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- This information is current as of the date the lecture was written –
MEDICARE PHYSICIAN PAYMENT INNOVATION IN THE AGE OF COVID

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June 24, 2020
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INTRODUCING THE MCDERMOTTPLUS TEAM

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PROGRAM OBJECTIVES

- To provide a review of flexibilities implemented by CMS due to the COVID-19 pandemic for both tracks of the Medicare Quality Payment Program including the Merit-based Incentive Payment System (MIPS) and the Advanced Alternative Payment Models track

- To discuss potential approaches and continued flexibilities CMS may take in 2021 with the Medicare Quality Payment Program

- To provide an overview of CMS flexibilities for existing delivery system reform models

- To understand the future direction of the value movement from the Innovation Center’s perspective
FLEXIBILITIES: RATIONALE

- Medicare payment models and quality programs may require the submission of quality and cost data as well as other participation obligations.
- The agency has indicated that modifications are needed because of the disruptions caused by the pandemic:
  - Participants may not be able to submit data in a timely manner.
  - Utilization rates may be skewed.
  - Social distancing is limiting the public’s use of routine medical care.
  - Costs may be distorted by the diversion of resources used to address COVID-19.
FLEXIBILITIES: ANNOUNCEMENTS

- **3/31/20**: Interim Final Rule w/ Comment (CMS-1744-IFC)
  - Flexibilities announced for Merit-Based Incentive Payment System (MIPS), Medicare Shared Savings Program (MSSP), Medicare Diabetes Prevention Program (MDPP), Comprehensive Care for Joint Replacement (CJR) model and Medicare Advantage
- **6/3/20**: CMS announces modifications to numerous innovation models

### Types of Flexibilities

- Financial methodology changes
- Quality reporting changes
- Model timeline changes
COVID-19 IMPACT ON MIPS
MIPS FLEXIBILITIES: PERFORMANCE YEAR 2019

- Automatic extreme and uncontrollable circumstances policy

| Individual MIPS Clinicians | • Automatically receive a neutral payment adjustment if submitted data for one or fewer performance categories by April 30, 2020 (no application required)  
| | • Receive a positive/negative/neutral payment adjustment if data submitted for two or more performance categories |
| MIPS Groups/Virtual Groups | • Automatic policy does not apply; groups were required to submit an application by April 30, 2020 (voids previously submitted data) |

**IMPLICATIONS FOR 2021 Payment Adjustments**
- MIPS payment adjustments are required by law to be budget neutral
- Budget neutrality means positive adjustments must be balanced by negative adjustments
- Fewer negative adjustments will result in lower than expected positive adjustments
OTHER MIPS FLEXIBILITIES

- **Performance Year 2020**: New COVID-19 Clinical Trials Improvement Activity

- **Performance Year 2021**: Delay implementation of Quality Clinical Data Registry (QCDR) measure testing and data collection policies delayed by one year (from the 2021 performance period to the 2022 performance period)
WILL FUTURE FLEXIBILITIES BE NEEDED?

- **Performance Year 2020**: MIPS clinicians may continue to experience challenges in 2020 and there could be a need for additional flexibilities
  - CMS has indicated that they are continuing to monitor the program and the need for additional flexibilities

- **Performance Year 2021**: CMS is scheduled to begin gradual implementation of the MIPS Value Pathways (MVPs) framework in 2021
  - The CY 2021 Proposed Medicare Physician Fee Schedule (to be released in July 2020), may provide indications if CMS will slow down implementation of MVPs or other elements of MIPS
MEDICARE’S FUTURE VISION FOR MIPS

- CMS intent was always for MIPS to be a transitional program until most practices could participate in alternative payment models (APMs) or other value-based arrangements
  - Many practices continue to participate in MIPS due to limited number of APMs and other factors

- COVID may have slowed down their efforts, but CMS continues to look for ways to encourage practices to participate in APMs and streamline MIPS participation
  - MIPS can be burdensome for physicians to participate in but it is also burdensome for CMS to maintain
MEDICARE’S VISION FOR QUALITY REPORTING

- Quality Roadmap released on May 18, 2020
  - Reflects the Administration’s goals and priorities for quality programs
  - Key implications for physicians
    - Streamline (e.g. reduce the number of measures)
    - Continued focus on public reporting of quality performance
    - Greater coordination and alignment of programs within the government and across payers

**Change in the administration could mean a change in goals and priorities.**
COVID-19 IMPACT ON ALTERNATIVE PAYMENT MODELS
PRE-COVID-19 PRIORITIES FOR HHS

- Opioid Crisis
- Health Insurance Reform
- Value-Based Care
- Drug Pricing
- Health IT
- Transparency
- New Models
- Burden Reduction
ADMINISTRATION’S APPROACH TO VALUE

- Commitment to value-based care continues across administrations, but the approach shifts
  - Emphasis on moving financial risk from federal government to local care delivery systems (providers, plans, others)
  - Move away from fee-for-service payments to capitation
  - Improve beneficiary engagement
  - Reduce provider burden
COVID-19 UNDERSCORES VULNERABILITIES OF FEE-FOR-SERVICE (FFS)

- AOA survey on COVID-19 impact
  - 95% of osteopathic physicians practices experienced decline in practice revenue
  - More than 40% anticipate revenue cut in half or more as a result of COVID-19
COVID-19 UNDERSCORES VULNERABILITIES OF FFS

- Short term relief
  - Provider Relief Fund
  - Small Business Loans
  - Advance Payment Program
  - Telehealth visits

- Longer term relief options
  - Telehealth visits
  - Moving away from FFS
PRIMARY CARES INITIATIVE

PCF Seriously Ill Population
Primary Care First (PCF)
Direct Contracting Global
Direct Contracting Professional
Direct Contracting Geographic
NEW MODELS IN THE PREPAYMENT FAMILY

- Primary Care First
- Direct Contracting
- Kidney Care Choices
PRIMARY CARE MODEL EVOLUTION

Comprehensive Primary Care Initiative

Comprehensive Primary Care Plus

Primary Care First
 PRIMARY CARE FIRST

- An advanced primary care medical home model offered through the CMS Innovation Center
  - Will be offered in 26 regions in 2021

- Multi-payer model - CMS is encouraging MA plans, commercial health insurers, Medicaid managed care plans, and state Medicaid agencies

- Practice applications were due January 22, 2020

- Model begins January 2021 for PCF component; April 2021 for SIP component
PRIMARY CARE FIRST

- Combines professional population-based payment, a flat primary care visit fee, and a performance based adjustment with the goal of transitioning practices away from fee-for-service

- Opportunity to increase revenue by up to 50% of their Total Primary Care Payment based on certain performance metrics
PCF: SERIOUSLY ILL POPULATION TRACK

- Designed to serve as a time-limited intervention (practices encouraged to maintain 8 month average length of attribution)
- Provides increased financial resources to stabilize patients with a serious illness and fragmented care
- Initial alignment is done by service area geography; attribution once face-to-face visit occurs
MEDICARE ACO EVOLUTION

- MSSP
- Pioneer ACO
- Next Gen ACO
- Direct Contracting

Fee-for-Service/Shared Savings  FFS+prepayment options  Capitation
ACO MOVEMENT CONTINUES TO EVOLVE

- The Administration has put an emphasis on two-sided risk arrangements

- Create incentives to move to downside – greater potential financial reward; additional regulatory flexibilities

- Create new models that encourage blend of fee-for-service and pre-payment – changing cash flow
DIRECT CONTRACTING

- Currently requires some amount of capitation to participate (primary care cap or total care cap)
- Greater levels of financial risk/reward
- Enhanced voluntary alignment
- Additional waivers
COVID-19 UPDATES TO ACO MODELS

- Reduced downside exposure for two-sided risk model participants (but, tied to public health emergency, creates some exposure)

- Adjusting payment models to account for COVID-19 impact

- Allow ACOs to continue in existing agreements for one year

- Some flexibility on quality performance scores
COVID-19 AND DELIVERY MODELS

- What further modifications are needed?

- How does COVID-19 speed or slow the movement to alternative payment models?

- How do Congress and the Administration continue to incent the move to value-based care?
https://www.physiciansupportline.com/
AOA Resources

www.osteopathic.org/covid-19
On-demand Covid -19 Webinars

- How to Rebuild Your Practice Now and After COVID-19
- Physician Contract Issues in Light of COVID-19
- Navigating HIPAA and Telemedicine during COVID-19
- Get Paid for Telehealth; New Rules for Documentation and Technology
- Billing and Coding Under New Telehealth Rules

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Upcoming Webinars

Advance Well-Being During and After a Pandemic
July 28 7:00 PM CT

Reopening your Medical Practice
JULY ? 7:00 PM CT

Protect Patients & Staff From COVID-19 Stress-Induced Violence
TBD 7:00 PM CT

Cybersecurity & HIPAA Security Operating during the COVID-19 Crisis
TBD 7:00 PM CT

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Questions & Answers

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