

# Alternative Payment Model (APM) Introduction

2017 Business of Oncology

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# Moving Away From Fee For Service







" ...moving away from the old way of doing things, which amounted to 'the more you do, the more you get paid.'"

*Sylvia M. Burwell*  
*HHS Secretary*  
*2014-2017*

# Health Care Payment Learning and Action Network (HCP-LAN)

- Commercial payer efforts for APM expansion
- Public-Private Partnership
- 70 Commercial Plans and 2 Medicaid Plans
  - Cover 67% of nation's 208 million insured
- 2016 Total Spending
  - 62% straight FFS
  - 15% through FFS with a link to quality or value
  - **23% through APM's**

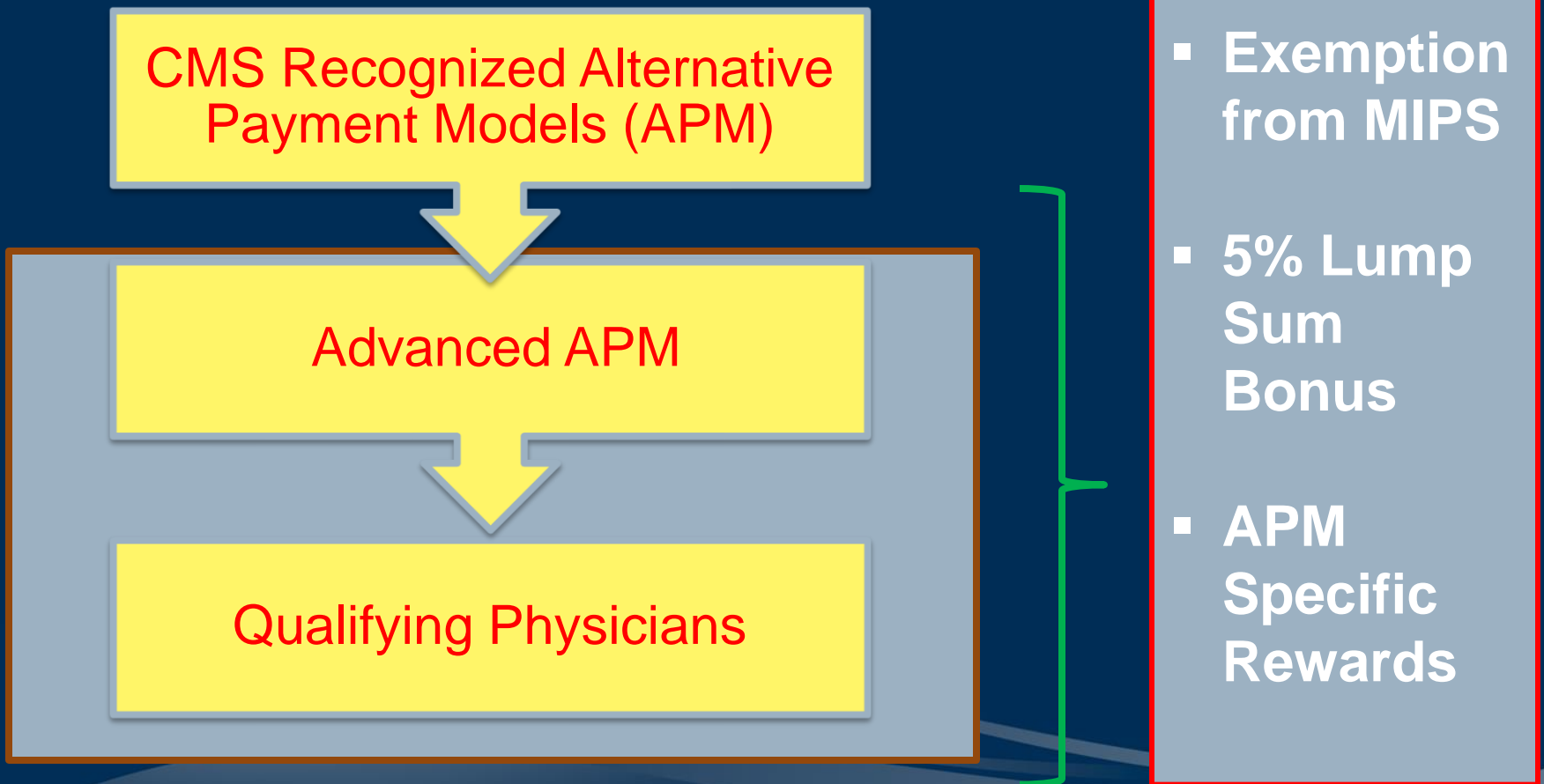
# LAN Modified CMS Payment Categories

			
<b>Category 1</b> Fee for Service – No Link to Quality & Value	<b>Category 2</b> Fee for Service – Link to Quality & Value	<b>Category 3</b> APMs Built on Fee-for-Service Architecture	<b>Category 4</b> Population-Based Payment
	<b>A</b> Foundational Payments for Infrastructure & Operations	<b>A</b> APMs with Upside Gainsharing	<b>A</b> Condition-Specific Population-Based Payment
	<b>B</b> Pay for Reporting	<b>B</b> APMs with Upside Gainsharing/Downside Risk	<b>B</b> Comprehensive Population-Based Payment
	<b>C</b> Rewards for Performance		
	<b>D</b> Rewards and Penalties for Performance		

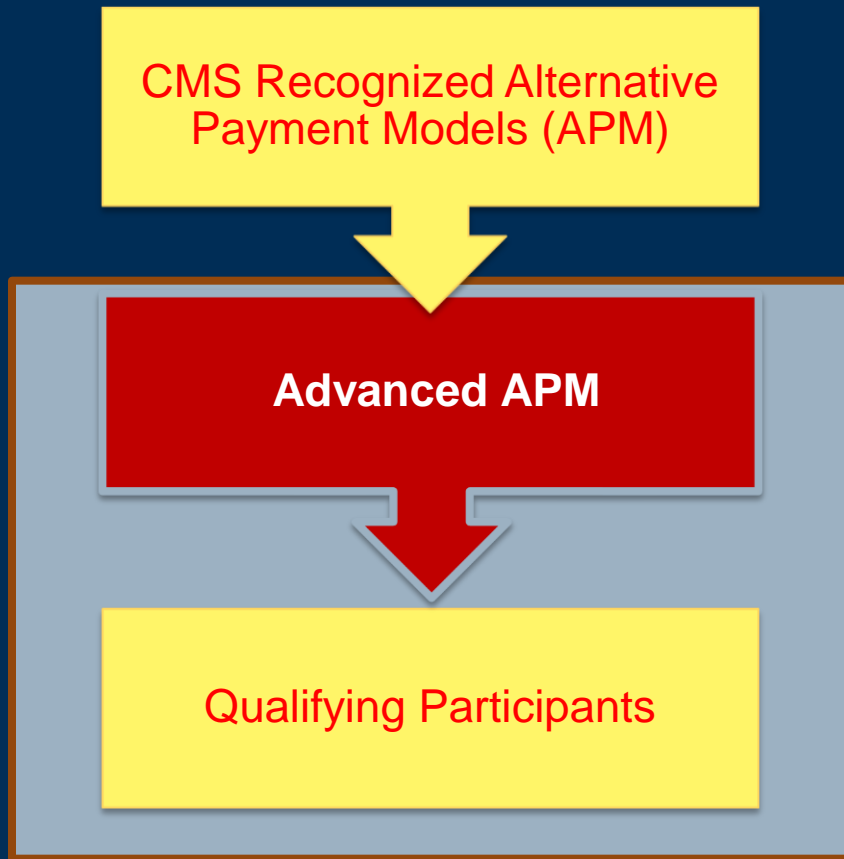
# Select HCP-LAN APM Framework Principles

- Goal is to shift US spending towards population based payments
- Value based incentives (VBI) should *ideally* reach the providers
- VBI should be intense enough to motivate providers to invest & adopt new care approaches
- Centers of Excellence, ACO, PCMH are delivery systems supported by payment models and are not Categories of the APM Framework

# Quality Payment Program APM Participation

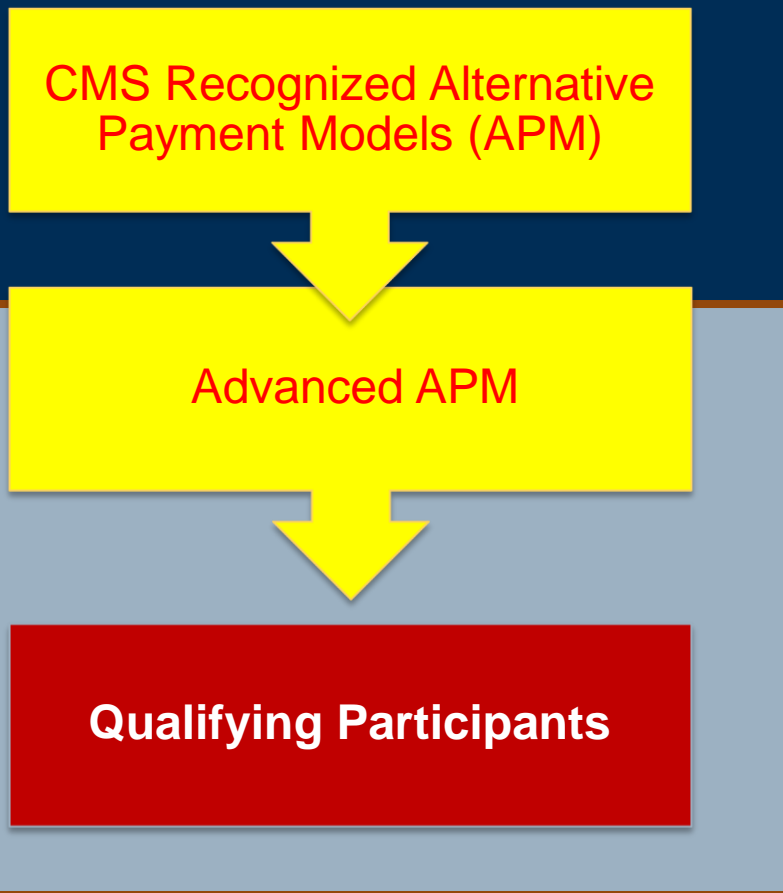


# CMS Advanced APM Definition

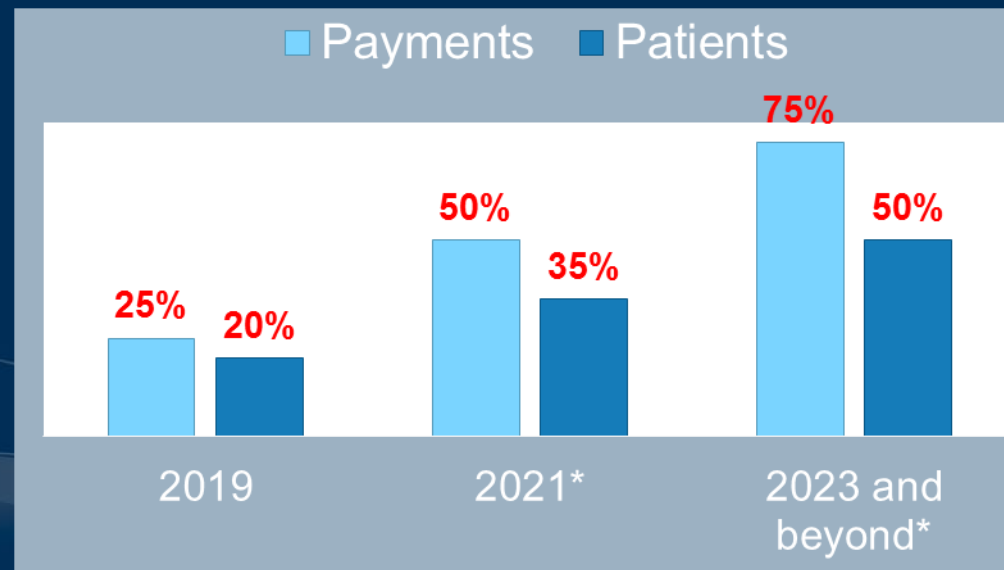


- Requires use of Certified EHR
- Ties payment to quality, similar to MIPS
- Meets Financial Standards
  - At least 5% of revenues at risk; or
  - Maximum loss of at least 3% of spending benchmark at risk

# CMS Qualifying Participant Definition



- APM entities must meet thresholds for percent of Medicare Payments Received through, or Medicare Patients in Advanced APMs
- Partially Qualifying Participants



\*Beginning in 2021, other payer APMs may be considered



# CMS Advanced APMs in 2017

- ✓ Medicare Shared Savings Program (2 Tracks)
- ✓ Next Generation ACO
- ✓ Comprehensive ESRD Care (2 models)
- ✓ Comprehensive Primary Care Plus
- ✓ **Oncology Care Model (OCM) - two-sided risk track available in 2017**

# CMS APM Data

- Advanced APM track qualified
  - 70,000-120,000 physicians in 2017
  - Expected > 125,000 physicians in 2018
- Healthcare Industry Payments
  - 30% tied to APMs 2016
  - 50% goal by end of 2018

CMS announcement 10/25/16