**MACRA, MIPS and APMs:  
Exploring the new   
Quality Payment Program  
 *PowerPoint***

***Converted to Word Doc***

**QUALITY PAYMENT PROGRAM Alternative Payment Models VIDEO**

**Slide 1**

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**The other fork in the path to Quality Payments**

**SCRIPT**

In this video we’ll explore Alternative Payment Models, the other path of participation of the Quality Payment Program.

**Slide 2**

**Alternative Payment Models (APMs)**

What are they?

* An Alternative Payment Model (APM) is a payment approach, developed in partnership with the clinician community, that provides added incentives to clinicians to provide high-quality and cost-efficient care. APMs can apply to a specific clinical condition, a care episode, or a population.
* According to MACRA, APMs in general include:
  + Medicare Shared Savings Program (MSSP) ACOs
  + Demonstrations under the Health Care Quality Demonstration Program
  + CMS Innovation Center Models
  + Demonstrations required by Federal Law
* MACRA does not change how any particular APM pays for medical care and rewards value
* APM participants may receive favorable scoring under certain MIPS performance categories
* APMs meeting CMS criteria are “Advanced” APMs

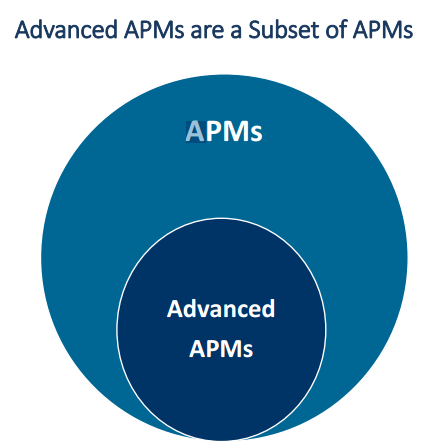
**SCRIPT**

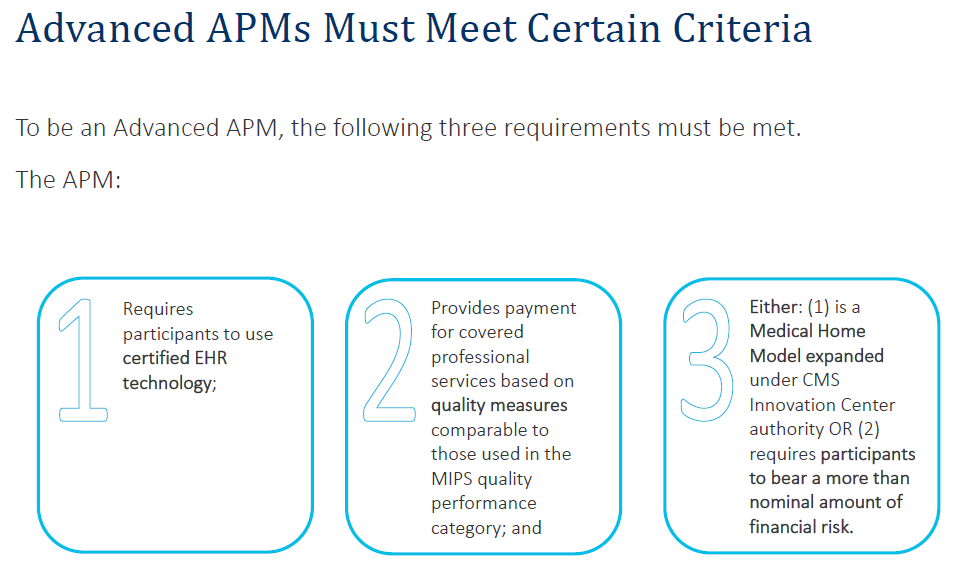
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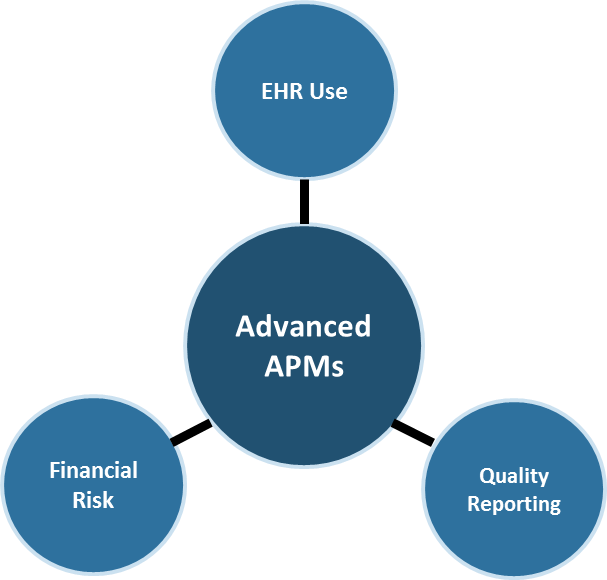
MACRA does not change how any particular APM pays for medical care and rewards value, instead it adds additional incentives to those meeting specific program requirements. Other APM participants may receive favorable scoring under certain MIPS performance categories, when applicable. Some APMs that meet certain criteria are deemed “Advanced” APMs by CMS.

**Slide 3**

**Alternative Payment Models**





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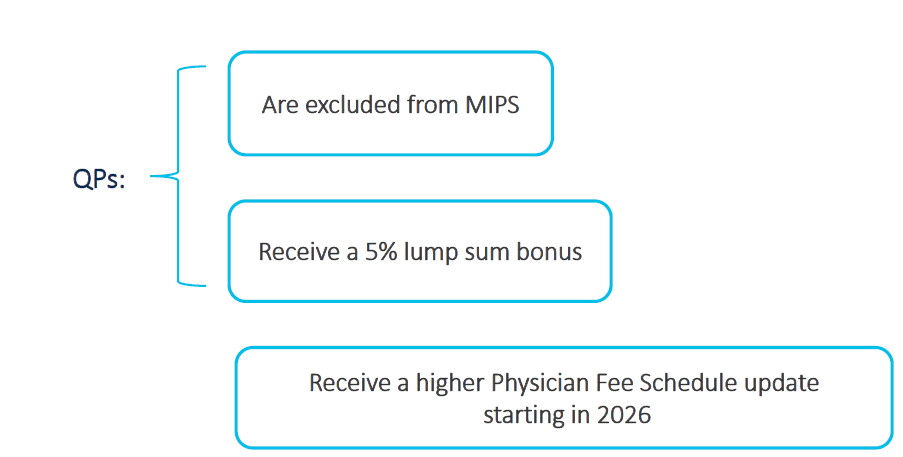
**SCRIPT**

Advanced APMs are a subset of APMs. To be an advanced APM, the following three requirements must be met. At least 50% of the APMs participants must be utilizing Certified EHR Technology. The APM must provide payment for covered professional services based on quality measures comparable to those used in the MIPS quality performance category, and the APM must either be a Medical Home that has been expanded under CMS Innovation Center authority or it must require participants to bear a more than nominal amount of financial risk for the quality and value of care delivered. Advanced APM options include Medicare Shared Savings Program Track 2 and 3 ACOs, Next Generation ACOs and Comprehensive Primary Care Plus. Advanced APM options will continue to expand and a complete, up-to-date listing of available options can be found at CMS’ Quality Payment Program website, QPP.CMS.GOV.

**Slide 4**

**Incentives for Advanced APM Participation**

* **Model design**
  + **APMs have shared savings, flexible payment bundles and other desirable features**
* **Bonuses**
  + **In 2019-2024, 5% lump sum bonus payments made to ECs significantly participating in Advanced APMs**
* **Higher reimbursement updates**
  + **Annual baseline payment updates will be higher (0.75%) for Advanced APM participants than for MIPS participants (0.25%) starting in 2026**
* **MIPS exemption**
  + **Advanced APM participants do not have to participate in MIPS (models include their own EHR use and quality reporting requirements)**

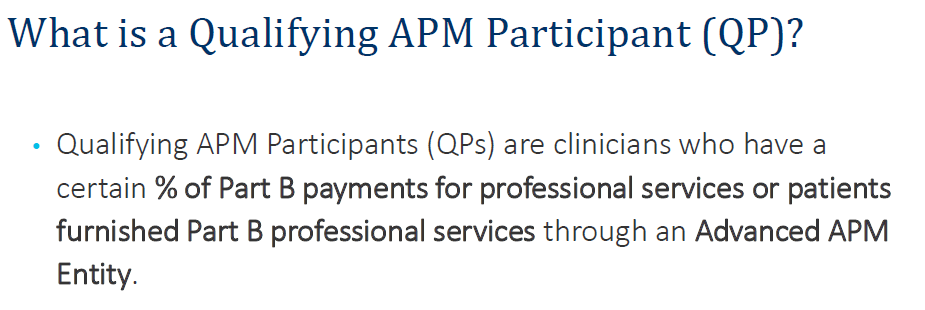


**SCRIPT**

There are incentives and benefits for providers participating in Advanced APMs. These Alternative Payment Models each have their own defined payment structure with shared savings, flexible payment bundles and other desirable features. Remember, the Quality Payment Program does not change the APMs base payment structure, it adds to it. Between 2019 and 2024, this addition comes in the form of a 5% lump sum bonus made to eligible clinicians significantly participating in Advanced APMs. I’ll discuss what significant participation means in a moment. Additional benefits for Advanced APMs include receiving a higher Medicare Part B Physician Fee Schedule update starting in 2026, .75% vs .25% for those not significantly participating in Advanced APMs. Finally, because Advanced APM models include their own EHR use and quality reporting requirements, participants are exempt from MIPS program reporting.

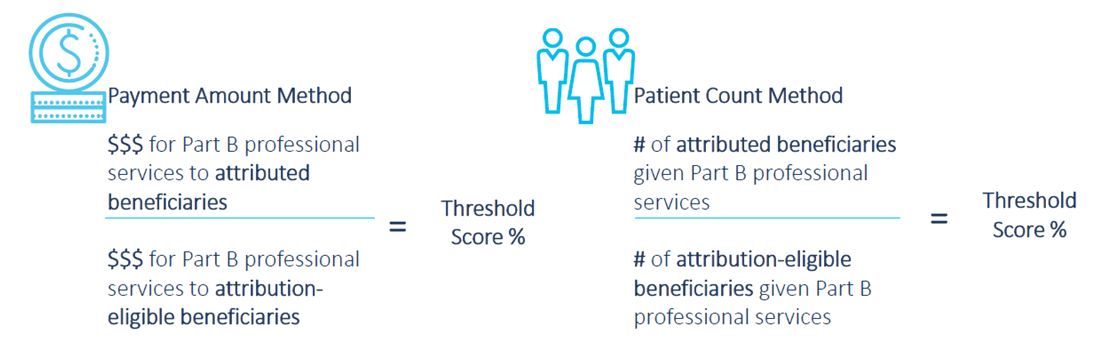
**Slide 5**

**Volume Thresholds for Advanced APMs**



**SCRIPT**

It’s not enough to be a member of an Advanced APM. Each group of Advanced APM participants must also meet the criteria to become Qualifying APM Participants or QPs. QPs are clinicians who have a certain % of Part B payments for professional services or patients furnished Part B professional services through an Advanced APM Entity.

**SLIDE 6**

**SCRIPT**

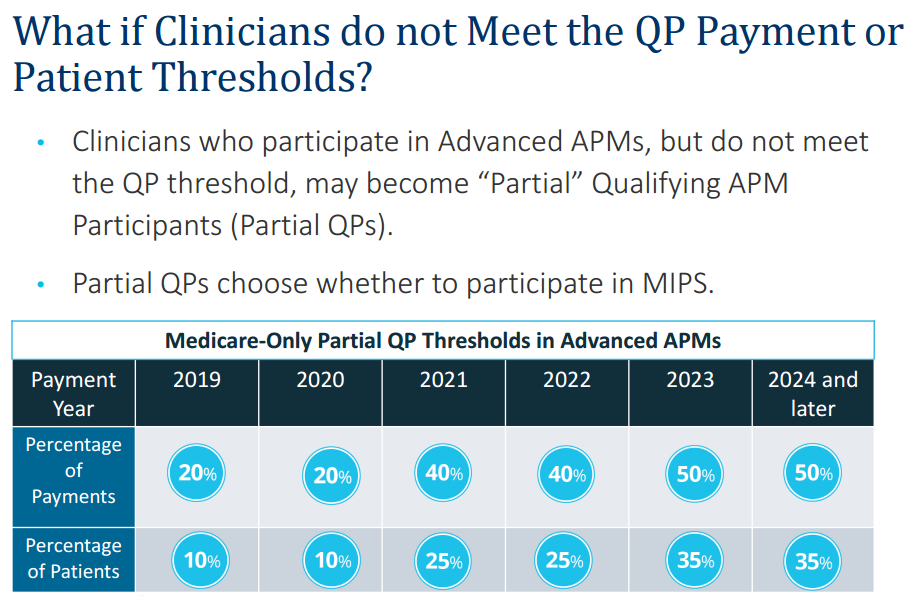
There are 2 ways to calculate Qualified Participant status, using Payment amounts or using Patient amounts. When using the Payment Amount Method, the dollar amount of Part B professional services delivered to attributed APM beneficiaries is divided by the total dollar amount of Part B professional services delivered to attribution-eligible beneficiaries. In the Patient Count Method, the number of APM attributed beneficiaries provided Part B professional services is divided by the total number of attribution-eligible beneficiaries given Part B professional services. CMS will calculate percentages using both methods and will utilize the method which is most favorable to the Advanced APM Entity.

**SLIDE 7**

**SCRIPT**

In 2017, the first performance year, for the participants of the Advanced APM to achieve Qualifying APM Participant status and become eligible for 5% lump sum bonus payments, they must have either 25% of payments through the Advanced APM or 20% of patients. Those thresholds increase significantly in future program years, reaching 75% and 50% respectively in the year 2021.

**SLIDE 8**



**SCRIPT**

Clinicians who participate in Advanced APMs but do not meet the QP threshold, may become Partial Qualifying APM Participants or Partial QP by meeting lower threshold requirements. In 2017, these thresholds are set at 20% of payments or 10% of patients. And like the regular QP thresholds, these too increase over time, reaching 50% of payments and 35% of patients in the year 2023.

**SLIDE 9**

**MIPS APMs**

* **Criteria**
  + APM entity participates in a model under an agreement with CMS
  + Entity includes at least one MIPS eligible clinician on a participant list
  + Payment incentives based on performance on cost and quality measures
* **2017 Qualified Models**
  + MSSP Track 1 is included (Majority of Medicare ACOs)
* **Advanced APM benefits do not apply**
  + Must participate in MIPS to receive any favorable payment adjustments
  + Do not qualify for 5% APM bonus payments 2019-2024
  + Not eligible for higher baseline annual updates beginning 2026
* **MIPS APM Benefits**
  + 2017 MIPS APMs receive full Clinical Practice Improvement Activities credit
  + APM-specific rewards (e.g., shared savings)
  + Eligible for annual MIPS bonuses, which continue indefinitely (vs. 6 years for 5% APM bonuses)

**SCRIPT**

Alternative Payment Models not meeting the requirements for Advanced APM status, but still meeting specific base criteria are considered MIPS APMs within the Quality Payment Program. To be a MIPS APM, the APM entity must participate in a model under an agreement with CMS. The APM entity must include at least one MIPS eligible clinician on a participant list. And the entity must base payment incentives on the performance of cost and quality measures. MSSP Track 1 ACOs, which make up the vast majority of Medicare ACOs today, are considered MIPS APMs. The benefits available within Advanced APMs do not apply to MIPS APMs. MIPS APM members must participate in MIPS to receive any favorable payment adjustments, they do not qualify for the annual 5% lump sum bonus, and they are not eligible for the higher fee schedule updates beginning in the year 2026. However, MIPS APM participants DO receive favorable program benefits. Besides the embedded APM-specific rewards already contained in the APMs payment model, in 2017 MIPS APM participants automatically receive full credit in the Improvement Activities MIPS performance category. Also, MIPS APM members are able to maximize their physician fee schedule rates by participating in the MIPS path. Those potential positive adjustments continue indefinitely versus the 5% lump sum bonus only available for the first 6 years of the program.

**SLIDE 10**

**In Summary  
Alternative Payment Models**

* An Alternative Payment Model is model in which healthcare providers take responsibility for the cost and quality of care provided with payments adjusted based on performance
* The Quality Payment Program does not alter how an APM pays for medical care. It adds additional incentives to the existing model
* Only some APMs are deemed Advanced APMs, those meeting the criteria including “more than nominal financial risk”
* In 2019-2024, a 5% lump sum bonus will be paid to those significantly participating in Advanced APMs (Qualified Participant status)
* Annual baseline payment updates will be higher (0.75%) for Advanced APM participants than for MIPS participants (0.25%) starting in 2026
* Advanced APM participants are exempt from MIPS program participation
* Most ACOs today are MIPS APMs which don’t earn Advanced APM incentives but do provide benefits to those participating in MIPS.

**Script**

In summary, An Alternative Payment Model is model in which healthcare providers take responsibility for the cost and quality of care provided with payments adjusted based on performance. The Quality Payment Program does not alter how an APM pays for medical care. It adds additional incentives to the existing model. Only some APMs are deemed Advanced APMs, those meeting specific criteria including “more than nominal financial risk” not achieving cost and quality goals. Between 2019 and 2024, a 5% lump sum bonus will be paid to those significantly participating in Advanced APMs, those achieving Qualified Participant status. Annual baseline payment updates will be higher for Advanced APM participants than for MIPS participants starting in the year 2026. Advanced APM participants are exempt from MIPS program requirements. Most ACOs today are MIPS APMs which don’t earn Advanced APM incentives but do provide benefits to those participating in the MIPS track of the Quality Payment Program.