

June 6, 2011

Senator Tom Coburn  
172 Russell Senate Office Building  
Washington, D. C. 20510

Dear Senator Coburn;

On behalf of INTEGRIS Health, I wanted to express our gratitude for your letter of May 24, 2011 to Secretary Sebelius and Administrator Berwick stating your valid concerns regarding the proposed regulations for the Medicare Shared Saving Programs as outlined in Section 3022 of the Patient Protection and Affordable Care Act.

As Oklahoma's largest health system, we strongly support the goal of an integrated approach to improve quality and reduce costs for our state's Medicare recipients. Delivery systems, such as an Accountable Care Organizations (ACOs), hold the promise to reach this goal. However, the regulations (as currently offered by CMS) make it quite difficult, from an operational and financial perspective, to head down that path. Accordingly, INTEGRIS Health wants to take this opportunity to share some of our specific concerns:

- The regulations are overly prescriptive with detailed requirements, such as the requirement to report on 65 quality measures. Rather CMS should focus on measuring components of quality that are core to the goals of the ACO program.
- The implementation of an Accountable Care Organization would require steep start-up costs, thus making it difficult for all but the largest healthcare systems to adopt this model. CMS must give further consideration to additional ways to encourage participation of small and rural ACOs.
- The financial risk is very high when matched against the potential for limited financial rewards. A sense of financial balance must be achieved through redesigned formulas for the shared savings methodologies and opportunities.
- The proposed structure could make it difficult for providers to achieve the program's aims of improving quality and reducing costs. Providers need to be able to manage care as effectively as possible. Beneficiaries need to be assigned to ACO's on a prospective basis. As currently proposed, providers in an ACO wouldn't know the identities of the beneficiaries that CMS ascribed to the respective ACO until well after they were enrolled.

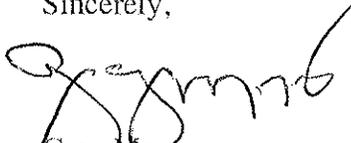
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June 6, 2011  
Page 2

- The requirement for governance of the ACOs must be modified to allow for reasonableness of membership. If CMS' intent was to ensure ACO participants and providers have significant input and control over decisions about how care will be delivered and the Medicare beneficiary's voice be heard as well, then the rules should simply require the ACO applicant to show how that will be accomplished. The current, very rigid composition requirements are the wrong approach to ensure the requirement for shared governance is met.

INTEGRIS Health is prepared to provide patient care in a more accountable, more coordinated way and we realize, as providers, we will be held increasingly at financial risk in improving outcomes for patients and becoming more efficient in the delivery of services. However, the release of the proposed regulations has us disappointed with the potential opportunities of the ACO program. We feel substantial changes are needed to make the program operationally viable and attractive if we are to participate in the future.

Should you have any questions about our comments, please feel free to have your staff contact me at 405-949-3774.

Sincerely,



Greg Meyers  
System Vice-President  
Revenue Integrity

GM:dks