Podcast series: Value-Based Care

Episode 16: Advanced Alternative Payment Models

[To record separately by different voice]: Welcome to APTA’s podcast series on value-based care, which explains how value is measured in the provision of health care, and describes different aspects of the Quality Payment Program, including the Merit-based Incentive Program, or MIPS, and Advanced Alternative Payment Models, or Advanced APMs. Episode 16 is Advanced Alternative Payment Models. To get the most from this episode, you may want to check out earlier episodes first.

I’m Kara Gainer, APTA’s director of regulatory affairs.

- In March 2015, Congress passed the Medicare Access and CHIP Reauthorization Act of 2015, or MACRA, which replaced the long-criticized SGR formula for Medicare provider reimbursement.
- MACRA created a new 2-track value-based reimbursement system called the Quality Payment Program, or QPP, for Medicare Part B clinicians. The QPP is administered by the Centers for Medicare and Medicaid Services, or CMS.
- The first track is the Merit-based Incentive Payment System, or MIPS. MIPS is a consolidation of several quality-reporting programs. To learn more about MIPS, please refer to the MIPS podcast episode titled Introduction to MIPS.
- The second participation track is Advanced Alternative Payment Models, or Advanced APMs.
- In this podcast, we will examine in detail an Advanced APM and how it differs from an APM.
- Advanced APMs are a subset of Alternative Payment Models that let clinicians earn more for taking on risk related to their patients’ outcomes.
- To qualify as an Advanced APM, the APM must: use certified EHR technology, report quality measures comparable to measures under MIPS, and take on financial risk that is more than a nominal amount.
- These 3 criteria are what distinguish an Advanced APM from an APM.
- If these criteria are satisfied, and a clinician successfully participates in an Advanced APM, the clinician not only is exempt from MIPS, but also is eligible to receive a bonus payment in the amount equal to 5% of last year’s fee-for-service Medicare Part B payments.
- So what constitutes successful participation?
- Clinicians who annually meet certain thresholds will attain qualifying APM participant status within the Advanced APM track. CMS evaluates whether the threshold is met using the payment amount method and/or the patient count method. If a clinician participating in an Advanced APM sees a certain number of Medicare Part B beneficiaries or receives a certain amount of Medicare Part B payments through the Advanced APM, the clinician is deemed a qualifying APM participant.
• One thing to point out is that the patient count and payment amount thresholds for being a qualifying APM participant increase over time. So while in the first year the patient count threshold is 20% and the payment amount threshold is 25%, in the second year the patient count threshold is 35% and the payment amount threshold is 50%.

• Even if a clinician does not meet the patient count or payment amount thresholds, the clinician may achieve partial qualifying APM participant status. This status allows these clinicians to decide whether to opt in or out of MIPS. Clinicians who choose to participate in MIPS then are subject to either a positive or negative payment adjustment; clinicians who choose to opt out of MIPS do not receive a payment adjustment in either direction. Additionally, partial qualifying APM participants are not eligible to receive the 5% bonus.

• Clinicians who do not satisfy either the qualifying APM participant or partial qualifying APM participant status will be subject to MIPS.

• It is important for physical therapists to understand the advantages as well as the potential disadvantages of participating in an Advanced APM.

This has been Episode 16 of the podcast series on value-based care. To find all episodes of this series, go to www.apta.org/MACRA/. You also can find these and all APTA podcasts on iTunes by searching APTA Podcasts or by going to www.apta.org/Podcasts. Thanks for listening.

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