CMS Gives Providers More Ways To Enroll In Alternative Payment Models

The Obama administration is reporting continued progress in achieving its goal of tying half of all healthcare spending to alternative payment models by end the of 2018. HHS Secretary Sylvia Mathews Burwell added that CMS would give providers more opportunities to become involved in Medicare’s alternative models. “That’s incredible progress. It’s historic,” she said. “But it’s just a start. We have a long road ahead.”

Contracts in place at the beginning of 2016 put 25% of healthcare payments through APMs, and the actual amount will be higher because of contracts negotiated throughout the year. The report surveyed 72 health plans covering more than 128 million Americans, about 44% of the covered population in Medicare Advantage, Medicaid, and commercial plans.

Burwell said CMS will reopen the Next Generation ACO and Comprehensive Primary Care Plus (CPC+) models to applicants for the 2018 performance year. Both models qualify as an advanced APM in the new framework for paying physicians established by the Medicare Access and CHIP Reauthorization Act. She said the report shows 23% of all healthcare dollars from Medicare Advantage, Medicaid and private health plans went through APMs in 2015.

Patrick Conway, CMS chief medical officer and director of the innovation center, said the agency now wants to work with the private sector.

Provider groups and lawmakers have expressed concern, meanwhile, that CMS is pushing too many experiments too quickly for proper evaluation, but administration officials continue to laud the efforts of the CMS Innovation Center, which is continuing to create and test new models.

Some studies have suggested that value-based payment systems and pay-for-performance schemes often fail to achieve significant improvements in quality and efficiency because of overly complex designs and conflicting incentives.

Fewer Hospitals Earn Medicare Bonuses Under Value-Based Purchasing

More than 1,600 hospitals will see bonuses from Medicare in 2017 under the Hospital Value-Based Purchasing program, according to federal data released November 1st. The number earning positive pay adjustments is about 200 fewer than last year. This program affects approximately 3,000 hospitals, which are penalized or rewarded based on how well they perform on certain quality measures. These hospitals performances are assessed in comparison to their peers, as well as to their own performances over time. The results are "somewhat concerning," said Francois de Brantes, executive director of the Health Care Incentives Improvement Institute. One reason was the fact that fewer hospitals are being rewarded. Another was hospitals' lack of movement in rankings.

The number of hospitals whose payments were docked grew from 1,236 in 2016 to 1,343 in 2017, according to an analysis of the data. Last year, 59% of hospitals received bonus payments; this year 55% did. More than half of the 2,879 hospitals in the program both years will see lower payment adjustments in 2017 than in 2016. Payments improved for 1,388 of those hospitals. CMS also announced several changes to the program for fiscal 2018. The four domains on which hospitals are scored—clinical care; patient and caregiver-centered experience and care coordination; safety; and efficiency and cost reduction—will be weighted equally. Also, CMS removed two measures from clinical care and added care transition dimension. The results show "how progress on quality can be accelerated when pay-for-performance programs reward both achievement and improvement," said Nancy Foster, the American Hospital Association's vice president of quality and patient safety policy. "However, CMS must continue to refine the program to ensure that it effectively drives quality forward for hospitals and the patients they serve," she added, including ensuring its measures prioritize areas with the greatest impact on patient care.
**States Levy Taxes On Hospitals To Cover Medicaid Expansion**

States are starting to turn to hospitals to cover the cost of Medicaid expansion once the federal match begins to drop next year. The federal match rate for those eligible for Medicaid falls to 95% in 2017, 94% in 2018, 93% in 2019 and then to 90% in 2020 and beyond. Starting in 2017, eight of the 32 states that have expanded Medicaid planned to use provider taxes or fees to fund all or part of the states’ share of costs, the report said. Those states are Arkansas, Arizona, Colorado, Illinois, Indiana, Louisiana, New Hampshire and Ohio. Other states are expected to rely on general funds. These states have chosen to implement a new or modify an existing provider assessment specifically for the purpose of covering the costs of expansion. Hospital associations say they’re willing to pick up the tab since they understand expansion would not have had happened otherwise. Hospitals have benefited a great deal in states that have expanded. Federal estimates show that hospital uncompensated care in 2025 will be about $21.7 billion lower than it would have been without the ACA.

In Colorado, hospitals have already been paying an assessment since 2009 to cover an earlier coverage expansion that took place in the state. That fee will be modified to make up for the added costs. The state hasn’t informed hospitals exactly how much they’ll be paying, said Cara Welch, a spokeswoman for the Colorado Hospital Association. In Indiana, hospitals are expected to pay out $959 million in expansion-related taxes by 2021. However hospitals expect to make that back through higher patient volume, said Doug Leonard, president of Indiana Hospital Association. As many as 350,000 people in Indiana are believed to have gained access through expansion.

**Coding and Compliance Tips by Lori Shore, CPC, RCC**

**Interstate Medical Licensure Compact**

On October 26, 2016 Pennsylvania became the 18th state to join the Interstate Medical Licensure Compact (IMLC). This law makes it easier for physicians to practice in multiple states and help underserved populations through telemedicine. The IMLC allows for voluntary expedited licensure for physicians wishing to practice across state lines. Pennsylvania, West Virginia and New Hampshire are the only states in the northeastern United States currently participating in this group. Other participating states include: Alabama, Mississippi, Montana, Idaho, Nevada, Wyoming, Utah, Colorado, Arizona, South Dakota, Kansas, Minnesota, Iowa, Wisconsin, and Illinois. Legislation is currently pending in Michigan.

Jon Thomas, MD is the Chairperson of the Interstate Medical Licensure Compact Commission. For more information about the IMLC please contact him at celridge@csg.org.

**Did You Know?**

B-mode ultrasound and elastography show that smoking can negatively affect the patellar and Achilles tendons, according to a study published in the Journal of Ultrasound in Medicine.