

FAQ: MACRA and Alternative Payment Models

What are APMs?

The Medicare Access and CHIP Reauthorization Act (MACRA) created a new quality payment program (QPP) for Medicare part B. The QPP has established 2 ways for providers to participate in quality improvement programs under MACRA (1) the Merit-Based Incentive Payment System (MIPS) (see APTA's MIPS FAQ) and (2) Advanced Alternative Payment Models (APMs). Alternative Payment Models (APMs) are mechanisms that offer participating clinicians incentive payments for improving quality and reducing costs of care. These models may address a specific clinical condition, an episode of care, or a patient population. Existing APMs include:

- Medicare Shared Savings Program (MSSP) (also known as Medicare ACOs)
- Next Generation ACOs
- Comprehensive Care Joint Replacement Model
- Bundled Payment Care Initiative
- All other initiatives under the Center for Medicare and Medicaid Innovation (CMMI), except for Health Care Innovation awards and certain demonstration programs

How are APMs paid?

APMs are paid on a fee-for-service basis, and Medicare establishes a target cost for participating APM entities to meet in order to share in incentive payments. Like MIPS, APMs have a quality measurement program to assess performance and set benchmarks.

What are Advanced APMs?

Advanced APMs allow practices to earn higher incentive payments for taking on additional risk based on patient outcomes measures. Because Advanced APMs must create their own quality-reporting structure that is similar to MIPS, they are excluded from MIPS reporting. By participating in an Advanced APM, clinicians may receive a 5% bonus payment if they:

- Receive at least 25% of Medicare Part B payments through an Advanced APM, **or**
- Provide care to at least 20% of Medicare patients through an Advanced APM.

How are Advanced APMs selected?

CMS delegated the task of reviewing proposals for Advanced APMs to the Physician-Focused Payment Models Technical Advisory Committee (PTAC). PTAC will review and recommend proposals for Advanced APMs to CMS through a comprehensive application process.

So far, CMS has identified 7 models as Advanced APMs for 2017:

- Comprehensive End-State Renal Disease Care
- Next Generation ACO Model
- Comprehensive Primary Care Plus
- Oncology Care Model – Two-Sided Risk

- Medicare Shared Savings Program – Track 2

What are MIPS APMs?

APMs may include MIPS-eligible clinicians and hold these participating clinicians to the APM cost and quality standards. Clinicians in these “MIPS APMs” will receive special MIPS scoring under the “APM scoring standard.” Because Advanced APMs generally qualify as MIPS APMs, participating clinicians who do not meet the Advanced APM requirements (25% payments or 20% patients through the APM) will be scored under the MIPS Standard for Improvement Activity category, but using the APM scoring standard. The following are MIPS APMs for 2017:

- Shared Savings Program Tracks 1, 2, and 3
- Comprehensive ESRD Care Model
- Next Generation ACO Model
- Comprehensive Primary Care Plus Model

Can Physical Therapists Join Alternative Payment Models?

Physical therapists may play a role in APMs by partnering with physicians to identify clinical conditions, episodes of care, or patient populations that rely on physical therapy services. Although physical therapists will not be required to report MIPS data until 2019, they are eligible to join the existing Advanced APMs, including the Medicare Shared Savings Program (Tracks 2 and 3) and Next Generation ACO Model.

CMS continues to create new payment models that will meet Advanced APM requirements to incentivize quality care and reduced costs. APTA is closely monitoring the Episodic Care Model final rule, which may provide more pathways for physical therapists and other providers to become a part of APMs and Advanced APMs.

Where can I find more information on qualifying for APMs and Advanced APMs?

Visit www.gpp.cms.gov for CMS guidance and educational materials related to participation in MIPS and APMs. CMS will continually update these resources as the MIPS program moves on and new APMs are introduced.