



## **CMS Seeks Input on Direct Provider Contracting**

Hedy S. Rubinger and Alexander B. Foster

The Centers for Medicare & Medicaid Services (CMS) announced that it is seeking input on direct provider contracting (DPC) between “payers and primary care or multi-specialty groups to inform potential testing of a DPC model” within Medicare Parts A and B, the Medicare Advantage Program, and Medicaid on April 23, 2018.<sup>1</sup> CMS has stated that its focus on DPC models stems from its understanding that there are “physicians, non-physician practitioners, and physician group practices looking for additional options to participate in an alternative payment model” in a way in which current initiatives have not previously offered.<sup>2</sup>

In contrast to current models, DPCs would place a greater focus on the role of the beneficiary in selecting caregivers and offer providers the ability to take on “two-sided financial risk,” while also promoting the focus of value over volume in care.<sup>3</sup> The two-sided financial risk would incentivize cost savings: providers would share in savings when they provide care below anticipated costs, but would also have to refund payment to CMS when care is more costly than the provider predicted. One way the DPC could be implemented is by CMS contracting directly with Medicare providers and suppliers, and the providers, in turn, would agree to be accountable for the costs and quality of care of a specific beneficiary population.

The DPC model is currently intended for primary care physicians. However, based on CMS’s understanding that other providers are looking for alternative models, there may be an opening for long-term care or acute care providers to get involved. CMS is currently accepting feedback on experiences with DPC, specifically comments related to provider/state participation, beneficiary participation, payment, general model design, program integrity and beneficiary protections, and existing CMS initiatives. Comments should be submitted to the CMS Innovation Center at [DPC@cms.hhs.gov](mailto:DPC@cms.hhs.gov) by May 25, 2018.

<sup>1</sup> See <https://innovation.cms.gov/initiatives/direct-provider-contracting/>.

<sup>2</sup> See <https://innovation.cms.gov/Files/x/dpc-rfi.pdf>.

<sup>3</sup> *Id.*

## Authors and Contributors

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**Hedy S. Rubinger**  
Partner, Atlanta Office  
404.873.8724  
hedy.rubinger@agg.com

**Alexander B. Foster**  
Associate, Atlanta Office  
404.873.8598  
alex.foster@agg.com

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