

2020 Advanced APM Participation

What is an APM?

An alternative payment model (APM) is a payment approach that rewards providers for delivering high-quality and cost-efficient care. These payment models can apply to health care populations, episodes of care, or specific clinical conditions. APMs include bundled payments models, Accountable Care Organizations (ACOs), and Patient-Centered Medical Homes (PCMHs), and others. APMs that do not qualify as Advanced APMs are required to participate in the Merit-based Incentive Payment System (MIPS). For more information on APMs please visit www.qpp.cms.gov/apms/overview.

What is a Medicare Advanced APM?

An Advanced Alternative Payment Model (APM) is one of two pathways physicians can choose under the Quality Payment Program (QPP), which was established as part of the Medicare Access and CHIP Reauthorization Act (MACRA). Under the Advanced APM pathway, physicians may be exempt from participation in the Merit-based Incentive Payment System (MIPS) and be eligible to receive a 5% lump sum bonus payment.

Medicare Advanced APMs under the QPP must:

- Be a certain Center for Medicare & Medicaid Innovation Model (CMMI), Shared Savings Program track, or certain federal demonstration program;
- Require participants to use certified electronic health record technology (CEHRT);
- Base payments for services on quality measures comparable to those in MIPS; and
- Is a Medical Home Model expanded under CMMI; or
- Requires the APM Entity to bear more than nominal financial risk for losses.
 - While the specific risk arrangement is determined under each specific APM, generally, the risk is determined by identifying a target for expected expenditures (costs) that the APM Entity is responsible for if its actual expenditures exceed that target. Generally, if the APM Entity's actual costs come in below that benchmark, it will be able to share in the savings ("shared savings"); if the APM Entity's actual costs come in above that benchmark, it may be responsible for some or all the excess costs ("shared losses").

Note: each APM will have its own participation requirements that specify the level of CEHRT use, risk arrangement under that APM, shared savings/losses under that model, etc.

What is an All-Payer Advanced APM?

Eligible clinicians are now able to become [Qualifying Alternative Payment Model Participant \(QPs\)](#) through the [All-Payer Option](#). This Option is attainable through participation in a combination of Advanced APMs with Medicare and Other-Payer Advanced APMs.

Other-Payer Advanced APMs are non-Medicare Fee for Service (FFS) payment arrangements with other payers including:

- Medicaid
- Medicare Health Plans (including Medicare Advantage, Medicare-Medicaid Plans, 1876 Cost Plans, and Programs of All-Inclusive Care for the Elderly (PACE) plans)
- Payers with payment arrangements in CMS Multi-Payer 4 Models; and
- Other commercial and private payer arrangements that meet the criteria to be an Other-Payer Advanced APM.

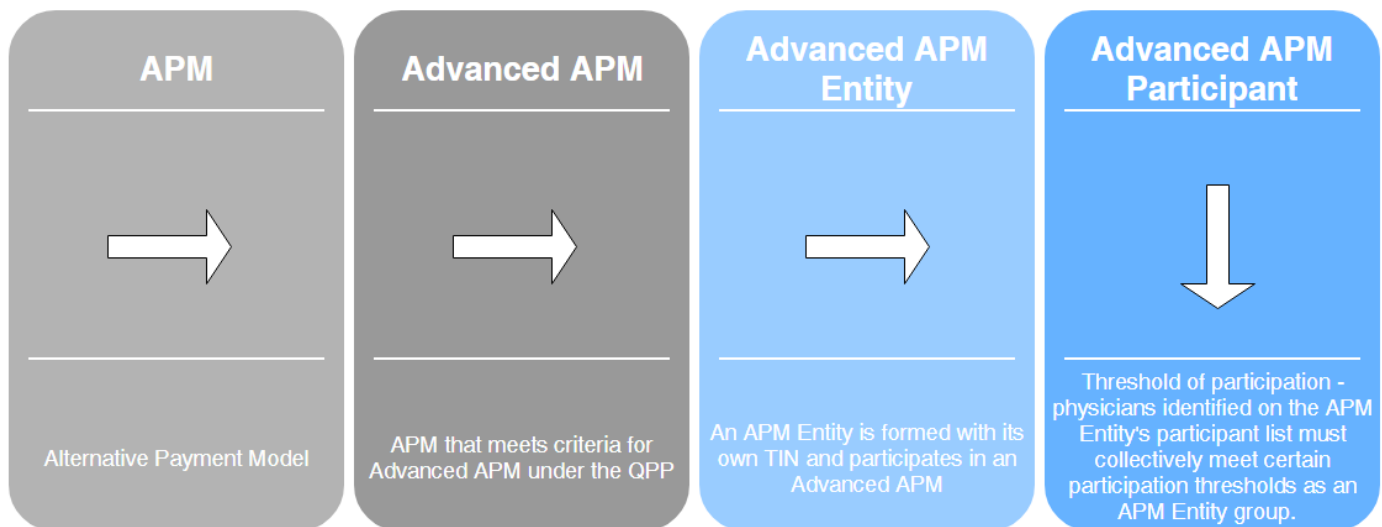
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To be an Other-Payer Advanced APM, payment arrangements must meet the following 3 criteria:

1. The arrangement must require use of certified EHR technology (CEHRT). The other payer payment arrangement requires at least 50 percent of eligible clinicians in each participating APM entity group to use CEHRT to document and communicate clinical care information.
2. The arrangement must base payments for covered professional services on quality measures that are comparable to the MIPS Quality performance category. There must be evidence-based, reliable, and valid quality measures, with at least one outcome measure if available on the MIPS measure list.
3. The arrangement must require participants to bear a certain amount of financial risk. A payment arrangement meets the financial risk if actual expenditures exceed expected aggregate expenditures or be a Medicaid Medical Home Model that meets criteria comparable to Medical Home Models.

What is an Advanced APM Entity?

An Advanced APM Entity is an entity that is formed to participate in an Advanced APM with CMS through a direct agreement. Physicians would participate in an Advanced APM by forming an APM Entity. Each APM Entity has its own TIN for participating in a specific Advanced APM.



Am I in an Advanced APM?

[Listed here](#) are the Medicare APMs in the Houston area that HCMS is aware of, including those that are specified as Advanced APMs. If you are participating with any of these entities, please see below on steps to take to determine participation status. Please note this is not a comprehensive list. Please contact your ACO or IPA to check on your APM or MIPS participation status.

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What do I do now?

- Determine participation status:** Physicians who participate in Advanced APMs are determined to be either Qualifying Advanced APM Participants (QPs) or Partial QPs (PQs) and will be exempt from MIPS. Only those determined to be QPs will receive the 5% bonus payment, PQs are not eligible for this bonus.

	Medicare Payment Count Method	Medicare Patient Count Method
QP	50% of Medicare Part B payments are received through a Medicare Advanced APM	35% of Medicare Part B patients are seen through a Medicare Advanced APM
PQ	40% of Medicare Part B payments are received through a Medicare Advanced APM	25% of Medicare Part B patients are seen through a Medicare Advanced APM

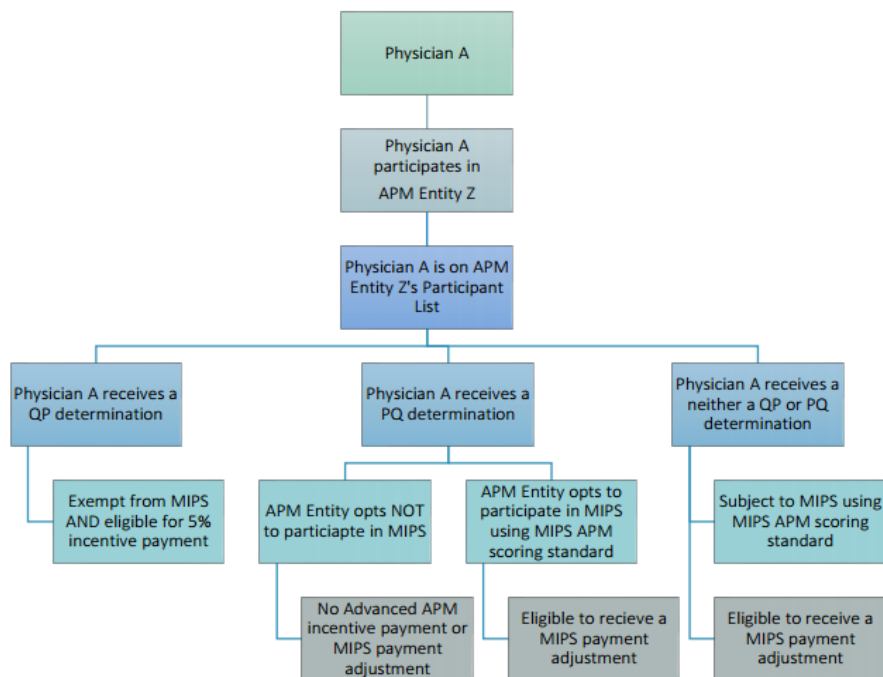
However, PQs, although exempt from MIPS, may choose to participate in MIPS using a special [MIPS APM scoring standard](#) allowing them to be eligible for the MIPS positive payment adjustment (not the same as the 5% Advanced APM bonus payment). Although, if the PQ chooses not to participate, they will receive neither a MIPS adjustments (positive or negative) or the Advanced APM bonus.

If physicians do not meet either the QP or PQ thresholds, then they are subject to the full MIPS program and related reporting requirements.

Contact your [APM/ACO administrator](#) to find out your determination status. Participation status can also be viewed within a clinicians [QPP Portal](#) and the [QPP Participation Status Tool](#).

- Determine course of action based on QP or PQ status:** see example of “Physician A” in the chart below

Advanced APM Participation Outcomes



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How do I join an Advanced APM?

1. Learn about [specific Advanced APMs](#) in your area and how to apply.
2. Apply to an Advanced APM that fits your practice and is currently accepting applications.
3. If you are already involved in an APM that is not considered Advanced, contact your administrators to discuss future opportunities for the entity to become Advanced.