

# ACG GI Practice Toolbox

## Alternative Payment Models (APMs)

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### INTRODUCTION:

With the goal of improving quality, lowering the sky rocketing cost of health care provided in the U.S., and aligning the incentives of all participants in the health care system, Congress approved the Medicare Access and CHIP Reauthorization Act (MACRA) in April of 2015, which repealed the Sustainable Growth Rate (SGR) formula and created two new payment vehicles to physicians: Merit Based Incentive Payment Services (MIPS) and APMs.

MACRA includes provisions establishing and defining APMs as alternatives to MIPS. For large groups that can participate in an accountable care organization (ACO), this may be an attractive option because of the potential over time for larger reimbursements for the work you are doing compared to MIPS. However, the rules are subject to change, and it is likely best to monitor the landscape prior to investing too many resources to this at the present time.

### TOPIC OVERVIEW:

APMs available for incentives outlined in MACRA currently exist in 2 forms: advanced APMs (AAPMs) and physician focused APMs. Participation requirements vary and can be learned in detail in other references listed below. The basic theme of all APMs is to have participants share responsibility and risk in providing care to meet certain quality and cost targets. They can be designed to provide reimbursement for high value services that are not currently covered in the fee for service model, and they allow for physicians to provide more cost effective care that does not hinder their ability to cover the costs of providing this higher value care. Participants in AAPMS are exempt from MIPS. Participants in physician focused APMs are not exempt from MIPS, but are eligible for credit toward the clinical practice improvement component of the MIPS composite score. Advanced APMs are typically associated with being a part of an ACO while physician focused APMs can take many forms including bundled payment programs, pay for performance programs, incentive programs associated with the current fee for service reimbursement scheme, and can even be created anew and approved via CMS. Upon meeting the goals, participants in an AAPM will be eligible for a 5% bonus to their total CMS payments for certain participation years. They will also be eligible for higher payment rates via CMS than those participating in the MIPS program. This entire program is currently in a state of flux so new and less stringent rules for participation may be forthcoming.



## PRACTICAL SUGGESTIONS AND EXAMPLES FOR YOUR PRACTICE:

1. Research the rules associated with APMs to understand if you are eligible and if it makes sense for your group to participate based on your size, your referral base, patient volume/type, your ability to reach the eligibility criteria, and if you are better off financially and practically by participating in MIPS instead of APMs. Small to medium sized groups would likely fare better by participating in MIPS and large groups, especially multispecialty groups, would likely do well in AAPMs providing they have access to ACOs within their group and they are able to meet all the criteria associated with participating in them. However, high performing large groups may be able to obtain as much reimbursement in an easier fashion by participating in MIPS.
2. If interested in AAPMs consider ways for your practice to join an ACO. This is difficult for GI physicians currently and is unlikely to be a worthwhile endeavor for a single specialty GI group at this time, but more feasible opportunities should be more available in the coming years so it is crucial to constantly monitor the situation.
3. Set your practice up for future success by participating in some physician focused APMs currently so you are ready to take advantage of opportunities as they arise if rules for participation in AAPMs become less stringent. Try to negotiate with your insurance companies new payment models that will share risks and rewards with them based on agreed upon care quality and financial targets. This may be a lot of effort but will be worth it if and once the rules for participation in AAPMs change.
4. Make sure your practice has the infrastructure in place to monitor and measure the agreed upon terms of any APM in which you participate.
5. Consider joining a practice transformation network and/or hiring consultants to help you navigate the process of considering and participating in APMs.

## REFERENCES:

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3. Positioning your practice for Alternative Payment Models; Feb 2016 edition; <https://www.acpinternist.org/archives/2016/02/tips.htm>
4. MACRA Part 1: What are Advanced Alternative Payment Models article; April 29, 2016; <https://www.aledade.com/macra-part-1-what-are-advanced-alternative-payment-models/>

