

New Payment Models Overview

The healthcare industry has been moving toward value-based reimbursement at an increasing rate, with governmental programs setting the pace through various types of alternative payment models. The Innovation Center of the Centers for Medicare and Medicaid Services (CMS) has been active in creating new and innovative payment and service delivery models to promote better care for patients and improved healthcare in communities at a lower cost of care. These innovations come in many forms, including shared savings models, bundled payment programs and population health models.

Moving to value-based payment models is not simply a decision to accept financial risk and is not a short-term transition. Important questions must be answered, including:

- What types of value-based payment and delivery models are available to our organization?
- What are the financial risks and rewards for adopting these models?
- What data are available and how can data be used to make informed decisions?
- How will our patients receive the best care at the lowest cost?
- Are we prepared to change the way we deliver patient care?

HORNE Healthcare is here to partner with you to help you evaluate your options by analyzing data, building strategies and care plans, engaging and educating providers, and measuring the financial impact of changing reimbursement on your organization.

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Payment Model	Voluntary/Mandatory	Type of Model	Purpose	States Impacted	Timeline	Opportunity in Participation
Bundled Payments for Care Improvement Advanced (BPCI-A)	Voluntary	Retrospective bundled payment	Encourage clinicians to redesign care delivery by adopting best practices, reducing variation in standards of care and providing a clinically appropriate level of services for patients throughout a Clinical Episode.	All but MD	Second Cohort begins 1/1/20	<ul style="list-style-type: none"> Qualifies as an Advanced APM and MIPS APM Downside financial risk; only one payment and risk track
Comprehensive Kidney Care Contracting (CKCC)	Voluntary	Hybrid capitation and shared savings/losses	Help health care providers reduce the cost and improve the quality of care for patients with late-stage chronic kidney disease and ESRD, delay the need for dialysis, and encourage kidney transplantation.	All states	1/1/20 to 12/31/23	<ul style="list-style-type: none"> Qualifies as an Advanced APM and MIPS APM in 2021 CKCC Graduated Model—one-sided risk track CKCC Professional Model—professional population-based payment with 50% shared savings or losses CKCC Global Model—global population-based payment with full risk for total cost of care
Direct Contracting (DC)	Voluntary	Hybrid capitation and shared savings/losses	Increase beneficiaries' access to innovative, affordable care while maintaining all Original Medicare benefits.	All states	Application in Fall of 2019 for those submitting LOI by 8/5/19	<ul style="list-style-type: none"> Qualifies as an Advanced APM and MIPS APM in 2021 Professional PBP — risk-adjusted primary care capitation of 7% of total cost of enhanced primary care; 50% shared savings or losses generated Global PBP — risk-adjusted total cost of care capitation; 100% shared savings or losses Geographic PBP — underlying FFS payments; 100% shared savings or losses
End-Stage Renal Disease Treatment Choices (ETC)	Mandatory	Adjustment of Medicare payments to participating ESRD facilities and Managing Clinicians	Give ESRD beneficiaries the freedom and choice of ESRD treatment that best works with their lifestyles.	Selected providers in all states	1/1/20 to 6/30/26	<ul style="list-style-type: none"> Does not separately qualify as an Advanced APM Positive adjustment on Medicare home dialysis claims during the initial 3 years Additional payment to selected facilities and clinicians in support of dialyzing at home A positive or negative second adjustment applies to both home and in-center claims
Kidney Care First (KCF)	Voluntary	Adjusted capitation with bonus	Help health care providers reduce the cost and improve the quality of care for patients with late-stage chronic kidney disease and ESRD, delay the need for dialysis and encourage kidney transplantation.	All states	1/1/20 to 12/31/23	<ul style="list-style-type: none"> Qualifies as an Advanced APM and MIPS APM in 2021 Capitated payments adjusted based on health outcomes for CKD Stages 4 or 5 beneficiaries on dialysis Bonus for kidney transplant beneficiaries
Primary Care First (PCF)	Voluntary	Hybrid population-based and flat primary care visit fee, plus performance-based adjustment	Increase patient access to advanced primary care services; has elements specifically designed to support practices caring for patients with complex chronic needs or serious illness.	26 Regions; Southern states include AR, FL, LA, TN	Some in 2020; Most in 2021	<ul style="list-style-type: none"> Qualifies as an Advanced APM and MIPS APM and MIPS APM Two-track FFS payment Prospective performance-based incentive payment with retrospective reconciliation
Radiation Oncology (RO)	Mandatory	Prospective bundled payment	Test whether prospective episode-based payments to physician group practices, hospital outpatient departments and freestanding radiation therapy centers for radiotherapy episodes of care would reduce Medicare expenditures while preserving or enhancing the quality of care for Medicare beneficiaries.	CMS selected geographical areas	Effective 1/1/20 or 4/1/20	<ul style="list-style-type: none"> Qualifies as an Advanced APM and MIPS APM Prospective, episode-based payments for professional and technical components, based on a patient's cancer diagnosis Payments cover radiotherapy services furnished in a 90-day episode for the 17 cancer types meeting the included cancer type criteria