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January 24, 2025

Administrator  
Centers for Medicare & Medicaid Services  
Department of Health and Human Services  
Attention: CMS-1807-P  
P.O. Box 8016  
Baltimore, MD 21244-8016

*Submitted via email [pcmp-info@acumenllc.com](mailto:pcmp-info@acumenllc.com).*

### **Re: Wave 7 Measure Development Public Comment**

Dear Administrator,

The American Academy of Dermatology Association (AADA) appreciates the opportunity to provide comments to the Centers for Medicare & Medicaid Services (CMS) and Acumen on its Wave 7 Measure Development that includes cost and value measure concepts for consideration.

The AADA represents more than 17,500 dermatologists nationwide who are committed to excellence in the medical and surgical treatment of skin disease; advocating for high standards in clinical practice, education, and research in dermatology and dermatopathology; and driving continuous improvement in patient care and outcomes while reducing the burden of disease.

**The AADA is concerned that CMS is considering inflammatory skin conditions as a cost or value measure concept, as currently outlined, which inappropriately groups neoplastic conditions, such as actinic keratosis and seborrheic keratosis, with inflammatory conditions like psoriasis and dermatitis. These conditions are clinically distinct, differing in treatment management, cost utilization, and patient populations. The AADA opposes this grouping, as it lacks clinical relevance and would result in a flawed cost or value measure. Additionally, we strongly urge CMS to address the challenges of defining a clear episode of care and accounting for the role of drug costs in the treatment of inflammatory skin conditions before moving forward.**

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## **Neoplastic vs. Inflammatory Skin Conditions**

**The AADA strongly urges CMS to recognize the clinical distinctions between neoplastic and inflammatory skin conditions when considering creating a new cost or value measure.** These conditions are clinically distinct, differing in etiology, treatment, management, cost utilization, and patient populations. The AADA opposes this grouping, as it lacks clinical relevance and would result in a flawed cost or value measure. Neoplastic conditions, such as actinic keratosis and seborrheic keratosis, typically involve episodic, procedure-driven care. In contrast, inflammatory diseases, such as psoriasis and dermatitis, usually require long-term, ongoing management via drug therapies. Grouping these conditions together would result in measures that are not clinically relevant or meaningful and would fail to provide actionable feedback. **We recommend that CMS avoid merging neoplastic and inflammatory skin conditions into one measure and focus on creating measures that align with the unique aspects of each disease category.**

## **Challenges with Comprehensive Inflammatory Skin Conditions Measure**

**The AADA strongly cautions CMS against developing a single cost or value measure for inflammatory skin conditions without addressing challenges related to variability in episodes of care and treatment costs.** Inflammatory skin conditions represent a broad range of chronic diseases that do not fit well into CMS's typical episode-based cost measurement framework due to the variability in the treatment of care. Treatment often involves long-term use of biologics or other drug therapies and frequent adjustments to treatment plans. Unfortunately, in the current medical system, the cost of biologics and other drug therapies is not transparent to the prescribing physician. Instead, therapeutic options for patients are limited by the deals their insurer has made with the pharmacy benefit manager for that particular Medicare Part D plan. Consequently, while therapeutic plans should be based on disease severity and patient response, in reality, they are based on the formulary list and the deals that have been made to tier the list. This variability makes it difficult to standardize resources and costs for a single measure.

Furthermore, there is no consistent lab value or widely used disease severity index for inflammatory skin conditions in clinical practice. Terms like "mild," "moderate," and "severe" are inconsistently documented in the narrative note, and not captured claims data. This makes it impossible to create standardized measures that enable meaningful comparisons and no ability for risk adjustment.

Additionally, CMS must recognize that drug costs, particularly for biologics, are the primary driver of care costs for inflammatory skin conditions. Excluding drug costs, which has been done in some other cost measures, would make any cost measure for inflammatory skin conditions ineffective since there is little variability in other cost components. At the same time, including these costs, but not adjusting them appropriately, could hinder patients' access to biologic

therapies or penalize providers for prescribing these necessary treatments. These therapies are essential in improving patients' quality of life and managing the long-term burden of their disease. **Therefore, the AADA urges CMS to carefully consider the challenges of defining a clear episode of care for inflammatory skin conditions and the role of drug costs before moving forward with a cost or value measure for inflammatory skin conditions.**

### **Conclusion**

The AADA appreciates the opportunity to comment as CMS works to develop new cost and value measures and we look forward to ongoing engagement and providing stakeholder input. If you have any questions regarding this letter, please contact Jillian Winans, Associate Director, Regulatory & Payment Policy, at [jwinans@aad.org](mailto:jwinans@aad.org) or 202-712-2603.

Sincerely,

A handwritten signature in dark ink that reads "Seemal R. Desai MD FAAD". The signature is written in a cursive, flowing style.

Seemal R. Desai, MD, FAAD  
President, American Academy of Dermatology Association