NRLN
NATIONAL RETIREE LEGISLATIVE NETWORK

AREF
American Retirees Education Foundation

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February 28, 2022

Dr. Michael E. Chernew, Ph.D.
Chair, MedPAC Commission
c/o Professor of Health Care Policy
Harvard Medical School
25 Shattuck Street
Boston, MA 02115

Dr. James E. Mathews, Ph.D.
MedPAC Executive Director
425 I Street NW, Suite 701
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Dear MedPAC Commissioner and Executive Director:

As you know, the Centers for Medicare and Medicaid Innovation Center (CMMI) announced on February 24, 2022, that in 2023 it will transition the Global and Professional Direct Contracting (GPDC) Model into the Accountable Care Organization Realizing Equity, Access and Community Health (ACO REACH) Model.

For a number of years, on behalf of the National Retiree Legislative Network (NRLN) and the American Retirees Education Foundation (AREF), I have done considerable research into Medicare programs.

Each year I read the Medicare Trustees Annual Report to Congress, MedPAC analysis of the data and I have used considerable information from these reports for the NRLN/AREF white papers on original Fee-for-Service Part A Trust, Parts B and D Semi-Trust and Part C Private Medicare Advantage and Private Plans.

Since the inception of ACOs in 2013 there has been no specific financial reporting on ACOs in the MedPAC annual reports. Now that there are 453 Accountable Care Organizations and that CMS has targeted that all participants in original Medicare will be under control of ACOs by 2030 it is imperative that revenue, cost and profitability (including all special incentive payments) be disclosed and compared with all other parts of Medicare in annual reports.

The February 24, 2022, announcement that Direct Contracting Entities (DCEs) would be discontinued and that ACOs will be transitioned and integrated to reinvent them under the name of ACO REACH, makes it imperative that that these ACO data be disclosed as they affect all Medicare beneficiaries' decision making and would provide Congress a window into the actual financial performance record of ACOs from 2013 -2021.

It would be highly informative for members of Congress and the public to know what ACOs have been receiving in terms of rebates and/or incentive payments. It would also provide me with the ability to analyze for NRLN/AREF members how CMS expenditures for ACOs, and possibly ACO REACH, compare with original Medicare and Medicare Advantage financial performance.

I encourage you to include in the forthcoming MedPAC Annual Report, in as much detail as possible, how taxpayers' money was spent on the existing 453 ACOs annually from 2013 to 2021. I would welcome the opportunity to talk with a member of the MedPAC's staff about why I believe providing this information is important.

Respectfully,

Bill Kadereit,
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