



# Physician Payment Reforms: The Future of MIPS and APMs

May 17, 2016

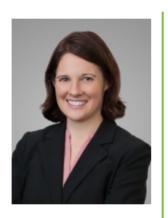
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## Presented by





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#### Medicare Access and CHIP Reauthorization Act

# 15 In The Indiana

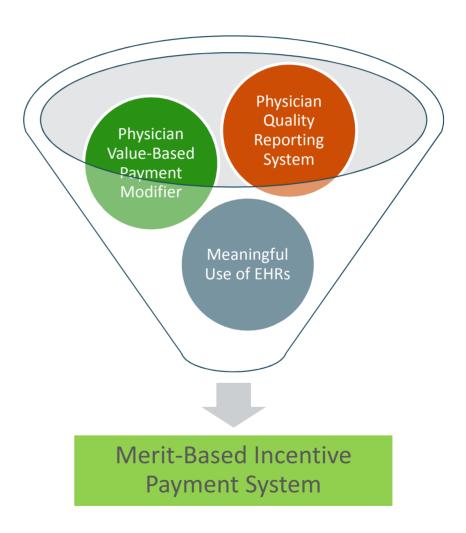
#### PHYSICIAN PAYMENT REFORM

- Repeals the Sustainable Growth Rate ("SGR") Formula
- Changes the way that Medicare rewards clinicians for value over volume
- Streamlines multiple quality programs under the new Merit-Based Incentive Payments System ("MIPS") to link fee-for-service payments to quality and value
- Provides bonus payments for participation in eligible alternative payment models ("APMs")
- May 9, 2016 CMS proposed rule implementing MIPS and APM incentives under the *Quality Payment Program*
  - Available at <a href="https://federalregister.gov/a/2016-10032">https://federalregister.gov/a/2016-10032</a>





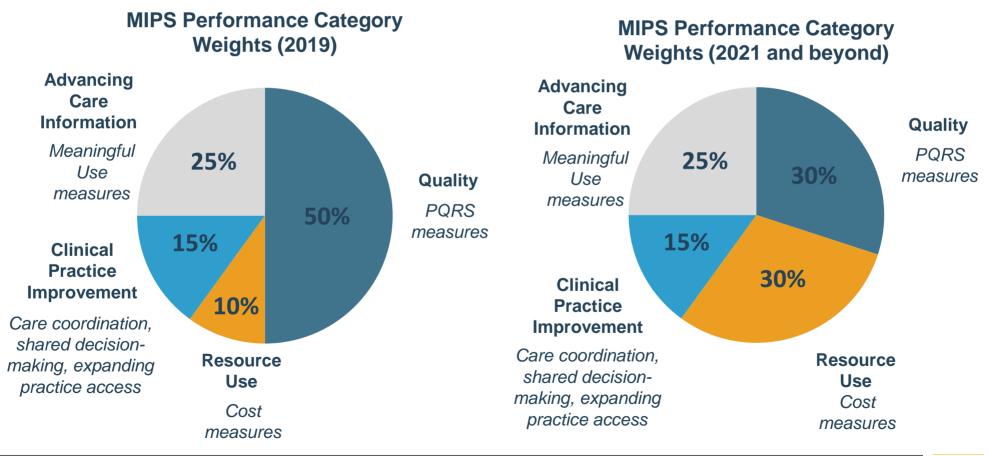
- Current Meaningful Use, Value-Based Modifier, and Physician Quality Reporting System ("PQRS") penalties sunset at the end of 2018
- Reporting requirements roll into a single program starting in 2019





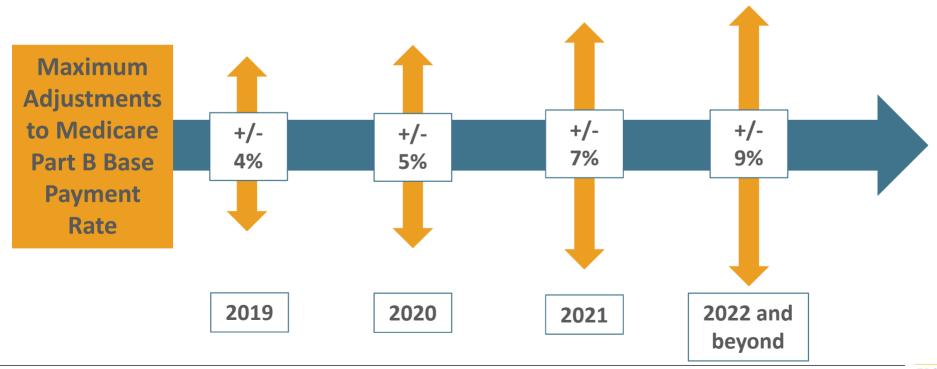


 A single MIPS composite performance score will factor in performance in 4 weighted performance categories





- Based on the MIPS composite performance score, eligible clinicians will receive positive, negative, or neutral adjustments up to the percentages below
- MIPS adjustments are budget neutral → a scaling factor (up to three times) may be applied to the upward adjustments to make total upward and downward adjustments equal





- MIPS <u>applies to</u> physicians, nurse practitioners, clinical nurse specialists, physician assistants, and certified registered nurse anesthetists
  - CMS has the authority to add other health care professionals in 2021 and beyond
    - This could include physical or occupational therapists, speech-language pathologists, audiologists, certified nurse midwives, clinical social workers, clinical psychologists, and registered dietitians or nutrition professionals
- MIPS does not apply to:
  - Clinicians in their first year of Medicare Part B participation
  - Participants in advanced APMs who qualify for the bonus payment
  - Clinicians below the low volume threshold
    - Low volume defined in **proposed rule** as:

Medicare billing charges ≤ \$10,000

**AND** 

100 or fewer Medicare patients

## **Alternative Payment Models**



- From 2019-2024, participants in <u>advanced APMs</u> are eligible for an annual lump-sum bonus of 5% of estimated Medicare payments for the preceding year
  - The bonus payment would be in addition to any shared savings bonuses or fees that the physician receives for participating in the advanced APM
- Advanced APMs must require participating providers to:
  - Take on "<u>more than nominal</u>" financial risk (or participate in certain patient-centered medical homes)
  - Report quality measures that are comparable to the measures adopted under MIPS
  - Use certified EHR technology

## **Alternative Payment Models**



- MACRA defines APMs to include:
  - Models being tested by the CMS
     Center for Medicare and Medicaid
     Innovation (under section 1115A of
     the Social Security Act, other than a
     Health Care Innovation Award)
  - Accountable Care Organizations ("ACOs") participating in the Medicare Shared Savings Program
  - Models tested under the Health Care Quality Demonstration Program
  - Demonstrations required by Federal Law

- Advanced APMs identified in the proposed rule:
  - Medicare Shared Savings Program (Tracks 2 and 3)
  - Next Generation ACO Model
  - Comprehensive ESRD Care
  - Comprehensive Primary Care Plus
  - Oncology Care Model

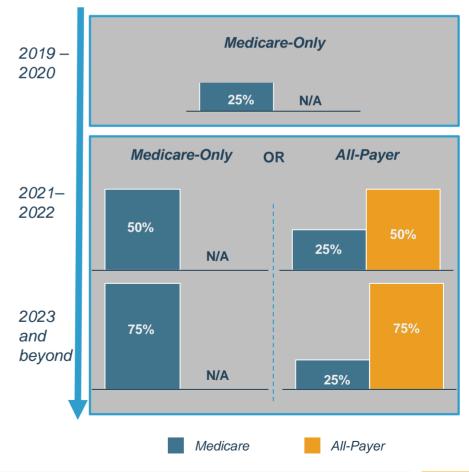


## **Alternative Payment Models**



- Providers must receive a "<u>significant</u> <u>share</u>" of their revenue through participation in an advanced APM to be eligible for the 5% bonus
- Partial qualifying mechanism allows providers that fall short of revenue requirements to report MIPS measures and receive corresponding incentives or to decline to participate in MIPS
  - APM participants will receive favorable scoring under the MIPS clinical practice improvement activities performance category

## Required Percentage of Revenue Under Risk-Based Payment Models



### The Future of Physician Payments

#### **SUMMARY OF PAYMENT MECHANISMS**



#### **MIPS**

- 2019 and beyond: MIPS payment adjustments
- 2026 and beyond:0.25% update

#### **APM**

- APM-specific rewards
- Favorable MIPS scoring
- 2019 and beyond:
  MIPS payment adjustments
- 2026 and beyond:0.25% update

#### **Advanced APM**

- APM-specific rewards
- <u>2019-2024</u>: 5% bonus payment
- 2026 and beyond:0.75% update



## The Future of Physician Payment Reform

#### **OPPORTUNITIES FOR PROVIDER ENGAGEMENT**



- Comments on the proposed rule due June 27, 2016
- Physician-Focused Payment Model Technical Advisory Committee
  - Reviews proposals for new APM options for Medicare clinicians
- Quality measure development and adoption
  - Measure Applications Partnership ("MAP")
  - Core Quality Measures Collaborative
  - Annual Call for Measures
  - Health Care Payment Learning and Action Network
  - MMS Blueprint

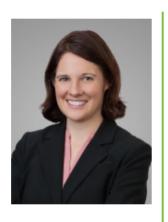
#### "We're listening and help is available"

- CMS Quality Payment Program Webinar, May 3, 2016



## Questions?





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#### **Upcoming Webinars**

#### **Value Based Payments Crash Course Series**



Value-Based Payments in Managed Care: The Legal Landscape

May 24, 2016 at 2:00 – 2:15 p.m. ET Jackie Selby

VBP and Managed Care Contracting

May 31, 2016 at 2:00 – 2:15 p.m. ET Basil H. Kim

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