AMA

Help develop an alternative payment model for your specialty

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One of two main pathways for participation in the Quality Payment Program (QPP) created by the Medicare Access and CHIP Reauthorization Act (MACRA), is an alternative payment model (APM). Many physician-developed APMs are already used in practice, but with the implementation of the QPP underway the need for medical societies to develop APMs is greater than ever.

MACRA provides a 5 percent annual bonus to physicians who participate in qualified APMs at certain threshold levels, and they also are exempted from the new Merit-based Incentive Payment System (MIPS). If an APM does not qualify for the bonus, APM participation can still add to a physician's overall MIPS score.

In response to AMA advocacy, the Centers for Medicare and Medicaid Services (CMS) provided more flexibility in the QPP requirements for APM financial risk. Now, an APM can qualify in 2019 and 2020 if the APM entity is either at risk of losing up to 8 percent of its own revenues when Medicare expenditures are higher than expected or up to 3 percent of total Medicare expenditures for the patients assigned to the APM—whichever is lower. The revenue option is important because physician services only account for a small share of total expenditures.

How physicians can develop APMs

When Seattle radiation oncologist Shilpen Patel, MD, saw an opportunity to improve care for his patients, he began working with his specialty society—the American Society for Radiation Oncology (ASTRO)—to develop an APM that radiation oncologists around the nation could use.

That work with ASTRO resulted in two APMs, one for palliative treatment for bone metastases and another for the various modalities that radiation oncologists use to treat breast cancer.

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"One of the things I like about our group is that it's a bunch of working physicians who see patients every day, and we're all kind of in the trenches," Dr. Patel told *AMA Wire*® last year. "We have a pretty wide variation in terms of different practices represented to make sure that this is going to work for everybody at the end of the day."

Another physician who worked through her specialty society to develop an APM is Robin Zon, MD, an oncologist and member of the American Society of Clinical Oncology's (ASCO) payment reform and implementation workgroups. Dr. Zon had a hand in developing the patient-centered oncology payment model, which covers intensive care management, coordination and supportive services that can reduce complications of chemotherapy that often lead to emergency visits and hospital admissions.

A five-step process

When physicians, through their specialty societies, approach the development of an APM to address specific patient conditions, the AMA has recommended a five-step process:

1. Establish a committee of physicians who are willing to spend the time.
2. Identify specific opportunities to improve patient care that are likely to result in specific types of spending reductions, and identify the specific barriers in existing payment systems.
3. Identify the payment changes needed to overcome those barriers. Not all APMs actually overcome the barriers, and some have unintended consequences that can create new problems.
4. Analyze whether the benefits for patients and the savings for payers and patients are sufficient to justify any costs associated with appropriate payment changes.
5. Design a payment model that removes the barriers to improving care so that physicians can improve outcomes for patients and achieve savings for payers.

There are many areas where physicians can find ways to improve care and reduce spending through an APM. Some examples of work underway by specialty societies to develop APMs for patient conditions include:

Angina (stable)

- Reduce unnecessary use of stress tests and cardiac imaging
- Help patients quickly and accurately determine the causes of chest pain and their risk of heart attack

Chronic kidney disease

- Slow progression to end-stage renal disease and improve treatment planning

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- Plan ahead for hemodialysis patients' vascular access to create and maintain arteriovenous fistula and avoid use of multiple catheters

Epilepsy

- Improve accuracy of diagnosis
- Reduce frequency and severity of seizures
- Reduce injuries and complications requiring emergency visits and hospitalizations

Cancer

- Improve outcomes through accurate diagnosis and staging, as well as appropriate use of treatments
- Help patients manage psychological, physical and financial challenges of cancer
- Reduce complications requiring emergency visits and hospital admissions
- Improve appropriateness of imaging during surveillance for progression and recurrence of disease

The above are only a few of the condition-specific areas that physicians and specialty societies could address with effective APMs. You can find more on the AMA's Medicare Alternative Payment Models web page. Also, take a look at the AMA's Medicare and Medicaid web page for more tools and resources.

MACRA created the Physician-Focused Payment Models Technical Advisory Committee (PTAC) to review and make recommendations on proposals for new Medicare APMs under the QPP. The PTAC is now accepting APM submissions and will review on an ongoing basis.

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