Alternative Payment Models
U031: MACRA, MIPS & APMS

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No relationships with industry
No financial conflicts

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My goal for you in the next 20 minutes:
• Give you enough information to:
  – Recognize the fundamentals of alternative payment models (APMs)
  – Understand the risks involved in participation
  – Identify what we need to make APMS viable for specialist participation
  – Understand why dermatologists need to collect and control their own data
Long Term Campaign Against Fee For Service

- Democrats & Republicans agree US healthcare is:
  - too expensive
  - full of waste
  - rank with fraud
  - needs better quality
  - needs to be “fixed”

MACRA: 2 Payment Pathways

- MIPS
- APMs
MACRA: 2 Payment Pathways

- Fee for Service with latent incentives and penalties
- Steeper penalties and higher thresholds for incentives
- Fee for Service with latent incentives and penalties
- Capitated Payment

MACRA: 2 Payment Pathways

M.A.C.R.A.

- 2019
  - MIPS FFS +4 to 9% depending on yr
  - APMs +5% updates annually 2019-2024

Fee for Service with latent incentives and penalties
Steeper penalties and higher thresholds for incentives
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APMs

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Alternative Payment Models

Shifting fee-for-service care of individual patients to risk-based health management of entire populations

$\rightarrow$

Alternative Payment Models

- Goal: To promote patient "value and efficiency"
- Consequence: Shifting risk to the physician
- Onus is on the physician to be able to manage
  - practice expenses
  - utilization
- Success based on ability to control expenses of the patient population so the budgeted amount is not exceeded
  - May share in a percentage of potential savings (upside risk)
  - May share in a percentage of any losses (downside risk)
What is a risk-based payment model?

- Risk-based arrangements = annual payments predicated on an estimate of expected costs

**Defined Condition**
- Diabetes
- Renal Failure
- Psoriasis
- Skin Cancer

**Defined Population**
- Capitation
- Bundled payments
- Shared savings

**Defined Condition Bundle**
- Chronic
  - Payment for treatment of the disease over a defined time period
  - Payment for treatment until cured or resolved

Fee for Service Payment System
- Fragmented care, no payment for coordination, difficult to communicate between silos

Patient Centered Global Payment System
- Payments to entire group of providers for managing "total" care
Risk Based Payment

- Alternative payment models:
  - Capitation
  - Bundled payments
  - Medical Homes
  - ACOs
Dermatology Alternative Payment Models

- Annual capitated payments or bundled payments
  - Would have to be risk adjusted for pt population
  - Would need to cover the entire costs of an “average” pt with a specified disease severity

Alternative Payment Models

- The ideal model is designed by physicians with input from an expert in Healthcare Delivery Science
  - Doesn’t disrupt physician’s financial stability
  - Doesn’t eliminate necessary care
  - Contains quality measures
  - Penalizes inappropriate outliers
  - Encourages judicious use of health resources
  - Will be labor intensive and expensive to develop

MACRA

Tightens the Nexus Between Quality & Payment
DataDerm allows you to meet all criteria of MIPS

The only QCDR in Dermatology

Big Data & Dermatology

- Who is the expert in defining quality in dermatology?
- DataDerm was developed by dermatologists for dermatology
- DataDerm will give us the power to define quality
  - Gives us the capacity to develop measures:
    - Meaningful to us and patients
    - Feasible in the rapid pace of a private practice setting
  - Gives us the capacity to demonstrate value in the house of medicine
Demonstrating Value

- In an era of fixed costs, it is important to prove:
  - The value of specialty care
    - More efficient
    - Initial accurate diagnosis → correct treatment → rapid disease improvement
  - The value of new and old treatments
    - Comparative effectiveness research

DataDerm™ by the Numbers

- 933 active practices
- 2,733 providers submitting data
- 8.6 million unique patients
- 23.6 million patient visits

Data through 11/30/2018
Unique Patients Represented by Region Over Time
Dermatologist data integrated for more than 17 million patients

Data through 11/30/18

AAD's DataDerm Recognition Program

Nextech

AAD's DataDerm Recognition Program

Allscripts
Amazing Charts
American Medical Software
Aptima
eClinicalWorks
eMDs - Plus
eMDs - Solution Series
ENCITE
GE Centricity
Greenway Intergy
Greenway/Primesuite
IMIS
Mckesson
MD Rhythm
MDSuite
MicroMD
Next Gen
Practice Studio
DataDerm Recognition Program

AdvancedMD
eClinicalWorks—Cloud Based
Glow Stream
MacPractice
Medent
Medinformatix
Practice Partners
Prahs EMR - Oracle 11
SoapWare
SRS EHR
TrillMed EHR

MIPS Reporting

CMS Quality Payment Program

<table>
<thead>
<tr>
<th>2016 PQRS</th>
<th>2017 MIPS</th>
<th>2018 MIPS</th>
<th>2019 MIPS</th>
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<tbody>
<tr>
<td>Qualified Registry</td>
<td>Qualified Registry</td>
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<td>Qualified Registry</td>
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<tr>
<td>1,400 clinicians submitted to CMS</td>
<td>2,760 clinicians submitted to CMS</td>
<td>2,667 clinicians submitted to CMS</td>
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<td>93.72% match rate</td>
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Marta Van Beek, MD, MPH
2018 MIPS Review

<table>
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<tr>
<th>QCDR REQUIREMENTS</th>
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<td>99.24%</td>
<td>100%</td>
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</tbody>
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2019 & 2020 MIPS Reporting

- **2019 MIPS**
  - DataDerm approved as Qualified Registry and QCDR
  - Data collection ongoing
- **2020 MIPS**
  - Self-nomination preparation underway
  - Deadline for self-nominations: September 1, 2019

**Alternative Payment Models**

- Constant pressures towards APMS
- APMS have worked for other specialties
  - Nephrology, Transplant Surgery
- They are different from 1990’s HMO capitation because of quality measures
- Will require enormous amounts of accurate data to develop and ultimately minimize risk
Thank you