



Medicare Advantage and the Quality Payment Program

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Presentation Objectives

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- Review of the Quality Payment Program
- Incentives for participation in Alternative Payment Models
- Medicare Advantage Qualifying Arrangement Incentive Demonstration (MAQI)
 - Introduction to MAQI
 - Demo parameters
 - Application process



Context of QPP and MAQI: Medicare Payment Prior to MACRA

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- **Fee-for-service (FFS)** payment system, where clinicians are paid based on **volume** of services, not **value**.
- **The Sustainable Growth Rate (SGR)**
 - Established in 1997 to **control the cost of Medicare payments** to physicians





The Quality Payment Program

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- Reforms Medicare Part B payments for more than 600,000 clinicians
- Improves care across the entire health care delivery system



The Quality Payment Program (cont.)

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Clinicians have two tracks to choose from:



**The Merit-based Incentive
Payment System (MIPS)**

*If you decide to participate in traditional
Medicare, you may earn a performance-
based payment adjustment through MIPS.*

OR



**Advanced Alternative Payment
Models (APMs)**

*If you decide to take part in an Advanced APM,
you may earn a Medicare incentive payment for
participating in an innovative payment model.*



Who is Excluded from MIPS?

Clinicians who are:



Newly enrolled in Medicare

- Enrolled in Medicare for the first time during the performance period (exempt until following performance year)



Below the low-volume threshold

- Medicare Part B allowed charges less than or equal to \$30,000 a year OR
- See 100 or fewer Medicare Part B patients a year



Significantly participating in Advanced APMs

- Receive 25% of your Medicare payments OR
- See 20% of your Medicare patients through an Advanced APM



What is an Alternative Payment Model (APM)?

Alternative Payment Models (APMs) are new approaches to paying for medical care through Medicare that incentivize quality and value. The CMS Innovation Center develops new payment and service delivery models. Additionally, Congress has defined—both through the Affordable Care Act and other legislation—a number of demonstrations that CMS conducts.



What is an Alternative Payment Model (APM)? (cont.)

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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



Advanced APMs Must Meet Certain Criteria

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To be an Advanced APM, the following three requirements must be met.

The APM:

1

Requires participants to use **certified EHR technology**;

2

Provides payment for covered professional services based on **quality measures** comparable to those used in the MIPS quality performance category; and

3

Either: (1) is a **Medical Home Model expanded** under CMS Innovation Center authority OR (2) requires **participants to bear a more than nominal amount of financial risk.**



What are the Benefits of Participating in an Advanced APM as a Qualifying APM Participant (QP)?

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QPs:

Are excluded from MIPS

Receive a 5% lump sum bonus

Receive a higher Physician Fee Schedule update starting in 2026



What is an Other Payer Advanced APM?

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Other Payer Advanced APMs are non-Medicare payment arrangements that meet criteria that are similar to Advanced APMs under Medicare. Beginning in 2019, participation in Other Payer Advanced APMs may be combined with Medicare Advanced APM participation to achieve QP or Partial QP status.



What is an Other Payer Advanced APM? (cont.)

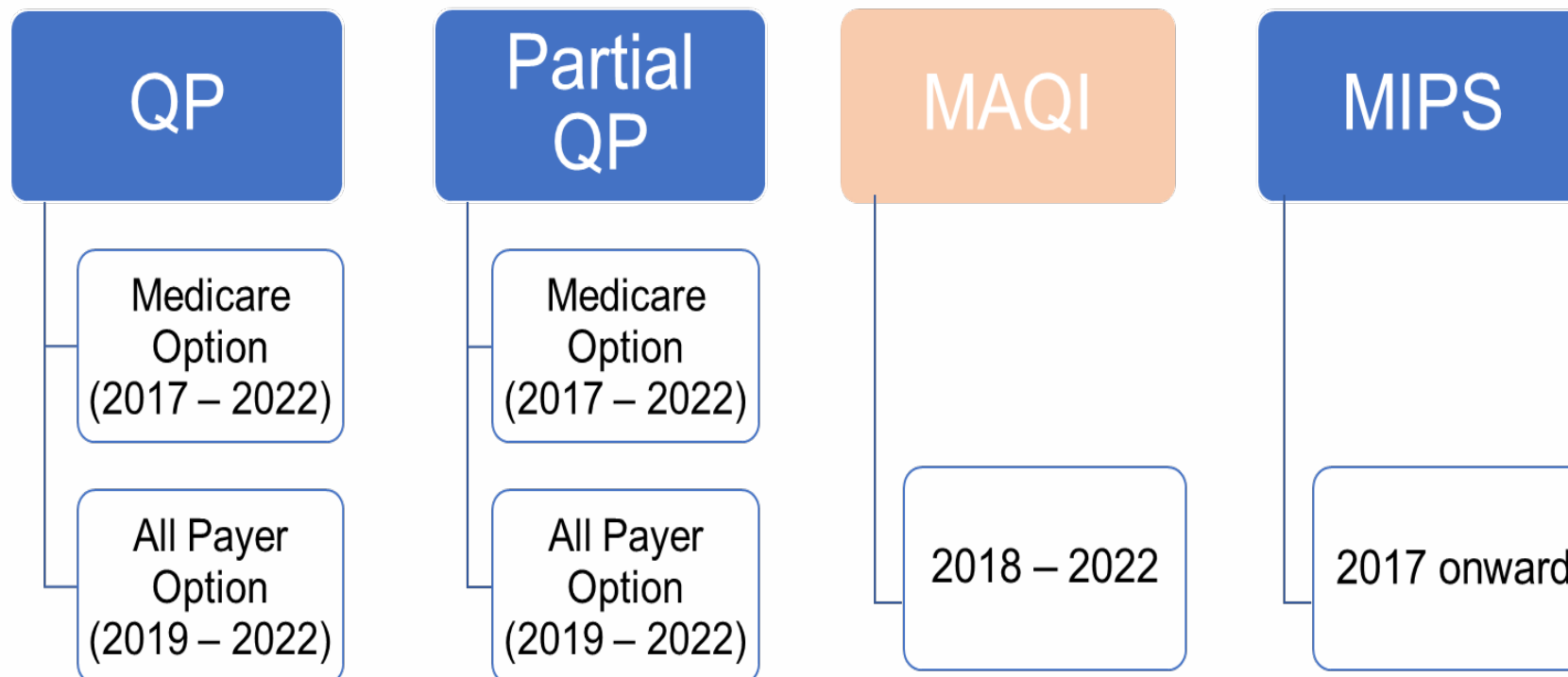
Payer types that may have payment arrangements that qualify as **Other Payer Advanced APMs** include:

- ✓ Title XIX (Medicaid)
- ✓ Medicare Health Plans (including Medicare Advantage)
- ✓ Payment arrangements aligned with CMS Multi-Payer Models
- ✓ Other commercial and private payers



QPP is Changing How CMS Makes Part B Payments

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MAQI Demonstration Introduction

- The Medicare Advantage Qualifying Payment Arrangement Incentive (MAQI) Demonstration:
 - Is included in the 2019 Physician Fee Schedule proposed rule and is under development until the rule is finalized
 - Emphasizes clinician participation in Advanced APM-like payment arrangements with Medicare Advantage Organizations (MAOs)
 - Is proposed as a 5-year project, with the first performance year starting in 2018



Why Test MAQI?

- Designed to test whether exempting eligible clinicians, who participate to a sufficient degree in certain payment arrangements with MAOs, from the MIPS reporting requirements and payment adjustment, *will increase or maintain participation in Advanced APM-like payment arrangements with MAOs and change the manner in which clinicians deliver care.*



Why Test MAQI? (cont.)

- MAOs may have (or are considering) innovative payment arrangements that resemble Advanced APMs. However, without this demonstration, physicians may still be subject to MIPS, even if they participate extensively in Advanced APM-like arrangements in Medicare Advantage.
- The authority to conduct this demonstration is Section 402 of the Social Security Amendments of 1967 (42 U.S.C. 1395b-1(a)(1)(J)).



Demo Eligibility and Waivers

- Clinicians who meet the definition of a MIPS eligible clinician under the QPP, as defined under 42 CFR § 414.1305, will be eligible to participate in the MAQI Demonstration.
- Participation in the demonstration affords the opportunity to apply for waivers from the MIPS [reporting requirements](#) and [payment adjustments](#).
- *The demonstration will not grant Qualifying APM Participant (or QP) status; and therefore, participants will not be eligible for the 5% incentive payment.*



Demo Eligibility and Waivers (cont.)

- CMS will review the following information from demonstration participants to determine whether these waivers are provided for the given year, starting in 2018:
 - Qualifying payment arrangements with MAOs (i.e., is the clinician's contract similar to an APM-like arrangement)
 - Minimum degree (threshold) of participation in qualified MAO arrangements, including any participation in Medicare FFS APMs (i.e., is the proportion of the clinician's patients/business tied to APM-like arrangements significant enough)



Qualifying Payment Arrangements

Summary of Core Requirements:

- Use of certified electronic health record technology (CEHRT);
- Payments for covered professional services based on quality measures comparable to those used in MIPS;
- More than nominal financial risk is at stake, if actual aggregate expenditures exceed expected aggregate expenditures, between the MAO and clinician.

Information From MAOs and Clinicians:

- Name of the payer and payment arrangement
- Description of how the payment arrangement meets the requirements outlined above
- Payment arrangement documentation (e.g., contracts)



Qualifying Payment Arrangements (cont.)

- Requirements, including minimum required financial risk, are the same as the Other Payer Advanced APM criteria for Medicare plans under QPP for the applicable year, as set forth in 42 CFR § 414.1420.



MAQI in the Context of QPP

Adjustments to Fee For Service Payments

QP:
5% Incentive

Partial QP:
Choice of
Whether to
Participate in
MIPS

MIPS:
Positive,
Negative, or
Neutral FFS
Payment
Adjustment

MAQI:
MIPS
Exemption =
No Payment
Adjustment

Role for MAOs

- Let your clinicians know about this opportunity.
- Assist eligible clinicians in providing QPA and threshold information.
- Consider innovative changes and/or new arrangements with clinicians.

Clinicians That Are Interested ...

Apply to the Demonstration

- 8/6/18 – 9/6/18

Qualify for Waivers

- Submit QPA and threshold information *tentatively* in late Fall/Winter 2018

CMS Notification to Clinicians of Waiver Status

- December 2018/January 2019 (estimated)



Questions?

- For more information on the MAQI Demonstration, visit <https://innovation.cms.gov/initiatives/maqi/>
- For more information on the Quality Payment Program, visit <https://qpp.cms.gov/>