



# CMS Update: Payment Models

**SORH Region E  
Meeting**

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# Current Payment Programs and Models

- Quality Payment Program (Medicare Part B only)
  - Medicare Incentive Payment System & Alternative Payment Models
  - Blends PQRS/EHR Incentive Program/Value Based Purchasing
- State Innovation Grants (Medicare, Medicaid, Private Payers)
  - The Pennsylvania Model
- Models targeted to Rural (Medicare)
  - Rural Community Hospital Demonstration
  - Frontier Community Health Integration Project (FCHIP)

# Quality Payment Program

- Two Legs: Alternate Payment Models (APMs) & Merit-based Incentive Payment System (MIPS)
- MIPS requires data reporting this year
  - Amount of data reported & quality of outcomes impacts Part B payments beginning Jan. 1, 2019
  - On-ramp for participation – “Pick Your Pace”
  - New proposed rule for 2018 data reporting (affecting 2020 payments) open for comment until August 21
    - One proposal: change the minimum threshold for reporting to \$90,0000 yr. allowed charges or 200 Part B patients per year.

# Alternative Payment Models

- Second leg of the Quality Payment Program
- Next Generation ACOs (is an Alternative Payment Model)
  - Tests whether strong financial incentives for ACOs, coupled with tools to better support patient engagement and care management can improve health and reduce Medicare expenditures
  - New round of applications currently under review
- Medicare Shared Savings Program ACOs
  - Accountable Care Organizations with downside risk
  - Track 2, Track 3

# State Innovation Grants

- Several states trying different models, nearly all have a 'rural angle'
- Vermont All Payer Model
  - An ACO, but with all significant payers in health care across the state participating
  - Began January 2017
- Pennsylvania Rural Health Model
  - Global budgets for rural hospitals

# Models Targeted Specifically to Rural

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- Rural Community Hospital Demonstration
- Frontier Community Health Integration Project

# Quick Updates

- Expiring Provisions
- Chronic Care Management Campaign
- Proposed Rules:
  - Physician Fee Schedule
  - OPPS
- Social Security Number Removal Initiative

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