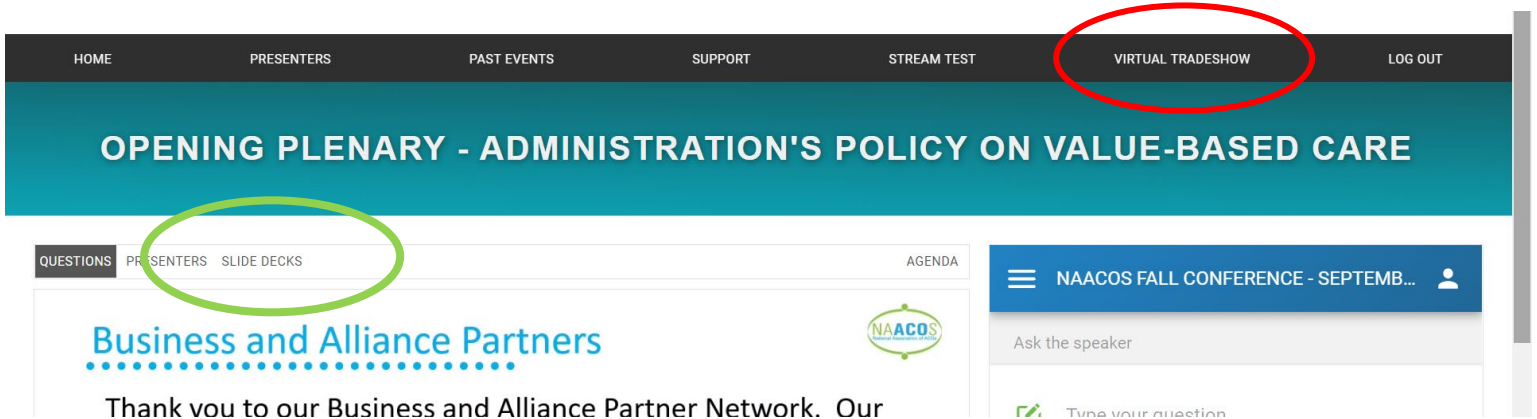
Critical Policy Updates for ACOs

Agenda

1. Housekeeping
2. Presentation:
    - 2019 ACO performance results
    - Congress and the Supreme Court
    - Proposed 2021 Medicare Physician Fee Schedule (MPFS) rule
    - COVID-19
    - Telehealth
    - Innovation Center Models
3. Audience Q&A and follow-up

Housekeeping

- All sessions are being recorded and will be available within two days
- Slides are available on the live streaming website, located just above the presentation screen – circled in green below
- Visit our virtual exhibit hall on the Whova app on your mobile device or on the web through the streaming site – circled in red below

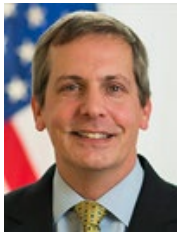


Speakers

	**Allison Brennan** Senior Vice President of Government Affairs National Association of ACOs
	**Jennifer Gasperini** Director of Regulatory and Quality Affairs National Association of ACOs
	**David Pittman** Health Policy and Communications Advisor National Association of ACOs

Questions for CMS?

- Attend CMS Townhall, Friday, Oct 2 at 12:15 pm ET
- Speakers are:
  - John Pilotte
  - Amy Bassano



- Ask your questions during the Townhall or submit before to advocacy@naacos.com

PY 2019 ACO Results

- MSSP ACOs showed record savings for 2019, surpassing previous years net savings to Medicare and earned savings for ACOs
- NAACOS press release available here. NAACOS media toolkit to help ACOs tout their success and educate their communities, available here.

Risk Type	N	Benchmark - Expenditures	Earned Savings
One-sided	391	$1,704,247,383	$908,297,134
Two-sided	150	$941,770,889	$545,866,082
Grand Total	541	$2,646,018,272	$1,454,163,216

Congress and the Supreme Court

Congressional Outlook

- Congress recently extended government funding through Dec. 11, passing a package that also temporarily extends certain expiring Medicare and Medicaid provisions, though additional ones need action before Nov. 30.
  - This package also extends the repayment period and reduces the interest rate for Medicare providers who participated in the accelerated and advance payment program.
- Early Sept., Senate Republicans released a “skinny” COVID-19 relief package that includes liability protections, creates a second round of small business loans, and funding for testing, vaccines, and schools.
- The Administration and House leaders are resuming negotiations.
- Election politics will increasingly infringe on Congress’s attention and ability to accomplish their goals.

ACA Legal Challenge

- The U.S. Supreme Court is scheduled to hear oral arguments on *Texas v. Azar*, a case challenging the constitutionality of the ACA, Nov. 10, 2020.
  - Because both MSSP and Innovation Center were created by the ACA, NAACOS continues to follow this case closely.
  - A decision in the case is expected in the Spring of 2021.
- The death of U.S. Supreme Court Justice Ruth Bader Ginsburg causes uncertainty, though President Trump's Supreme Court nominee Judge Amy Coney Barrett's confirmation is expected to proceed quickly.
- This does not bode well for the ACA. Swing votes will play an important role and should the law be repealed, Congress could act in the coming months to preserve all or parts of the law.

Grassroots and ACO Advocacy

NAACOS advocacy priority: urge Congress to prevent thresholds to earn Advanced APM bonuses from rising in 2021

- Qualifying APM Participant (QP) thresholds will rise to unreasonable levels next year (75% payment amount and 50% patient count)
- More than 90% of respondents to a recent NAACOS survey reported they are concerned they won't meet thresholds. According to 2020 performance data provided, 96% would fall short.
- ACOs need to let their Representatives and Senators know to act quickly to fix QP thresholds to continue the move to value.
- **Act today using our Take Action page!**

2021 Proposed Medicare Physician Fee Schedule Rule

Proposed 2021 Medicare PFS

- On August 4, CMS released the proposed 2021 Medicare Physician Fee Schedule (MPFS) rule. Final rule expected in November or early December.
- PFS factsheet available here and QPP Factsheet available for download here
- NAACOS MPFS resources: analysis and on-demand webinar
- NAACOS comments
- There are some notable payment changes in the PFS proposal:
  - A 10% decrease to the Medicare conversion factor with payment shifts among specialties, resulting in some seeing increases as high as 17% and decreases of up to 11%.
  - These are redistributions to accommodate revaluing of office/outpatient E/M services, which NAACOS supports, going into effect in 2021.

Advanced APM proposals

- **Exclude beneficiaries who are prospectively attributed to an APM entity from the attribution-eligible beneficiary count for other APM entities where the beneficiary is ineligible.**
  - *Comment:* Support proposal, clarify this would remove benes from APM Entities with prospective and retrospective assignment.
- **Create a targeted QP determination review process**
  - *Comment:* support allowing ECs/APM Entities to raise concerns about CMS QP determination errors. Review process should be expanded and provide avenue for neutral/external reviewer.
- **Clarify that Advanced APM bonuses are based on the paid amounts, not allowed charges.**
  - *Comment:* Very disappointed and oppose this, bonuses should be based on allowed amounts as previously stated by CMS.

Quality Proposals

- CMS proposes significant changes to the way ACOs are evaluated on quality for purposes of both the MSSP and MIPS
- Key changes proposed:
  - Eliminate the Web Interface reporting mechanism effective 1/1/21; instead ACOs would report via registry or EHR
  - Alter the quality measure set significantly (reducing the measures from 23 to 6) under a new APM Performance Pathway
  - Change the minimum threshold for MSSP quality performance in order to receive shared savings
  - Remove the pay-for-reporting year currently provided to new ACOs as well as pay-for-reporting provided when a measure undergoes significant changes during the PY
- **Tell CMS to not finalize these proposals! Visit our grassroots action page to send a letter to CMS before the 10/5 deadline**

Quality Proposals

TABLE 36: Measures included in the Proposed APM Performance Pathway Measure Set

Measure #	Measure Title	Collection Type	Submitter Type	Meaningful Measure Area
Quality ID#: 321	CAHPS for MIPS	CAHPS for MIPS Survey	Third Party Intermediary	Patient's Experience
Quality ID#: 001	Diabetes: Hemoglobin A1c (HbA1c) Poor Control	eCQM/MIPS CQM	APM Entity/Third Party Intermediary	Mgt. of Chronic Conditions
Quality ID#: 134	Preventive Care and Screening: Screening for Depression and Follow-up Plan	eCQM/MIPS CQM	APM Entity/Third Party Intermediary	Treatment of Mental Health
Quality ID#:236	Controlling High Blood Pressure	eCQM/MIPS CQM	APM Entity/Third Party Intermediary	Mgt. of Chronic Conditions
Measure # TBD	Hospital-Wide, 30-day, All-Cause Unplanned Readmission (HWR) Rate for MIPS Eligible Clinician Groups	Administrative Claims	N/A	Admissions & Readmissions
Measure # TBD	Risk Standardized, All-Cause Unplanned Admissions for Multiple Chronic Conditions for ACOs	Administrative Claims	N/A	Admissions & Readmissions

- NOTE: CMS clarified in writing to NAACOS the 40th percentile will be evaluated based on one final score comprised of all 6 individual quality measure scores

Quality Proposals

- **Proposed changes to the way quality is measured, assessed and reported for the MSSP (and MIPS)**
  - *Comments:* Do not support CMS proposals to make sweeping changes to how ACO quality is assessed, how quality data is reported and how ACOs are evaluated on quality for both the MSSP and MIPS at this time – timing of these proposals during a pandemic is also concerning
- **Proposed changes to quality measure set (23 to 6 measures)**
  - *Comments:* Support efforts to reduce reporting burdens, do not agree with the proposed measure set. Concerns with limited clinical measures particularly on balance when compared to CAHPS and administrative measures, as well as concerns with the clinical measures selected- add vaccination and cancer screening measures that are foundational to preventive care and care coordination by ACOs

Quality Proposals

- **Proposed removal of the Web Interface reporting option. For the measures listed in the APP, ACOs would be required to report via registry or EMR using eCQM specifications- which require reporting on all patients (all payers)**
  - *Comments:* Oppose complete removal of Web Interface as a reporting option, additional concerns with timing of this proposal (abrupt change), support continuing to allow Web Interface as an option and adding additional reporting options in the future for ACOs as technical and operational issues are resolved (concerns with assessing ACOs on non-Medicare and non-ACO assigned patients)
- **Quality benchmarks for 2021 established using 2021 performance data**
  - *Comments:* Concerns with not providing ACOs with BM data prior to the performance year, request additional evaluation of data and consideration of fallback options like reverting all measures to pay-for-reporting or giving historic quality scores

Quality Proposals

- **Removing the pay for reporting year**
  - *Comments*: Oppose, additional concerns with no pay-for-reporting year provided to quality measures that are newly introduced as well. Concerns with current MIPS policy which suppresses a quality measure that undergoes significant measure specification or guideline changes mid-year, particularly combined with the proposal to only measure ACOs on 6 quality measures
- **Awarding ACOs with the higher of the 2019 or 2020 quality score in 2020 (if the ACO fully reports quality in 2020) as result of COVID-19**
  - *Comments*: Support, we also ask CMS to begin considering what alternative policies will be needed for 2021 as the COVID-19 PHE continues and that CMS continue to evaluate data to consider alternative approaches to establishing quality benchmarks during this time

Other MSSP Proposals/Comments

- **Amend the list of primary care services used to assign beneficiaries to ACOs by adding nine more codes starting in PY 2021. Adding services such as "e-visits," chronic care management, and principal care management.**
  - *Comment:* Support, we also ask CMS to use a two-year assignment window to account for anomalies that occur because of the pandemic
- **Exclude advance care planning when billed in an inpatient setting from being used to determine beneficiary assignment starting in PY 2021 and exclude professional services furnished by FQHCs or RHCs when those services are delivered in a SNF.**
  - *Comment:* Support, we appreciate CMS's desire to ensure that patients are attributed to providers from whom they receive their primary care services
- **Allow renewing ACOs keep the lower of their repayment mechanism amount for the final year of their previous agreement OR the repayment amount for the new agreement period.**
  - *Comment:* finalize this proposal and ease other burdens associated with repayment mechanism requirements

COVID-19 and Telehealth

COVID-19 & ACOs

- To help ACOs during the COVID-19 pandemic, NAACOS created a stand-alone COVID-19 resource page
- **NAACOS Resources**
  - COVID-19 and ACOs fact sheet
  - Telehealth FAQ to assist ACOs using telehealth services
  - NAACOS Summary of the May 8 Interim Final Rule with Comment
  - NAACOS Review of the April 6 Interim Final Rule with Comment
- NAACOS has compiled some "success stories" about how ACOs leveraged their population management work to better care for patients during the pandemic

COVID-19 & ACOs

NAACOS Advocacy

- NAACOS letter supports Next Gen extension and further program modifications
- NAACOS provides detailed comments in response to CMS rules with COVID-19 policies NAACOS and eight other associations send comment letter to CMS requesting additional ACO protections in response to COVID-19
- NAACOS and seven others urge CMS to count diagnoses obtained from audio-only telehealth services for risk adjustment purposes
- NAACOS and nine others ask House and Senate leaders for relief from COVID-19 response
- NAACOS and nine others ask CMS for relief from COVID-19 response

HHS's COVID-10 Public Health Emergency is set to expire on Oct. 23!

Telehealth

- ACOs' use of telehealth has exploded during the pandemic, driven by numerous waivers and flexibilities offered by CMS
- Those waivers and flexibilities largely end once the PHE is lifted

What's next?

- More than a dozen bills have been introduced in Congress since the PHE to make permanent those waivers
- MedPAC talked about expanding telehealth use within Advanced APMs
- The 2021 Medicare Physician Fee Schedule seeks comment on additional audio-only or remote patient monitoring codes

What NAACOS is doing?

- Advocating to Congress and CMS to allow broader flexibility for telehealth use within ACOs

Innovation Center Updates

Direct Contracting Model

- Newest Innovation Center accountable care model, beginning 4/1/2021
- 2022 start date available

- Direct Contracting Entities participating in the optional Implementation Period begin that October 1.
- Learn more! NAACOS stand-alone webpage with CMS and NAACOS resources

Three types of Direct Contracting Entities (DCEs)

	Standard DCE	New Entrant DCE	High Needs Population DCE
Description	• This is the traditional ACO with experience in risk	• For DCEs with limited historical experience delivering care for Medicare FFS beneficiaries • Available to DCEs with fewer than 50% of its providers experienced in fee-for-service risk models	• For DCEs tailored to a high needs population • "High Needs" = impaired mobility and/or complex high needs • DCE can care for specific sub-populations, including patients with a particular diseases, disease at a particular stage, or a combination of diseases
Minimum Beneficiary Requirement	5,000 beneficiaries	1,000 beneficiaries in PY1 (increases by 1,000 each year)	250 beneficiaries in PY1 (increases to 1,400 by PY5)

Two Model Options

Professional Option

- Shared Savings/Losses: 50%
- Capitation: Primary Care Capitation (7% capitation) → Basic + Enhanced
- Advanced Payment
  - May elect Advanced Payment for any portion beyond the basic PCC (or more for Preferred Providers not participating in capitation)
  - Reconciled at the end of each PY (similar to the Population-Based Payment mechanism in NextGen)

Global Option

- Shared Savings/Losses: 100%
- Capitation: DCE chooses Primary Care Capitation or Total Care Capitation (100% capitation)

- Participant Providers must agree to capitation
- Capitated payments are not reconciled against actual expenditures.
- The model will qualify as an AAPM

Either model option is available to each of the three types of DCEs.

Note: In the future, CMS may offer a third model option, the "Geographic Option," where a DCE would assume financial risk for the entire population of a particular geographic area.

Financial Methodology Documents

CMS recently released a series of documents outlining details of the model's financial aspects, including:

- Risk adjustment and how the DC/KCC Rate Book will be used
- Total Care Capitation and Primary Care Capitation Payment Mechanisms
- Settlement and Financial Reconciliation, including stop-loss reinsurance and risk corridors

Those documents are on the NAACOS website:

- Financial Operating Guide: Overview
- Financial Operating Guide: Standard DCEs
- Financial Operating Guide: High Needs Population DCEs
- Financial Operating Guide: New Entrant DCEs
- Direct Contracting Risk Adjustment
- Direct Contracting and Kidney Care Choices Model Rate Book Development
- Financial Companion to Capitation and Advanced Payment Mechanisms
- Financial Operating Policies: Capitation and Advanced Payment Mechanisms

PCF and BPCI-A Models

- Primary Care First recently released additional financial and attribution methodology details for the model, set to begin in 2021
- The Innovation Center also announced changes for BPCI-A participants for Model Year 4 (2021), including transitioning to a retrospective target bundle trend and requiring participants to select a Clinical Episode Service Line Group instead of individual Clinical Episodes to prevent selection bias for the most profitable episodes
    - You must participate in all clinical episodes within the service line group
    - There are eight service line groups to select from

CHART Model

- Community Health Access and Rural Transformation (CHART) Model
  - Announced in August and aims to increase financial stability for rural providers through up-front investments, offer capitated payments, and overall encourage rural APMs

ACO Transformation Track

- Up to 20 rural-focused ACOs selected
- Must start 5-year agreement in MSSP
- If you start in Level A, an ACO would receive $36 per beneficiary up front and $8 PBPM for 24 months
- If you start in Enhanced, an ACO would receive $40 per beneficiary up front and $10 PBPM for 24 months
- Applications will coincide with MSSP's application cycle to start in 2022
- NAACOS had previously asked for another round of the ACO Investment Model funding

CHART Model

Community Transformation Track

- Up to 15 Lead Organizations from rural communities will be selected
- Work with participating hospitals, state Medicaid, and other community partners to implement a Transformation Plan
- Receive up to $2 million in the pre-implementation period and $500,000/year after that
- Flexibilities will include traditional benefit enhancements like telehealth and home visit waivers, and waivers from Medicare CoPs
- CMS will replace participant hospitals' FFS payments with a prospectively adjusted capitated amount based on historical spending
- Notice of Funding Opportunity recently posted
- Applications due Feb. 16

- More details are on CHART's CMMI page and fact sheet
- NAACOS issued its own statement

Other CMMI Models

- **Kidney Care Choices**
  - Four voluntary models to start on April 1, 2021
  - Kidney Care First will offer adjusted capitated payments to nephrology practices for managing patients with stages 4 and 5 CKD and ESRD
  - Comprehensive Kidney Care Contracting will allow nephrologists and nephrology practices to partner with transplant providers, dialysis facilities and other providers

- **Emergency Triage, Treat, and Transport (ET3) Model**
  - Tests paying ambulance services for treating patients at a scene, transporting to non-emergency department, or treating via telemedicine
  - Will begin in Jan. 1, 2021, a delayed from its planned May 2020 start

Other CMMI Models

- **ESRD Treatment Choices (ETC) Model**
  - Participation will be mandatory for about 30 percent of ESRD patients
  - Intended January 2021 start date
- **Radiation Oncology Model**
  - Mandatory with an indented January 2021 start date
  - 30 percent of all eligible Medicare FFS radiotherapy episodes nationally
  - NAACOS submitted comments in response to a 2019 proposed rule on those
- **Oncology Care Model**
  - Extended by a year because of COVID-19; Anticipated to end on June 30, 2022
  - NAACOS responded to request for information on a potential Oncology Care First Model
  - Additional details on Oncology Care First haven't been released

Questions