APMs

MACRA specifies that physicians who reach defined levels of revenues coming through an APM qualify for five percent payments and are exempt from MIPS. Eligible APM entities must tie payments to MIPS-comparable quality measures, require certified EHR technology, and assume more than nominal financial risk. The NPRM defines those APMs that enable physicians to qualify for the five percent payments as "Advanced APMs" and other APMs that help improve physicians' MIPS scores as "MIPS APMs."

<u>APM Proposals that Should Be Finalized</u>

- **Quality measure requirements for Advanced APMs.** The flexibility proposed for Advanced APMs to choose their own approach to measuring quality, consistent with the goals of the APM, should be confirmed in the final rule. Advanced APMs would need to choose one quality measure from among several categories of MIPS-comparable measures.

- **EHR requirements for Advanced APMs.** The proposal that Advanced APMs require 50 percent of participating clinicians to use certified EHRs to document and/or communicate clinical care to their patients or other health care providers should be finalized and not increased in subsequent years.

- **Patient thresholds.** Advanced APM revenue thresholds start at 25 percent for 2019 payments and increase to 75 percent for 2023. CMS should finalize its flexible alternative approach to qualify for the bonus payments by having 20 percent of patients receiving care through the APM for 2019, increasing to 50 percent by 2023.

- **Scoring participation in MIPS APMs.** CMS should finalize several proposals for modifying the way MIPS components are reported and weighted for physicians participating in MIPS APMs. These proposals aim to prevent physicians from having to fulfill redundant or conflicting requirements for an APM and for MIPS.

<u>APM Proposals that Need to Be Modified</u>

- **Definition of "more than nominal" financial risk.** Five key modifications are needed in the financial risk criteria that CMS has proposed:
  1. Simplify the definition. With multiple components that include total risk, marginal risk and minimum loss rate, it would be difficult for physicians contemplating participation in Advanced APMs to understand their financial risks and avoid losses.
  2. Base risk requirements on physician professional services revenues, not expenditures under the APM. Physician Fee Schedule services are just 19 percent of total Medicare Part A and B expenditures and physicians should not have to take risks for expenses outside their control.
  3. Reduce the amount of losses defined as "more than nominal." The Regulatory Impact Analysis notes that CMS has long defined "significant" impact as 3 percent of physician revenue. Defining "more than nominal" as 4 percent of total costs would set "more than nominal" far above "significant."
  4. Count physicians' uncompensated costs as potential financial losses. APMs may incur substantial costs including care coordinators, patient educators, data analysis, and other non-billable services.