Macranomics: Advanced Alternative Payment Models

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The third component of MACRA is advanced Alternative Payment Models (APMs). APM participation is ostensibly the ultimate goal of this current generation of "Pay for Performance." Clinicians who take a further step toward care transformation – participating to a sufficient extent in Advanced APMs – would be exempt from MIPS payment adjustments and would qualify for a 5 percent Medicare Part B incentive payment. To qualify for incentive payments, clinicians would have to receive enough of their payments or see enough of their patients through Advanced APMs. The participation requirements are specified in statute and increase over time. If physicians receive 25 percent of Medicare payments or see 20 percent of their Medicare patients through an advanced APM in 2017, then they can earn a 5 percent incentive payment beginning in 2019.

Under the new law, Advanced APMs are the CMS Innovation Center models, Shared Savings Program tracks, or statutorily-required demonstrations where clinicians accept both risk and reward for providing coordinated, high-quality and efficient care. These models also must meet criteria for payment based on quality measurement and for the use of EHRs. The proposed rule lays out specific criteria for determining what would qualify as an Advanced APM. These include criteria designed to ensure that primary care physicians have opportunities to participate in Advanced APMs through medical home models.

Note that Alternative Payment Models are, for lack of a better word, a generic form of any payment method that is not "regular Medicare." Advanced APMs are subsets of these generic APMs and are the only vehicle that qualifies for the 5 percent incentive payments. For example, Accountable Care Organizations (ACOs), which were created by the Medicare Shared Savings Program as established by the Accountable Care Act, are APMs, but not all ACOs are advanced APMs.

As of 2017, the following payment models qualify as advanced APMs:

- Comprehensive ESRD Care (CEC) – Two-Sided Risk (https://innovation.cms.gov/initiatives/comprehensive-esrd-care/)
- Comprehensive Primary Care Plus (CPC+) (https://innovation.cms.gov/initiatives/comprehensive-primary-care-plus)
- Next Generation ACO Model (https://innovation.cms.gov/initiatives/Next-Generation-ACO-Model/)
- Shared Savings Program – Track 2 (https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/index.html)
- Shared Savings Program – Track 3 (https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/index.html)
- Oncology Care Model (OCM) – Two-Sided Risk (https://innovation.cms.gov/initiatives/oncology-care/)
- Comprehensive Care for Joint Replacement (CJR) Payment Model (Track 1 – CEHRT) (https://innovation.cms.gov/initiatives/cjr)
- Vermont Medicare ACO Initiative (as part of the Vermont All-Payer ACO Model) (https://innovation.cms.gov/initiatives/vermont-all-payer-aco-model/)

At this time, the opportunity to participate in APMs is quite limited. The list of future approved advanced APMs is available at the CMS Quality Payment program website: http://qpp.cms.gov/. Hopefully, these opportunities will be expanded in 2018 in order to earn the 5 percent incentive payments available in 2019.

Advanced APMs

To be considered an advanced APM, an APM must meet all three of the following criteria, as required under section 1833(z)(3)(D) of the Medicare Access and CHIP Reauthorization Act:

- The APM must require at least 75 percent of participants to use Certified EHR Technology (CEHRT);

- The APM must provide for payment for covered professional services based on quality measures comparable to those in the quality performance category under MIPS; and
- The APM must either require that participating APM Entities bear risk for monetary losses of more than a nominal amount under the APM, or be a Medical Home Model. The existing pilot Medical Home Models also are listed on the CMS website: https://innovation.cms.gov/Medicare-Demonstrations/Medicare-Medical-Home-Demonstration.html.

'Other' APMs

MACRA also enables "other" payer, i.e., Medicaid and commercial payers, to become "other APMs." To be an "other" advanced APM, a payment arrangement with a payer must meet all three of the following criteria:

- The payment arrangement must require at least 75 percent of participants to use CEHRT;
- The payment arrangement must provide for payment for covered professional services based on quality measures comparable to those in the quality performance category under MIPS; and
- The payment arrangement must require participants to either bear more than nominal financial risk if actual aggregate expenditures exceed expected aggregate expenditures; or be a Medicaid Medical Home Model that meets criteria comparable to Medical Home Models expanded under section 1115A(c) of the Act.

This provision is targeted to be available in 2021, but it is not clear at this time how this will involve Medicare incentive payments to "other" payer models.

Physician-Focused Technical Advisory Committee

Congress also established a physician-led committee to explore new payment reform options. The Physician-Focused Payment Technical Advisory Committee (PTAC) is tasked with identifying future opportunities for APM participation. The law established PTAC to review and assess additional Physician-Focused Payment Models based on proposals submitted by stakeholders to the Committee. The Committee is scheduled to meet on a quarterly basis, and may meet more frequently as it starts to receive payment model proposals. The rule proposes criteria for the Committee to use in making comments and recommendations on proposed Physician-focused Payment Models. The criteria require that proposed Physician-Focused Payment Models further the goals outlined by the law, as well as reduce cost, improve care or both. This mechanism is intended to provide physicians with a unique opportunity for stakeholders to have a key role in the development of new models and to help determine priorities for the physician community. For more information, go to http://aspe.hhs.gov/ptac-physician-focused-payment-model-technical-advisory-committee.

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