



## **All Payer Policy & Medicare Advantage Qualifying Payment Arrangement Incentive (MAQI)**

### **All Payer Policy**

*Richard Jensen, CMMI*

### **MAQI**

*Sharon Anders, CMMI*

Stacey Plizga: We have kicking things off for us this morning an overview of both the Quality Payment Program, QPP, All Payer Combination Option, and the Medicare Advantage Qualifying Payment Arrangement Initiative, which is MAQI, demonstration. From the Center for Medicare and Medicaid Innovation, please help me welcome Richard Jensen and Sharon Andres.

Richard Jensen: Good morning. So, this morning, Sharon and I are going to cover three topics for you. First of all, we're going to do a review of the Quality Payment Program. I'm sure most of you are familiar to a certain degree with that, but we're going to set that up here. Secondly, we're going to talk about the All Payer option. And then Sharon is going to fill you in about the Medicare Advantage Quality Payment Arrangement Incentive demonstration, MAQI.

Just to give you context about talking about the Quality Payment Program, prior to it being enacted by MACRA, fee-for-service payment system was based on volume, not value. And in particular the sustainable growth rate program had been in place since 1997, which was primarily a way of controlling costs of Medicare payments. And, as you know, that

## **All Payer Policy & Medicare Advantage Qualifying Payment Arrangement Incentive (MAQI)**

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had a number of issues with it and was finally re – repealed in 2015 and replaced via the MACA – MACRA legislation.

And MACRA established the program which we've branded the Quality Payment Program, and it's both reforming the Medicare Part B payments for the 600,000 clinicians that participate and improves care across the entire healthcare delivery system.

Now, within the Quality Payment Program, clinicians have two tracks they can choose from. The first is the Merit-based Incentive Payment System, or MIPS as it's commonly known. And that's where clinicians are participating in traditional Medicare but can earn a performance-based payment adjustment through that system.

The second choice they have is to participate in the Advanced Alternative Payment models, and this is where they can earn Medicare incentive payments for participating in what we view as innovative payment models.

So, let me define some of these terms for you. What's an alternative payment model? Well, it's a term that's commonly used in the industry as new approaches to paying for medical care through Medicare which incentivizes quality and value. And specifically, MACRA identified exactly what models and demonstrations would be considered APMs. And they include CMS innovative center models that are rolled out under authority of 1115A, and this includes such models as Next Gen and CPC+ that you're familiar with.

It also covers the Medicare Shared Savings Program. And in addition, the demonstrations under the Healthcare Quality Demonstration programs and other demonstrations that are established by federal law.

## **All Payer Policy & Medicare Advantage Qualifying Payment Arrangement Incentive (MAQI)**

### **All Payer Policy**

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### **MAQI**

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So that's the universe of APMs.

So, what is, exactly, an Advanced APM, and how does a payment arrangement meet the criteria for that or a model? Well, an Advanced APM is a subset of APMs, and specifically an Advanced APM is an APM that meets three criteria that were established in MACRA. First, it requires participants to use certified EHR technology. Secondly, it ties payments to quality measures that are comparable to those used by the MIPS Quality Performance categories. And third, and this is an either/or criteria, either the – the model is a Medical Home model expanded under CMS innovation authority, or it's a model – the APM requires participants to bear a more-than nominal amount of financial risk.

Now, the reality is we have not, at CMS, expanded a medical-home model to date, so the first part of that is not in effect and the second part is. So we refer to the financial risk criteria as requiring that more than a nominal amount of financial risk is involved for the clinicians, and specifically this means down-side risk.

So – so that are the benefits to clinicians and APM entities to participating in the Advanced APMs and how do they qualify – how do they become a Qualifying APM Participant, or what's known as a QP? What are the benefits to being a QP?

First of all, it excludes you from MIPS. It means you don't have to do all the reporting requirements that are associated with MIPS.

As a QP you do receive a five percent lump-sum bonus.

## **All Payer Policy & Medicare Advantage Qualifying Payment Arrangement Incentive (MAQI)**

### **All Payer Policy**

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And, in addition, in later years you'll receive a higher physician fee rate schedule. In other words, the trajectory of your fee rate schedule will be higher beginning in 2026.

Now when I – I say QP status, what does that mean exactly? Well, the statute establishes an – specific threshold participation rates. And they're defined in terms of either payment or patient requirements here. This is the percent of – let me take payments as an example first. The percentage of payments through an Advanced APM that either the individual clinician or entity is participating within, that level has to be 25% - had to be 25% in 2017 and 2018, during those performance periods. It jumped up to 50% during our current 2019 performance periods. And it will go up again in 2021 to 75%.

Okay, so that's the background on the QPP program, and now I want to talk about the All Payer Combination option.

So, MACRA actually provided two pathways to becoming a QP under the alternative – Advanced Alternative Payment model. First was the Medicare option which I've just described to you and has been in place for the first two years of the program, where clinicians participate and achieve QP status exclusively through Medicare Advanced APMs.

The second, the All Payer Combination option, begins this Quality Performance year. And under the All Payer Combination option, eligible clinicians can achieve QP status through a combination of participating in Advanced APMs with Medicare and what we call Other Payer Advanced APMs offered by other payers or non-Medicaid – I'm sorry, non-Medicare payers.

## **All Payer Policy & Medicare Advantage Qualifying Payment Arrangement Incentive (MAQI)**

### **All Payer Policy**

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### **MAQI**

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So when I say an Other Payer Advanced APM, what am I speaking to? Well, these are – are non-Medicare payment arrangements out in the marketplace that meet criteria that are similar to, although not identical to, Advanced APMs. And specifically the types – payer types we're talking about here that we've identified include Medicaid, in other words, state Medicaid agency payment arrangement through fee-for-service, or MCO – Medicaid MCO payment arrangements under the auspices of the state. They, too, may be Other Payer Advanced APMs.

We also include Medicare health plans, which includes Medicare Advantage, as you know. And so your payment arrangements could potentially be Other Payer Advanced APMs.

In addition, we include payment arrangements that are aligned through CMS multi-payer models.

And finally, it is open to other commercial and private payers who potentially have payment arrangements that would meet these criteria.

So, as I said, the criteria for Other Payer Advanced APMs that a payment arrangement might qualify are the same – very similar but not identical to the ones I just went through for Advanced APMs. First, it requires at least 50% of eligible clinicians to use certified EHR technology. That number is going to go up next year, but in the current year that's 50%.

The second criterion is that the payment – base payments – base payments on quality measures that are comparable to MIPS.

And third, that it's either a Medicaid medical home model that meets the criteria of comparable medical home models that have been expanded or that participants bear more than nominal risk – nominal amount of

## **All Payer Policy & Medicare Advantage Qualifying Payment Arrangement Incentive (MAQI)**

### **All Payer Policy**

*Richard Jensen, CMMI*

### **MAQI**

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financial risk if actual aggregate expenditures exceed expected aggregate expenditures.

And, again, the first part of the third criterion is not in – in place now because we have not expanded a medical home model. So, again, there has to be down-side risk present for these models.

Okay. I went through a minute ago the threshold levels for the Medicare option. These are the threshold levels at which you can qualify – a clinician can qualify as a QP through the All Payer Combination option. And there's really two thresholds that have to be met.

First of all, I'm talking about Other Payers, non-Medicare payers, in terms of these payment arrangements. But it's always true that participation in Medicare Advanced APM is a necessary condition in order to become a QP. So, let's look at 2019. You can see there that at a minimum a clinician must have 25% participation in a Medicare Advanced APM in terms of their overall Medicare participation.

In addition to that, then, if they have not met the 50% criterion under the Medicare option, they can do so under the All Payer option, but that – that 50% threshold still holds. In other words, their overall participation among the different Advanced APMs and other APMs must meet 50%.

And you can see that the total threshold, as it did with the Medicare option, goes up to 75% in 2021. The minimal amount of participation in Medicare Advanced APMs holds at 25%, so there – there as to be participation, and, as I said, I'm repeating myself here again, but there has to be some participation in Medicare Advanced APMs in each year even if you are using the All Payer Combination option. But, All Payer means all payers.

## **All Payer Policy & Medicare Advantage Qualifying Payment Arrangement Incentive (MAQI)**

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So, one of the challenges in implementing this part of the program is that obviously in CMS we have all the information about Medicare payment arrangements, because we are Medicare. But this part of the program requires us to get information about models and payment arrangements out in the broader marketplace. From other payers. So we do this in two ways. We've set up a process by which first of all we asked payers to submit payment arrangements that they may – they believe are Other Payer Advanced APMs. This is a voluntary process. We do this prior to a particular QP performance period. For example, we first implemented this last year, and we asked payers to send in payment arrangements that they believe would meet our criteria for the 2019 QP performance period, the one we're in. And we, again, are doing it this year for 2020 payment arrangements.

The idea is that we will receive information from payers ahead of time, make determinations about whether or not these payment arrangements meet our criteria, and then we post to our websites all of the – all of the Other Payer Advanced APMs that have been identified. And, in fact, we do have a list of such payment arrangements posted for the QP period 2019 because they were submitted last year by payers.

Now, as I mentioned, we – we have no mandate on payers or anything. This is a voluntary process for the payer submission. And, therefore, we have to make available to eligible clinicians a process by which they can submit payment arrangements as well where they feel that they are in a payment they believe meets our criteria for Other Payment Advanced APM, but for one reason or another their payer did not submit it ahead of time.

Now this process with eligible clinicians is retrospective. In other words, it's towards the end of the QP performance period. So, for example, at the end of this year, clinicians will be allowed to have the ability to submit

## **All Payer Policy & Medicare Advantage Qualifying Payment Arrangement Incentive (MAQI)**

### **All Payer Policy**

*Richard Jensen, CMMI*

### **MAQI**

*Sharon Anders, CMMI*

payment arrangements that they participated in during this year and that they believe are – meet our criteria for Other Payer Advanced APMs, and so they might be counted when they are – we’re doing calculations on the QP performance participation.

And that process, submitting from clinicians, is basically the same across all payer types.

So, I just described a lot of detail. I wanted to give you an example that impacts you folks directly for this current year. I mentioned that we are in the midst of receiving payment arrangement submissions for – from a variety of payers to see if they can be determined to be Other Payer Advanced APMs. We are doing that now with Medicare health plans, or Medicare Advantage plans being a subset of that.

And, as you may know, the way – the process we do this – the way we do this is we have established a module within the HPMS system. It’s called the Quality Payment Program module. And if you, as a plan, think you have payment arrangements that meet our criteria, when you’re putting in your overall bid, you can fill out that module and give us the details about your specific payment arrangement, and provide some documentation, and that will be submitted the same time you’re submitting your bids the first week in June. The scheduled for us is that we will take all of your submissions, and we will make a determination as to whether or not they, in fact, meet our criteria. And as I mentioned before, we will then post those payment arrangements from around the country that we think, in fact, are Other Payer Advanced APMs. So we’ll do that in September so that next year – prior to next year, 2020, clinicians around the country are aware of the fact of the Other Payer Advanced APMs that they may want to participate in.



## **All Payer Policy & Medicare Advantage Qualifying Payment Arrangement Incentive (MAQI)**

### **All Payer Policy**

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### **MAQI**

*Sharon Anders, CMMI*

So that's what we're doing the first part of this year. As I mentioned, at the – on a retrospective basis, beginning in August this year, we're going to allow clinicians to submit payment arrangements that they were in during 2019 that they believe are Other Payer Advanced APMs but they don't see on our list that we had already published for 2019. In other words, if they think that they are either in a Medicare Advantage payment arrangement, or Medicaid payment arrangement, etc., that they think meet our criteria for Other Payer Advanced APM, they'll be given the opportunity to submit details of that to us along with some documentation, and we'll make a determination.

What happens then is we quickly make those assessments. The clinicians are, in fact, also submitting data for participation among these different payers if they've decided to go through the All Payer Combination Option, and we'll make a determination late this year or early next year. In fact, they may have become QPs through the All Payer Combination Option.

I know that's a lot to digest. We'll be answering some questions here, and there's a lot at our website. But All Payer Combination Option, the staggering of the years, and the submission, I often equate it with patting our heads and rubbing stomach at the same time. But this was to give you a slice of it and what it meant for Medicare Advantage specifically.

So I'm now going to hand it over to Sharon to talk about MAQI.

Sharon Anders: Thank you, Richard, and good morning everyone.

So, now I'm going to give you a brief overview of the Medicare Advantage Qualifying Payment Arrangement Incentive Demonstration, also known as MAQI. It was first announced in the 2019 Physician Fee Schedule roll. It

## **All Payer Policy & Medicare Advantage Qualifying Payment Arrangement Incentive (MAQI)**

### **All Payer Policy**

*Richard Jensen, CMMI*

### **MAQI**

*Sharon Anders, CMMI*

emphasizes clinician participation in Advanced APM-like payment arrangements with Medicare Advantage organizations. We use the Other Payer Advanced APM criteria that includes at least 50% of eligible clinicians must use a certified electronic health record. Quality measures must be comparable to the MIPS. And it does require entities to bear more than nominal amounts of financial risk.

The Demonstration allows participating eligible clinicians the opportunity to receive the MIPS exclusion from all MIPS requirements and payment adjustments. The MAQI Demonstration is proposed as a five-year project, and the first performance year started in 2018.

So now I'm going to show you how this slide fits in with the Quality Payment Program. And as Richard mentioned in one of his slides, there are two tracks of QPP, the Quality Payment Program, which are the Merit-based Incentive Payment System, MIPS, or Advanced Alternative Payment Models. And you can achieve QP status and partial QP status through the Advanced Alternative Payment Model track. And under this track, QP status and partial QP status can be attained through the Medicare option or the All Payer Combination option.

So those who have this QP status will receive a five percent bonus. And if you have QP status, you're not subject to MIPS reporting requirements or payment adjustments.

If you attain partial QP status, you have the choice of deciding whether to participate in MIPS or not participating in MIPS. If you choose not to participate in MIPS, they are not required to – to – to send in any MIPS data submissions and will not receive a MIPS payment adjustment. The third box are those who participate in MIPS. They can receive a positive, negative, or neutral payment adjustment.

## **All Payer Policy & Medicare Advantage Qualifying Payment Arrangement Incentive (MAQI)**

### **All Payer Policy**

*Richard Jensen, CMMI*

### **MAQI**

*Sharon Anders, CMMI*

And those who participate in MAQI, and if they do get the MAQI exclusion, they are excluded from all MIPS reporting, but there is no five percent incentive associated with the MAQI Demonstration.

So how can you apply to the MAQI Demonstration? So, the MAQI portal will open August the first, and it will close on October second. Applicants will be required to submit their payment and patient threshold participation and their payment arrangement information. We, as I mentioned before, we use the same qualifying payment arrangement criteria that is used for Other Payer Advanced APMs under the Quality Payment Program.

And then we – and then after we receive that, CMS will review that information and determine if the applicant qualifies for the MIPS exclusion. Applicants will be notified sometime in December or January whether they have that MIPS exclusion.

So how can you help your clinicians? So, let them know about this opportunity. Again, the portal opens on August first. As Richard mentioned, you can also check the list of approved payment arrangements for 2019. And this information can be found on the QPP site.

Also as Richard mentioned, Medicare Advantage plans can submit their payment arrangements through the HPMS QPP module. And then you can also work with your eligible clinicians and your group clinicians, your clinician groups, in helping them apply to this MAQI Demonstration.

So, CMS for 2019 is proposing a few enhancements to our Demonstration. The first one is TIN-level participation. In 2018, it was the

## **All Payer Policy & Medicare Advantage Qualifying Payment Arrangement Incentive (MAQI)**

### **All Payer Policy**

*Richard Jensen, CMMI*

### **MAQI**

*Sharon Anders, CMMI*

individual eligible clinician that submitted. This – in 2019, we will also allow a TIN-level participation.

There is going to be some enhancements to the application process, which is going to make that application process a lot easier for the applicants to use.

And then there's also going to be improved educational materials that will be available on our MAQI website. And that educational material will help you walk through different options, the QPP, the two different tracks of QPP, and MAQI. And then it will help – be a lot easier for you to determine which option is best for you.

So, for more information about these two programs, you can go to our website. And we thank you.

Kaye Rabel

Thank you, Richard and Sharon, for providing an overview on QPP and MAQI.

[applause]

Okay. It is now time for our first session evaluation. Please take out your phones if you will text your response or go the Poll EV link on your smartphone, tablet or computer. If you would like to evaluate this session and you are participating by cell phone, enter A in response to the question, I would like to evaluate the session, and go ahead and send your response. You will receive a link via text. Select the link, and you will be taken to the Poll Everywhere site. Choose Start, and you will be presented with the evaluation questions one at a time. Select your answer, and then click Next to advance to each question. Submit your responses by choosing Finish.

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