

August 7, 2013

Thomas J. Lewandowski, MD, FACC
Appleton Cardiology Associates
1818 N. Meade Street
Appleton, WI 54911

RE: Application for Health Care Innovation Award for SMARTCare

Dear Tom:

I'm delighted to hear that the American College of Cardiology is applying for a Health Care Innovation Award from the Center for Medicare and Medicaid Innovation to support the SMARTCare project.

The SMARTCare project is at the cutting edge of payment and delivery reform. Most discussions about payment reform today are focused on creating bundles or episodes triggered by procedures, leaving unaddressed the issue of whether the procedure was appropriate in the first place. This has raised concerns about whether success in controlling costs within a bundle or episode payment structure will encourage an increase in the number of unnecessary procedures being paid for under the bundles/episodes. The SMARTCare project addresses this by focusing directly on improving the decision processes about whether to order a procedure at all and what procedure is best for a particular patient.

SMARTCare is also cutting edge in encouraging appropriate use through evidence-informed shared decision-making by physicians and patients at the point of care, rather than trying to control overuse through external utilization review or prior authorization systems that are both inefficient (essentially duplicating every physician decision and often delaying appropriate treatments) and non-patient centered (since decisions are made by individuals who have neither seen the patient nor have any accountability for explaining their decision to the patient). SMARTCare is designed to give physicians both the flexibility and the accountability for making appropriate, value-based choices in collaboration with their patients.

SMARTCare is also cutting edge in focusing on improving care delivered by non-primary care specialists. Although payment reforms for Primary Care Medical Homes and Accountable Care Organization programs have appropriately focused on the key role of primary care in improving the quality and reducing the costs of health care for patient populations, the impact of these programs will be inherently limited if there are not also payment reforms that involve specialists and remove the current barriers the fee-for-service payment system creates for specialists who want to deliver high quality, appropriate care to their patients.

In addition to its innovativeness, SMARTCare is focused on one of the most common patient health problems – heart disease – and on the largest category of healthcare spending for both Medicare and most commercial insurers. Consequently, it provides the opportunity for significant savings in total dollars even with small changes in physician behavior, making it a safe and likely high-return investment for Medicare and other payers.

An Innovation Award is critical because Medicare participation is almost essential for any physician practice or health system which wants to implement SMARTCare. Since a large proportion of almost any cardiologist's practice consists of Medicare beneficiaries, it would be impractical for them to implement the kind of significant changes in SMARTCare if only commercial insurers are participating. Conversely, Medicare's participation will help encourage other payers to participate.

Over the past year, I have spoken with cardiologists from all over the country about payment and delivery reform concepts similar to SMARTCare, and I have found that there is considerable interest in and support for pursuing this type of approach. In addition, in discussions with physician leaders from most of the major specialty societies in the country, I have found considerable interest in developing similar approaches in many other specialties. I have also been working with physicians, hospitals, health systems, employers, and health plans in a number of states and regions, and there are a number of communities where there would be multi-payer, multi-provider interest in implementing the SMARTCare approach and then extending the same concept to other specialties after you have refined it further through the Innovation Award project. Based on what I have seen, I have no doubt that a Health Care Innovation Award for the SMARTCare project would catalyze and significantly accelerate broader payment and delivery reform across the country both in cardiac care and in a wide range of other health conditions.

Although the competition for the Health Care Innovation Awards is likely to be intense, I have difficulty imagining a project that would be more appropriate for the Innovation Award program or that would have greater impact both on Medicare spending and on improving healthcare delivery in the country. Consequently, I sincerely hope that the Innovation Center selects the SMARTCare project and provides the full amount of funding you have requested.

Sincerely,

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

Harold D. Miller
President and CEO