MINGLE ANALYTICS

Quality Payment Program Explained: The Proposal for Alternative Payment Models

Dr. Dan Mingle

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http://mingleanalytics.com/webinars

MINGLE ANALYTICS

Agenda

- Overview of the Quality Payment Program
- Details of Alternative Payment Models

- Watch for our Final Rule Webinars

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Networking Opportunities

- Florida Bones Society, Manalapan, FL, Sept 16 – 19: Speaking
- HBMA Revenue Cycle Conference, Atlanta, GA, Sept 21– 23: Speaking
- NH/VT HFMA Fall Conference, Manchester, VT, Sept 28: Speaking
- CAPG Annual Conference, Washington, DC, Sept 28 – 30: Attending
- eHealth Innovation Showcase, Washington, DC, Oct 4 – 5: Attending
- Regional Orthopedic Meeting, Kansas City, MO Oct 20 – 21: Speaking
- HIMSS Big Data Conference, Boston, MA, Oct 24 – 25: Attending
- Maine Health Management Coalition / Maine Medical Association, Annual Conference, Portland, ME: Oct 27: Exhibiting
- AMBA Annual Conference, Las Vegas, NV, October 27– 28: Exhibiting
- MGMA Annual Conference, San Francisco, CA, October 30 – Nov 2: Exhibiting

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MACRA

Medicare Access and CHIP Reauthorization Act of 2015

Merit-Based Incentive Payment System (MIPS)

and

Alternative Payment Model (APM) Incentive

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Proposed Rule for QPP Published
May 9, 2016

Final Rule to be Published by
November 1 Annually

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Introducing Medicare's New

Quality Payment Program

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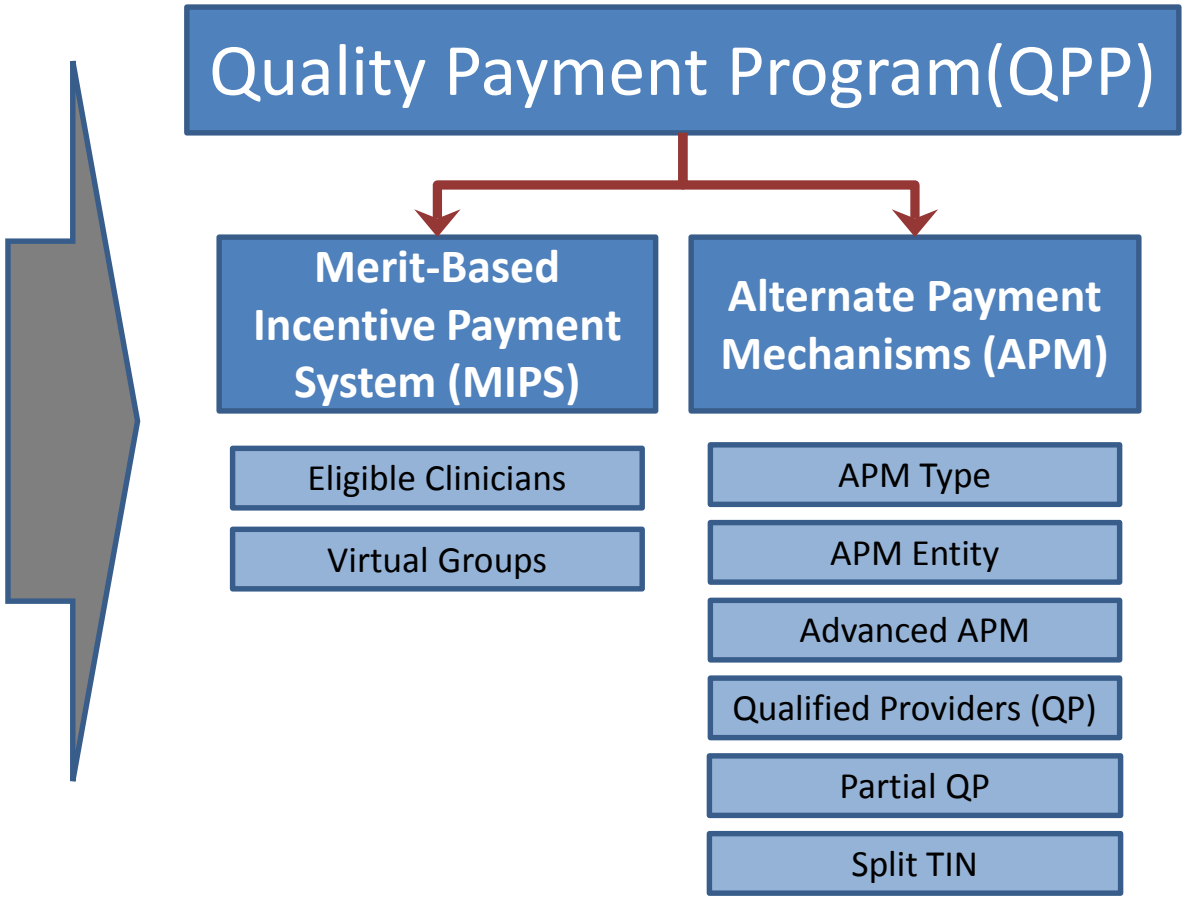
Physician Quality Reporting System (PQRS)

Value Based Modifier (VBM or VM)

Quality Tiering

Medicare EHR Incentive Program (aka: meaningful use)



2016	Last Reporting Year
March 31, 2017	Last Submission Due
2018	Last Payment Adjustments Applied

2017	First Reporting Year
March 31, 2018	First Submission Due
2019	First Payment Adjustments Applied

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Medicare Expects to Entice 50% of providers to participate in an Alternative Payment Model by 2018

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Estimated Impact in 2019

Program	Applies to	Negative Adjustments	Positive Adjustments
MIPS Adjustments	687k to 747k providers	$833m	$833m
Exceptional Performance Payments			$500m
Advanced APM Incentives	30k – 90k Providers		$146m - $429m

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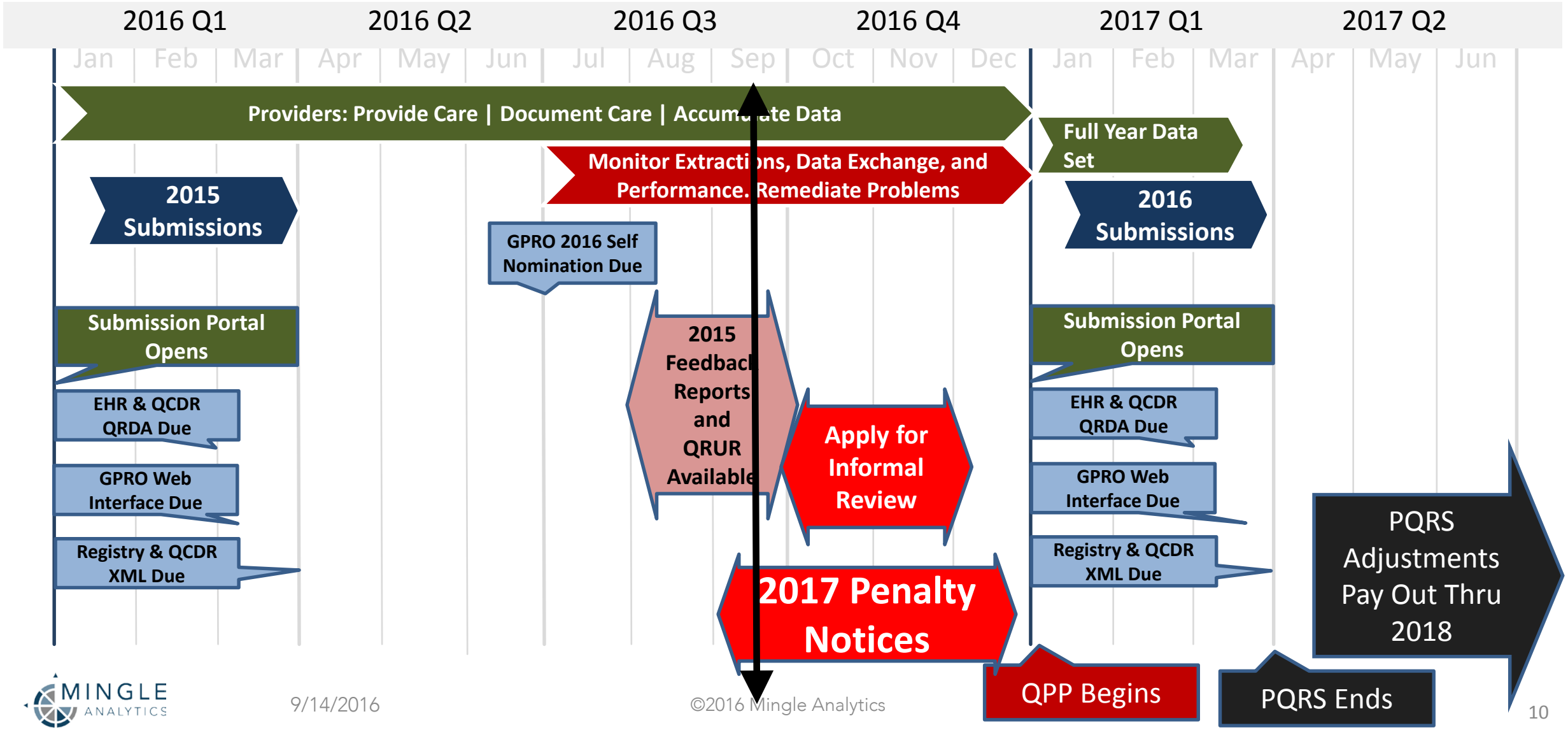
PQRS - QPP Timeline



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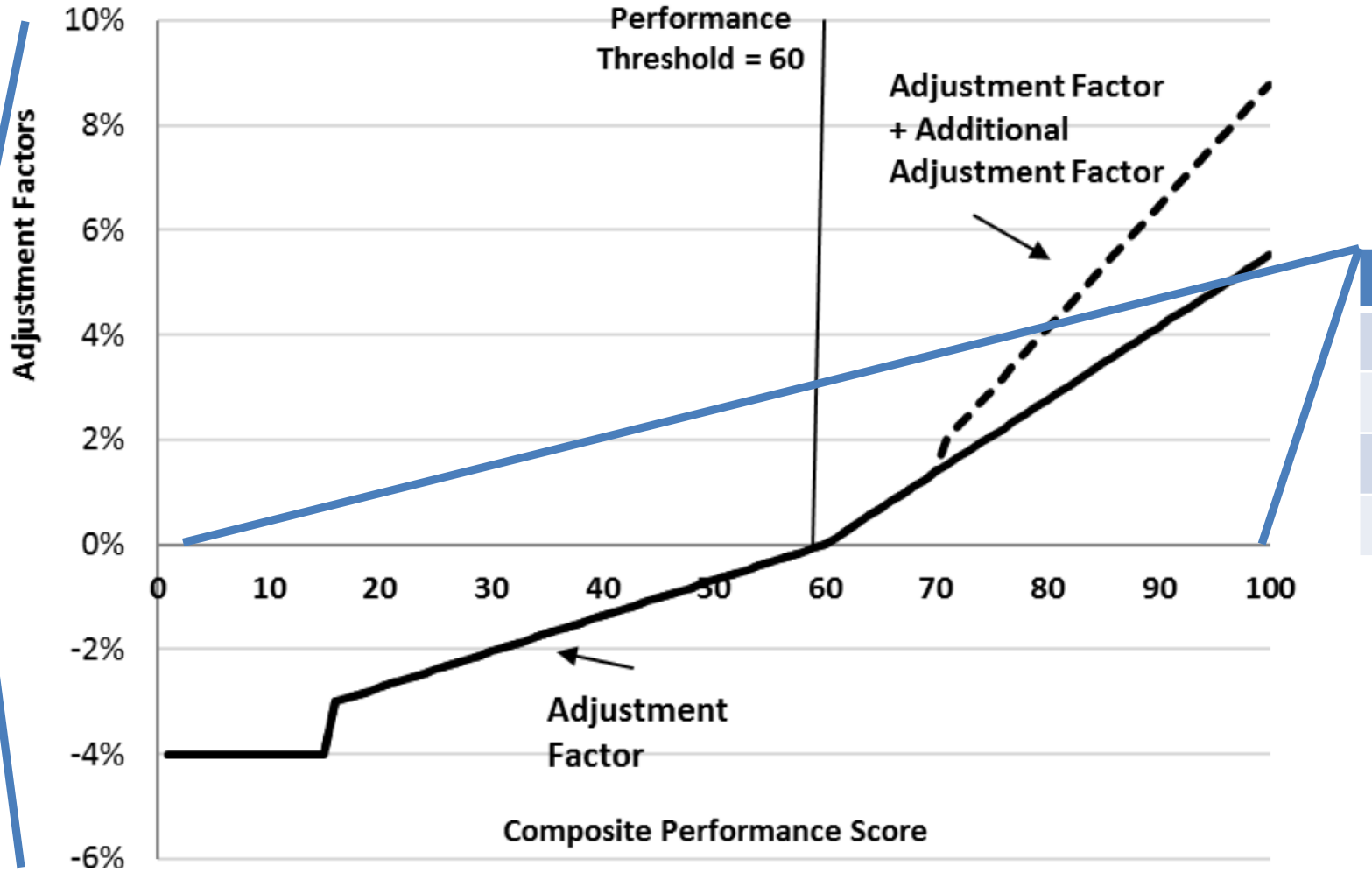
Conceptual Model of MIPS Year 1

From the CMS Proposed Rule

2017 Reporting Year

Pmt Year	Adj Factor
2019	± 4%
2020	± 5%
2021	± 7%
2022	± 9%



2019 Payment or Program Year

	2019	2020	2021
Quality	50	45	30
Cost	10	15	30
ACI	25	25	25
CPIA	15	15	15

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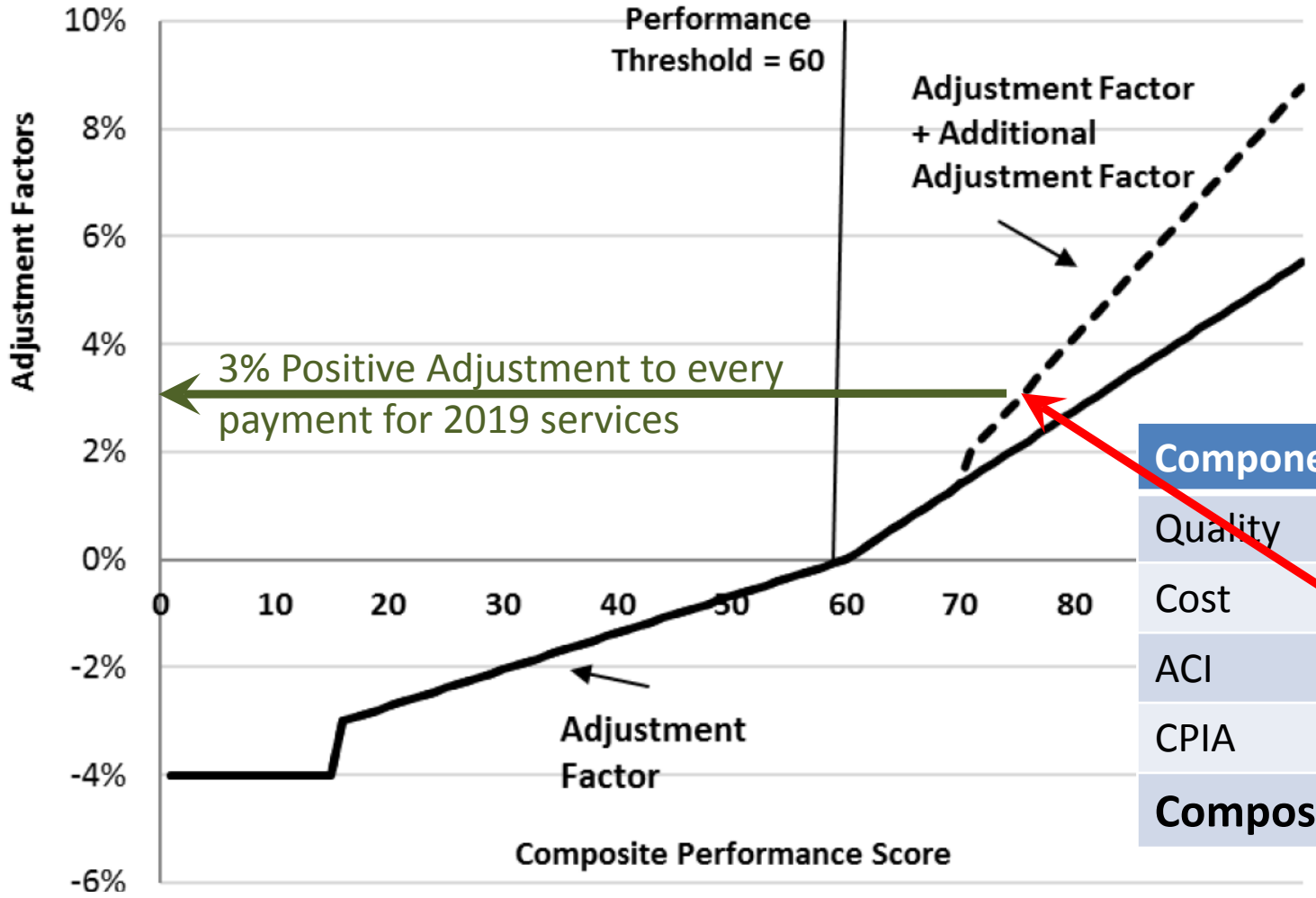
Pulling it All Together

From the CMS Proposed Rule



Component	Presented	
Quality	7/13/2016	37.3 of 50
Cost	8/24/2016	5.6 of 10
ACI	7/28/2016	21.9 of 25
CPIA	8/4/2016	12.5 of 15
Composite Performance		**76.3**

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APM Timeline

Payment Year	Event
2019 +	Qualifying Advanced APM Participants (QPs) are excluded from MIPS
2019 - 2024	QPs receive Lump Sum Incentive = 5% of Prior Year Part B Payments
2021	Other Payer Advanced APMs introduced
2026 +	QPs get higher Annual PFS update

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"The structure of the law is clear in that the APM Incentive Payments are earned through participation in APMs that are designed to be challenging and involve rigorous care improvement activities."

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eligible clinicians that receive incentives should be those who take on:

- financial risk for potential losses under an APM
- are accountable for performance based on meaningful quality metrics
- use certified EHR technology.

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Policy Goals

- Support flexibility in future innovative Advanced APMs
- Support multi-payer models and participation
- Minimize burden on organizations and professionals
  - coordinate administrative processes
  - minimize overall reporting burden
  - Transition between QP and MIPS as seamless as possible.
- Incentive based on degree of participation
  - NOT performance

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Incentive Eligibility

- 2017 = QP Performance Period
- 2018 = QP Determination Period
  - Relative Participation: ≥ Minimum come through the aAPM
    - % of aggregate payments or
    - % of Patients
- 2019 = Payment Year = Lump Sum Incentive Distributed

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Terms

- Advanced Alternative Payment Model
- Advanced APM Entity
  - Medical Home Model
  - Medicaid Medical Home Model

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Requirements of the Medical Home Model

- Practice includes Primary Care Practitioners
- Practice provides Primary Care Services
- Enpanelment of each Patient to a Primary Clinician
- Includes 4 of:
  - Planned coordination of chronic and preventive care
  - Patient access and continuity of care
  - Risk-stratified care management
  - Coordination of care across the medical neighborhood
  - Patient and caregiver engagement
  - Shared decision-making.
  - Payment arrangements in addition to or substituting for FFS

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After 1st Year

Medical Home Model as aAPM limited to Entities

Where Parent Org ≤ 50 Clinicians

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Entity Requirements

APM

- Must be Compulsory by Federal Law
- Must have a Demonstration Thesis under evaluation
- Must require Participating Entities under agreement, statute, or regulation

aAPM

- Must Require use of CEHRT
- Must base payments on Quality Measures comparable to MIPS
- More than Nominal Risk
  - OR be a Medical Home Model

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APM_identifier/APM_Entity_identifier/TIN/NPI

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QP Determination

- Based on aggregate evaluation of the Entity Members
- TIN/NPI must be listed as part of Entity by 12/31 of Performance Year
- QP Status applies to an NPI across all TIN
- Determination is made by Summer following Performance Year
- Incentive is paid in the year after Determination is Made

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About aAPM Incentives

- Incentive
  - 5% Incentive 2019 – 2024 for aAPM Participation
- Payment
  - Payment varies on Cost and Quality
    - Determined by the design of the APM

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CEHRT Requirement

- Equivalent to MIPS CEHRT Requirement
- ≥ 50% of EP in Entity are CEHRT users in 2017
  - 2014 Edition or above
- ≥ 75% of EP in Entity are CEHRT users in 2018+
  - 2015 Edition
- Each Hospital in Entity must use CEHRT
- CMS will assess the APM requirements
  - NOT entity compliance

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Financial Risk Criteria

- Repayment of overage
- Adjustments to future payments
- Withhold payments

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Financial Risk Criteria for Medical Home Model

IF

- expenditures exceed expected or
- performance on specified measures does not meet or exceed

Must have one of:

- Withhold payment
- Reduce payment
- owe payment(s) to CMS
- Lose all or part of otherwise guaranteed payments,

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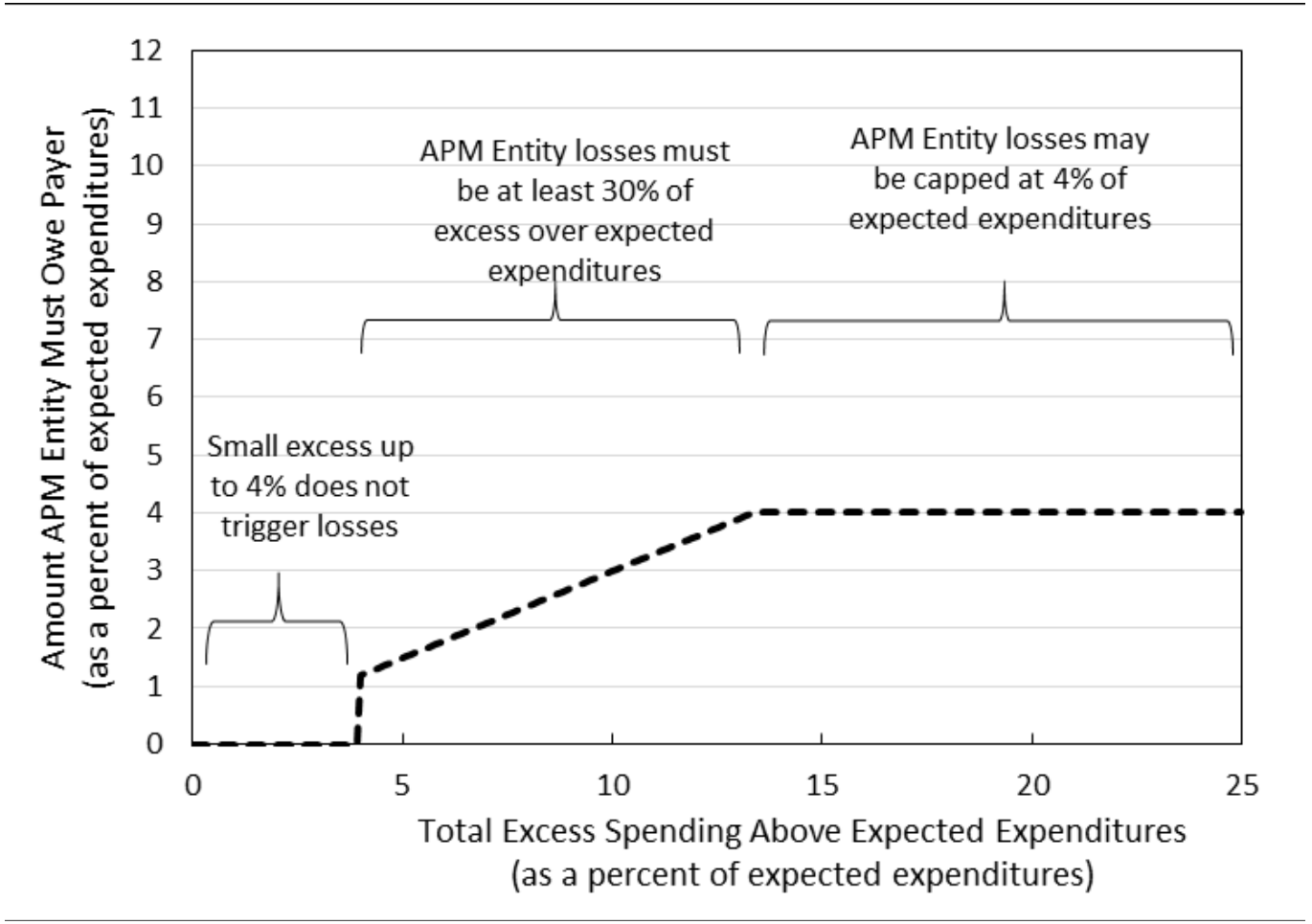
More than Nominal Risk

Dimension	Definition	Standard
Marginal Risk	Percentage of Amount by which Actual > Expected Expenditures	≥ 30%
Minimal Loss Rate	Percentage of Amount by which Actual > Expected Expenditures without risk	≤ 4% of Expected
Total Potential Risk	maximum potential payment for which Entity could be liable	≥ 4% of Expected



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Nominal Risk for Medical Home Model

Dimension	Definition	2017	2018	2019	2020
Marginal Risk					
Minimal Loss Rate					
Total Potential Risk	maximum potential payment for which Entity could be liable	≥ 2.5% of Parts A&B Revenue	≥ 3% of Parts A&B Revenue	≥ 4% of Parts A&B Revenue	≥ 5% of Parts A&B Revenue

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Full capitation risk arrangements would meet the Advanced APM financial risk criterion

But, Medicare Advantage and other private plans paid to act as insurers on the Medicare program's behalf are not Advanced APMs

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TABLE 32: APM List Based on Proposed Criteria

APM and Abbreviation	Qualifies as a MIPS APM for APM Scoring Standard under II.E.3.h	Medical Home Model	Use of CEHRT Criterion	Quality Measures Criterion	Financial Risk Criterion	Advanced APM
Bundled Payment for Care Improvement Model 2 (BPCI)	NO	NO	NO	NO	YES	NO
Bundled Payment for Care Improvement Model 3 (BPCI)	NO	NO	NO	NO	YES	NO
Bundled Payment for Care Improvement Model 4 (BPCI)	NO	NO	NO	NO	YES	NO
Comprehensive Care for Joint Replacement (CJR)	NO	NO	NO	YES	YES	NO
Comprehensive ESRD Care (CEC) (LDO arrangement)	YES	NO	YES	YES	YES	YES
Comprehensive ESRD Care (CEC) (non- LDO arrangement)	YES	NO	YES	YES	NO	NO
Comprehensive Primary Care Plus (CPC +)	YES	YES	YES	YES	YES	YES
Frontier Community Health Integration Program (FCHIP)	NO	NO	NO	NO	NO	NO
Health Plan Innovation (HPI) - Medicare Advantage Value-Based Insurance Design Model (MA VBID)	NO	NO	NO	NO	NO	NO

APM and Abbreviation	Qualifies as a MIPS APM for APM Scoring Standard under II.E.3.h	Medical Home Model	Use of CEHRT Criterion	Quality Measures Criterion	Financial Risk Criterion	Advanced APM
Health Plan Innovation (HPI)- Part D Enhanced Medication Therapy Management Model	NO	NO	NO	NO	NO	NO
Home Health Value-Based Purchasing Model (HH-VBP)	NO	NO	NO	NO	NO	NO
Independence at Home Demonstration (IAH)	NO	YES	NO	YES	NO	NO
Initiative to Reduce Preventable Hospitalizations Among Nursing Facility Residents - Phase 2	NO	NO	NO	NO	NO	NO
Intravenous Immune Globulin (IVIG) Demonstration	NO	NO	NO	NO	NO	NO
Maryland All-Payer Hospital Model (MM)	NO	NO	NO	NO	NO	NO
Medicare Part B Drugs Payment Model	NO	NO	NO	NO	NO	NO
Medicare Care Choices Model (MCCM)	NO	NO	NO	NO	NO	NO
Medicare Shared Savings Program - Track 1 (MSSP)	YES	NO	YES	YES	NO	NO
Medicare Shared Savings Program - Track 2 (MSSP)	YES	NO	YES	YES	YES	YES
Medicare Shared Savings Program - Track 3 (MSSP)	YES	NO	YES	YES	YES	YES
Million Hearts: Cardiovascular Risk Reduction Model (MH CVDRR)	NO	NO	NO	NO	NO	NO
Next Generation ACO Model	YES	NO	YES	YES	YES	YES
Oncology Care Model (OCM) one-sided risk arrangement	YES	NO	YES	YES	NO	NO
Oncology Care Model (OCM) two-sided risk arrangement	YES	NO	YES	YES	YES	YES

QP Determination

- Medicare Option
  1. Payment Amount
  2. Patient Count
- All-Payer Combination Option starting in 2021
  3. Payment Amount
  4. Patient Count
- Individual Aggregate Analysis
  - Threshold Score
    - Payment Amount
    - Patient Count
  - Qualifying Participants
    - 5% Incentive Payment
  - Partial Qualifying Participants
    - Choose MIPS or Not
    - Group Level Decision
    - By Close of Performance Year

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TABLE 33: QP Payment Amount Thresholds – Medicare Option

Medicare Option – Payment Amount Method						
Payment Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024 and later**
QP Payment Amount Threshold	25%	25%	50%	50%	75%	75%
Partial QP Payment Amount Threshold	20%	20%	40%	40%	50%	50%

TABLE 34: QP Payment Amount Thresholds – All-Payer Combination Option

All-Payer Combination Option – Payment Amount Method										
Payment Year	**2019**	**2020**	**2021**		**2022**		**2023**		**2024 and later**	
QP Payment Amount Threshold	N/A	N/A	50%	25%	50%	25%	75%	25%	75%	25%
Partial QP Payment Amount Threshold	N/A	N/A	40%	20%	40%	20%	50%	20%	50%	20%
			Total	Medicare	Total	Medicare	Total	Medicare	Total	Medicare

TABLE 35: QP Patient Count Thresholds – Medicare Option

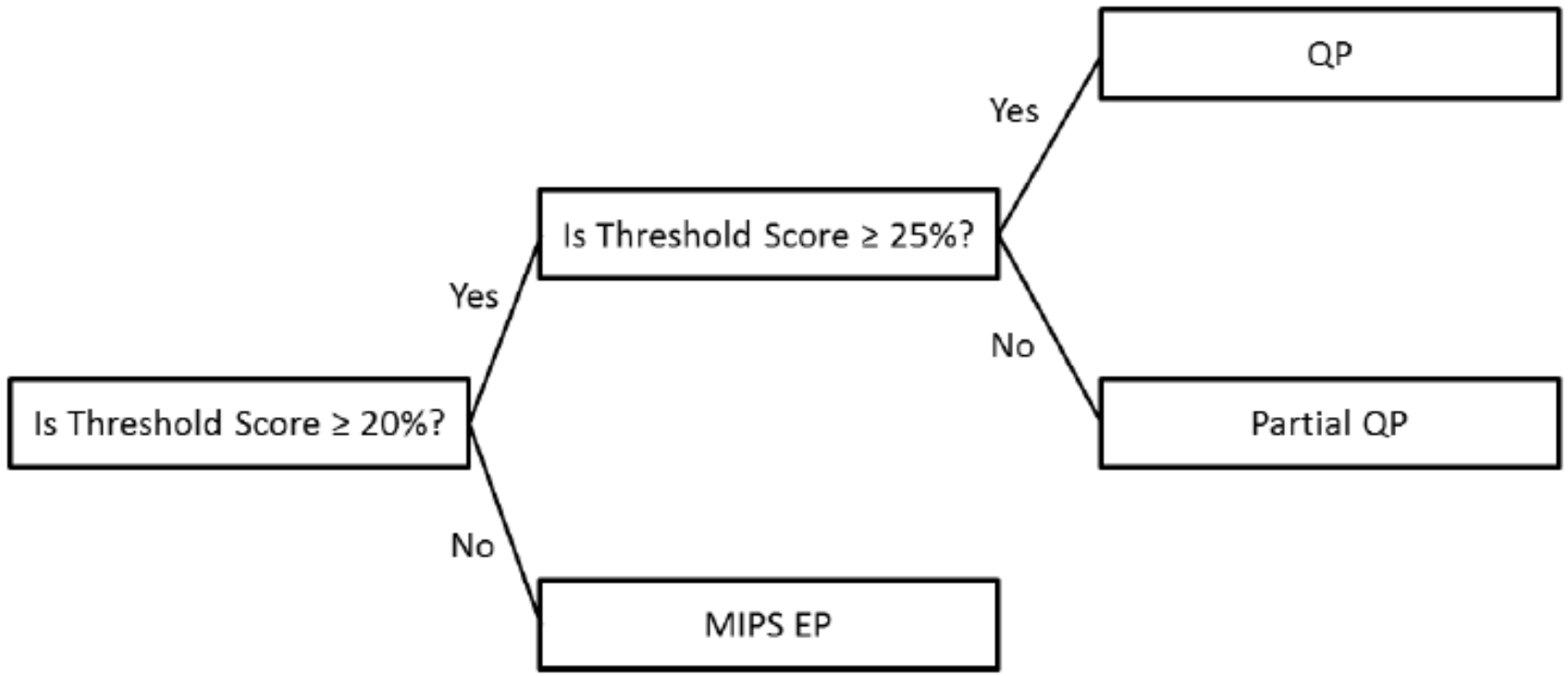
Medicare Threshold Option – Patient Count Method						
Payment Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024 and later**
QP Patient Count Threshold	20%	20%	35%	35%	50%	50%
Partial QP Patient Count Threshold	10%	10%	25%	25%	35%	35%

TABLE 36: QP Patient Count Thresholds – All-Payer Combination Option

All-Payer Combination Option – Patient Count Method										
Payment Year	**2019**	**2020**	**2021**		**2022**		**2023**		**2024 and later**	
QP Patient Count Threshold	N/A	N/A	35%	20%	35%	20%	50%	20%	50%	20%
Partial QP Patient Count Threshold	N/A	N/A	25%	10%	25%	10%	35%	10%	35%	10%
			Total	Medicare	Total	Medicare	Total	Medicare	Total	Medicare

2019 – 2020

Medicare Option



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2021 – 2022

All-Payer Combination Option

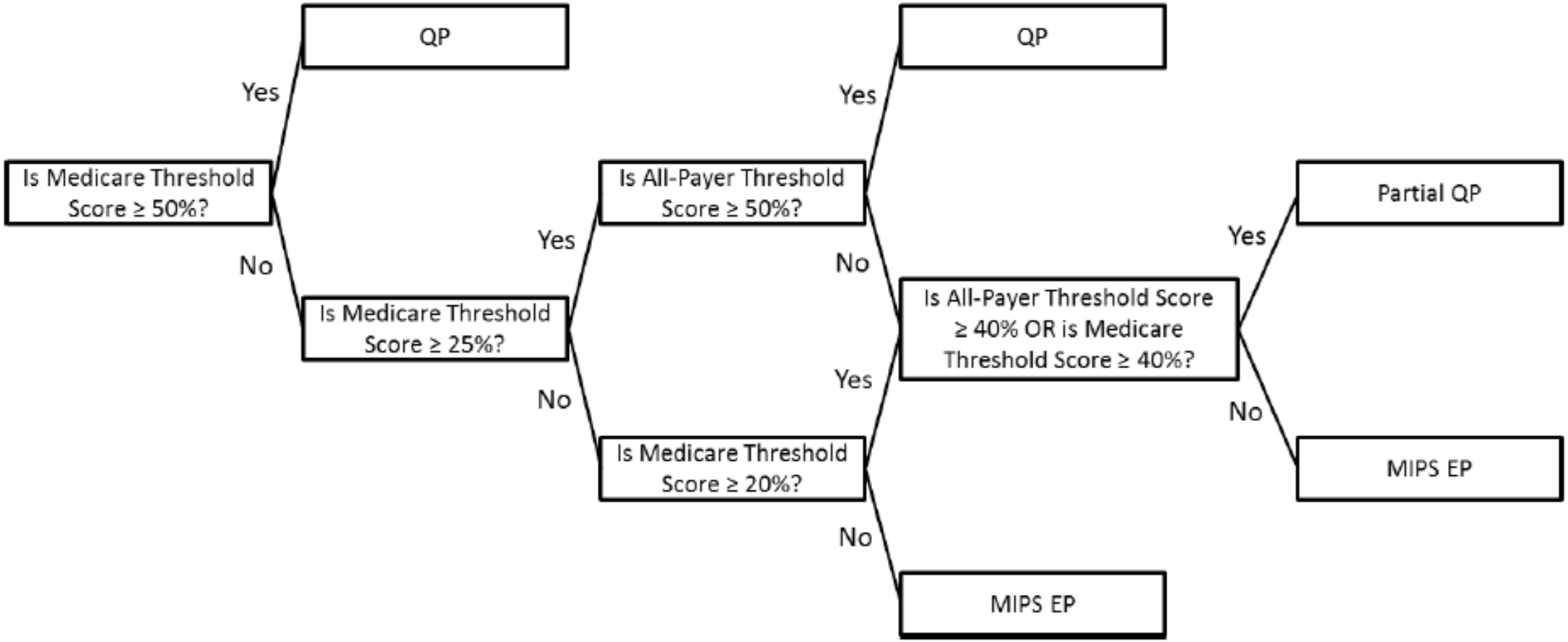
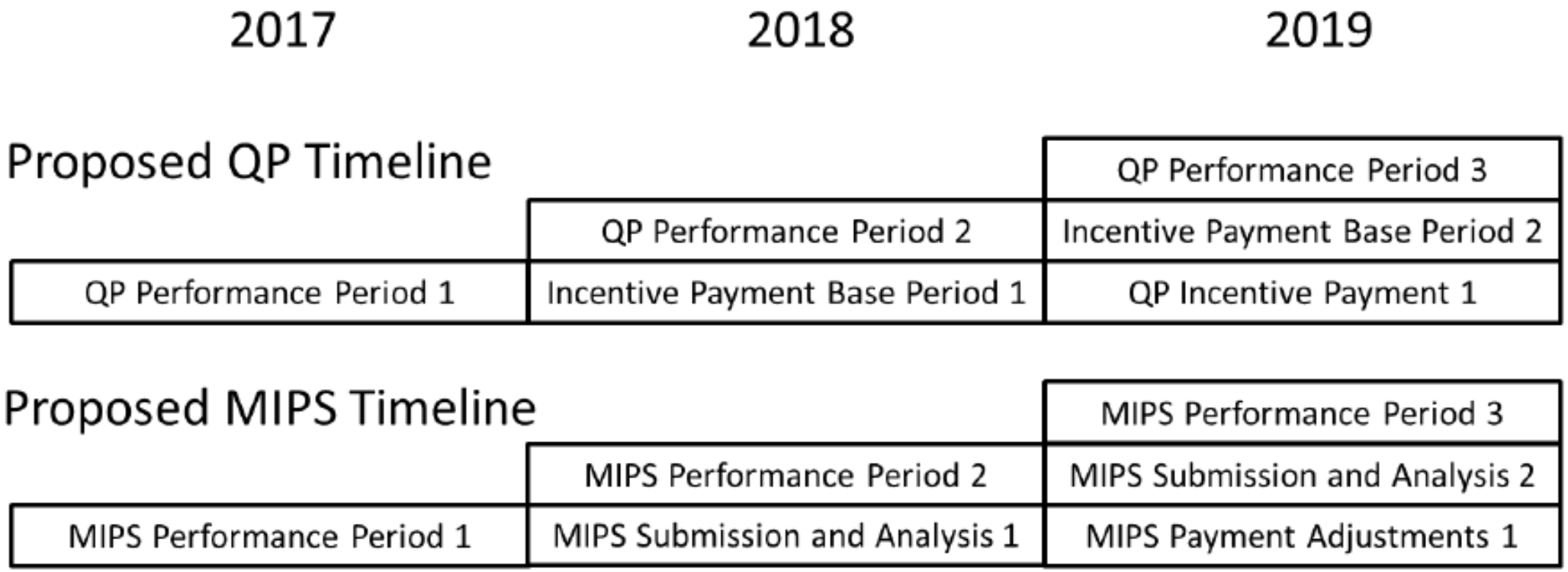


FIGURE H: Proposed QP Performance Period



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Q&A

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