

## Part B Insider (Multispecialty) Coding Alert

### Part B Payments: CMS Launches Plan to Reform Medicare Payment Model

**You could be tying half of your pay to quality within three years.**

Although Medicare's fee-for-service payment model has most likely been the norm as long as your practice has been accepting Part B payments, that could change in the not-too-distant future.

On Jan. 26, HHS Secretary **Sylvia M. Burwell** announced a new plan that will allow CMS to reimburse providers based on quality of care, rather than the number of procedures and services they provide.

"HHS has set a goal of tying 30 percent of traditional, or fee-for-service, Medicare payments to quality or value through alternative payment models, such as Accountable Care Organizations (ACOs) or bundled payment arrangements by the end of 2016, and tying 50 percent of payments to these models by the end of 2018," CMS reps said in a statement. "This is the first time in the history of the Medicare program that HHS has set explicit goals for alternative payment models and value-based payments."

CMS is ramping up the pay-for-quality program quickly, considering the fact that Medicare paid almost nothing using alternative payment models just three years ago, but about 20 percent of all Medicare payments are based on alternative models right now.

#### Details Still in the Works

Most physicians and professional associations were optimistic about the new model. "Physicians have many ideas for redesigning and improving the delivery of high-quality patient care in this country," said AMA President **Robert M. Wah, MD** in a statement. "We strongly support reform of the Medicare payment system, including elimination of Medicare's flawed sustainable growth rate formula, which provides a pathway for physicians to innovate and develop new models of health care delivery for our patients."

It's unclear how the upcoming change will impact Part B providers, since CMS is still in the process of creating the new policies and funding programs that will make Burwell's program a reality.

The one hint that CMS provided was when the agency noted that the adjustment "would continue the shift toward paying providers for what works — whether it is something as complex as preventing or treating disease, or something as straightforward as making sure a patient has time to ask questions."

**Resource:** To read more about the historic announcement, visit the HHS website at [www.hhs.gov/news/press/2015pres/01/20150126a.html](http://www.hhs.gov/news/press/2015pres/01/20150126a.html).