Coelho:

Thank you for your letter regarding delivery system reform and the Health Care Payment Learning and Action Network (Network). Secretary Burwell asked me to respond to your letter on her behalf.

As you know, Secretary Burwell announced the Department of Health and Human Services' (HHS) goal of linking 30 percent of traditional Medicare fee-for-service (FFS) payments to quality or value through alternative payment models, such as Accountable Care Organizations (ACOs) or bundled payment arrangements, by the end of 2016, and linking 50 percent of payments to alternative payment models by the end of 2018. We also set a goal of linking 85 percent of traditional Medicare payments to quality or value by 2016 and 90 percent by 2018 through programs such as the Hospital Value Based Purchasing and the Hospital Readmissions Reduction Programs.

The kickoff meeting for the Network was held on March 25, 2015 and included organizations representing patients and individuals with disabilities, as well as a wide range of consumers, government officials, health experts, and providers. Participants in the kickoff meeting identified the most important steps for the Network to achieve its goals. In addition, several themes emerged from the discussion, including:

- Develop common definitions for alternative payment models
- Establish common health care quality measures across payers
- Reduce variation in payment methods such as beneficiary attribution, risk adjustment, and financial models
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- Reduce variation in payment methods such as beneficiary attribution, risk adjustment, and financial models
- Develop national standards and support flexible regional or local benchmarks
- Align financial incentive structures to avoid conflicts between alternative payment models and fee-for-service
- Effectively share payment model success stories to encourage adoption by more payers and providers
- Align claims data sharing processes across payers

- Support health systems and individual providers during transformation to alternative payment models
- Conduct outreach and educate consumers about quality care and value-based payment models

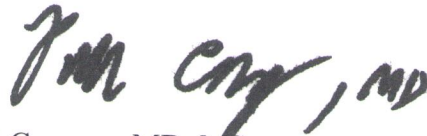
We appreciate the recommendation to review the patient engagement methodologies developed by the Food and Drug Administration through its Patient-Focused Drug Development Program and the Patient-Centered Outcomes Research Institute. We will consider these patient engagement strategies and other best practices across HHS. Patient engagement will be critical to the success of meeting our goals. Nearly 4,000 partners have registered to participate in the Network, including the Association of Community Cancer Centers, the Autistic Self Advocacy Network, the National Alliance on Mental Illness, and the National Kidney Foundation. Other organizations in your coalition can register for the Network at <http://innovationgov.force.com/hcplan>.

The Network's Guiding Committee —comprised of participants from the Network—will be convened and independently managed by the MITRE Corporation. We are pleased that MITRE is seeking representation from patient and consumer groups in the Guiding Committee and will also actively seek other ways to involve patient and consumer groups in future Network activities. Questions regarding the Guiding Committee should be directed to [PaymentNetwork@mitre.org](mailto:PaymentNetwork@mitre.org).

We look forward to working with you to drive value and quality in our nation's health care system in order to delivery better care, spend dollars more wisely, and have healthier people and communities.

Thank you for your continued commitment to improving our nation's health care delivery system.

Sincerely,



Patrick Conway, MD, MSc  
Acting Principal Deputy Administrator  
Deputy Administrator for Innovation and Quality  
CMS Chief Medical Officer