



# QUALITY PAYMENT PROGRAM

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### Disclaimer

This presentation was current at the time it was published or uploaded onto the web. Medicare policy changes frequently so links to the source documents have been provided within the document for your reference.

This presentation was prepared as a service to the public and is not intended to grant rights or impose obligations. This presentation may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.

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### KEY TOPICS:

- 1) The Quality Payment Program
- 2) The Merit-based Incentive Payment System (MIPS)
- 3) Incentives for Participation in Advanced Alternative Payment Models (Advanced APMs)
- 4) What are the next steps?

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### Quality Payment Program

- ✓ **Repeals** the Sustainable Growth Rate (SGR) Formula
- ✓ **Streamlines** multiple quality reporting programs into the new Merit-based Incentive Payment System (MIPS)
- ✓ **Provides incentive payments** for participation in **Advanced Alternative Payment Models (APMs)**

The Merit-based Incentive Payment System (MIPS)

or

Advanced Alternative Payment Models (APMs)



- ✓ First step to a fresh start
- ✓ We're listening and help is available
- ✓ A better, smarter Medicare for healthier people
- ✓ Pay for what works to create a Medicare that is enduring
- ✓ Health information needs to be open, flexible, and user-centric

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### MIPS: First Step to a Fresh Start

- ✓ MIPS is a new program
  - Streamlines 3 currently independent programs to work as one and to ease clinician burden.
  - Adds a fourth component to promote ongoing improvement and innovation to clinical activities.

  
Quality

  
Resource use

  
Clinical practice improvement activities

  
Advancing care information

- ✓ MIPS provides clinicians the flexibility to choose the activities and measures that are most meaningful to their practice to demonstrate performance.

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### Who Will Participate in MIPS?


Affected clinicians are called "**MIPS eligible clinicians**" and will participate in MIPS. The types of **Medicare Part B** eligible clinicians affected by MIPS may expand in future years.

Years 1 and 2




Physicians, PAs, NPs, Clinical nurse specialists, Certified registered nurse anesthetists

Secretary may broaden Eligible Clinicians group to include others such as



Years 3+



Physical or occupational therapists, Speech-language pathologists, Audiologists, Nurse midwives, Clinical social workers, Clinical psychologists, Dietitians / Nutritional professionals

Note: Physician means doctor of medicine, doctor of osteopathy (including osteopathic practitioner), doctor of dental surgery, doctor of dental medicine, doctor of podiatric medicine, or doctor of optometry, and, with respect to certain specified treatment, a doctor of chiropractic legally authorized to practice by a State in which he/she performs this function.

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### Who will NOT Participate in MIPS?

There are 3 groups of clinicians who will NOT be subject to MIPS:

-  **FIRST year of Medicare Part B participation**
-  **Below low patient volume threshold**
-  **Certain participants in ADVANCED Alternative Payment Models**

Medicare billing charges less than or equal to \$10,000 and provides care for 100 or fewer Medicare patients in one year

Note: MIPS **does not** apply to hospitals or facilities

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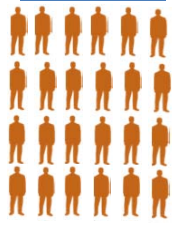
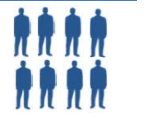


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### Note: Most clinicians will be subject to MIPS.

**Subject to MIPS**

<b>Not in APM</b> 	<b>In non-Advanced APM</b>  <b>In Advanced APM, but not a QP</b> 	<b>QP in Advanced APM</b>  Some people may be in Advanced APMs but not have enough payments or patients through the Advanced APM to be a QP.
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Note: Figure not to scale.

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### PROPOSED RULE MIPS: Eligible Clinicians

Eligible Clinicians can participate in MIPS as an:

-  **Individual**
- Or
-  **Group**  
A group, as defined by taxpayer identification number (TIN), would be assessed as a group practice across all four MIPS performance categories.

Note: "Virtual groups" will not be implemented in Year 1 of MIPS.

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### PROPOSED RULE MIPS Performance Period



MIPS Performance Period (Begins 2017)

- ✓ All MIPS performance categories are aligned to a performance period of one full calendar year.
- ✓ Goes into effect in first year (2017 performance period, 2019 payment year).

2017	2018	2019	2020	2021	2022	2023	2024	2025
Performance Period		Payment Year						

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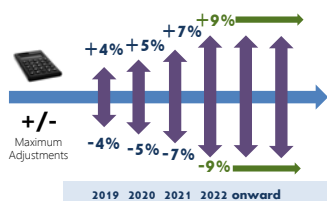
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### How much can MIPS adjust payments?

Based on a MIPS Composite Performance Score, clinicians will receive +/- or neutral adjustments up to the percentages below.



+/- Maximum Adjustments

Adjusted Medicare Part B payment to clinician

2019
2020
2021
2022 onward

Merit-Based Incentive Payment System (MIPS)

The potential maximum adjustment % will increase each year from 2019 to 2022

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## INCENTIVES FOR ADVANCED APM PARTICIPATION

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### What is an Alternative Payment Model (APM)?

APMs are **new approaches to paying** for medical care through Medicare that **incentivize quality and value.**

As defined by MACRA, **APMs include:**

- ✓ **CMS Innovation Center model** (under section 1115A, other than a Health Care Innovation Award)
- ✓ **MSSP** (Medicare Shared Savings Program)
- ✓ **Demonstration** under the Health Care Quality Demonstration Program
- ✓ **Demonstration** required by federal law

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### Advanced APMs meet certain criteria.

As defined by MACRA, Advanced APMs **must meet the following criteria:**

- ✓ The APM requires participants to use **certified EHR technology.**
- ✓ The APM **bases payment on quality** measures comparable to those in the MIPS quality performance category.
- ✓ The APM either: **(1)** requires APM Entities to bear more than nominal **financial risk** for monetary losses; **OR (2)** is a **Medical Home Model expanded** under CMML authority.

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### PROPOSED RULE Medical Home Models

**Medical Home Models:**

- ✓ Have a **unique financial risk criterion** for becoming an Advanced APM.
- ✓ Enable participants (who are not excluded from MIPS) to receive the **maximum score in the MIPS CPIA category.**

A **Medical Home Model** is an APM that has the following features:

- ✓ Participants include **primary care practices** or multispecialty practices that include primary care physicians and practitioners and offer primary care services.
- ✓ **Empanelment of each patient** to a primary clinician; and
- ✓ **At least four** of the following:
  - ✦ 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, fee-for-service payments.

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**PROPOSED RULE**  
**Advanced APM Criterion 1:**  
**Requires use of CEHRT**



**Example:** An Advanced APM has a provision in its participation agreement that at least 50% of an APM Entity's eligible clinicians must use CEHRT.



- ✓ An Advanced APM must **require at least 50% of the eligible clinicians in each APM Entity to use CEHRT** to document and communicate clinical care. The threshold will **increase to 75%** after the first year.
- ✓ For the **Shared Savings Program only**, the APM may apply a **penalty or reward** to APM entities based on the degree of CEHRT use among its eligible clinicians.

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**PROPOSED RULE**  
**Advanced APM Criterion 2:**  
**Requires MIPS-Comparable Quality Measures**



- ✓ An Advanced APM must **base payment on quality measures** comparable to those under the proposed annual list of MIPS quality performance measures.
- ✓ **No minimum** number of measures or domain requirements, **except** that an Advanced APM must have at least one **outcome measure** unless there is not an appropriate outcome measure available under MIPS.

- ✓ **Comparable** means any actual MIPS measures or other measures that are **evidence-based, reliable, and valid**. For example:
  - Quality measures that are endorsed by a consensus-based entity; or
  - Quality measures submitted in response to the MIPS Call for Quality Measures; or
  - **Any other quality measures that CMS determines to have an evidence-based focus to be reliable and valid.**

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**PROPOSED RULE**  
**Advanced APM Criterion 3:**  
**Requires APM Entities to Bear More than Nominal Financial Risk**



An Advanced APM must meet **two standards**:

<p><b>Financial Risk Standard</b></p> <p>APM Entities must bear risk for monetary losses.</p>	&	<p><b>Nominal Amount Standard</b></p> <p>The risk APM Entities bear must be of a certain magnitude.</p>
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- ✓ The Advanced APM financial risk criterion is **completely met** if the APM is a **Medical Home Model** that is **expanded under CMS Innovation Center Authority**
- ✓ Medical Home Models that **have not been expanded** will have **different financial risk and nominal amount standards** than those for other APMs.

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### Proposed Rule Advanced APMs

Based on the proposed criteria, which current APMs will be Advanced APMs in 2017?

- ✓ **Shared Savings Program** (Tracks 2 and 3)
- ✓ **Next Generation ACO Model**
- ✓ **Comprehensive ESRD Care (CEC)** (large dialysis organization arrangement)
- ✓ **Comprehensive Primary Care Plus (CPC+)**
- ✓ **Oncology Care Model (OCM)** (two-sided risk track available in 2018)

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### How do I become a **Qualifying APM Participant (QP)**?


Advanced APM
→

QP

You must have a **certain %** of your patients or payments through an **Advanced APM**.

QPs will:

- Be excluded from MIPS
- Receive a **5% lump sum bonus**

Bonus applies in 2019-2024; then QPs receive higher fee schedule updates starting in 2026

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### PROPOSED RULE APM Incentive Payment

QPs will:

- Be excluded from MIPS
- Receive a **5% lump sum bonus**

Bonus applies in payment years 2019-2024; then QPs receive higher fee schedule updates starting in 2026

- ✓ The "APM Incentive Payment" will be based on the estimated aggregate payments for professional services furnished the year prior to the payment year.
- ✓ E.g., the 2019 APM Incentive Payment will be based on 2018 services.

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**PROPOSED RULE**  
**QP Determination and**  
**APM Incentive Payment Timeline**

<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>QP Performance Period</b>	<b>Incentive Payment Base Period</b>	<b>Payment Year</b>
QP status based on Advanced APM participation here.	Add up payments for a QP's services here.	+ 5% lump sum payment made here. (and excluded from MIPS adjustments)

<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>QP Performance Period</b>	<b>Incentive Payment Base Period</b>	<b>Payment Year</b>

Repeat the cycle each year...

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**Putting it all together:**

The diagram shows a timeline from 2016 to 2026 & on. 
 **Fee Schedule:** Increases by +0.5% each year from 2016 to 2019, remains 'No change' from 2020 to 2025, and increases by +0.25% or 0.75% starting in 2026.
 **MIPS Max Adjustment (+/-):** Values are 4 (2016), 5 (2017), 7 (2018), 9 (2019-2025).
 **QP in Advanced APM:** A +5% bonus (excluded from MIPS) is shown from 2019 to 2025.

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Find additional information about the Quality Payment Program, including fact sheets, upcoming webinars and more at:  
<http://go.cms.gov/QualityPaymentProgram>

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