

Medicare Compliance & Reimbursement

Reimbursement: CMS Bolsters Primary Care With New Payment Models

Feds offer big incentives, but expect big risks, too.

Primary care policy often takes a backseat to specialty-specific innovations and payment models. However, CMS wants to change that and give these crucial, "front line" providers the kudos they deserve.

Details: Last month, the **Centers for Medicare and Medicaid Services** (CMS) announced its "Primary Care Initiative," putting Medicare's focus back on value and primary, patient-centered care, suggests **Alex Azar**, **Department of Health and Human Services** (HHS) secretary, in a release on the program. HHS and CMS hope to transform this central part of healthcare by offering five primary care payment model options with two paths.

"As we seek to unleash innovation in our healthcare system, we recognize that the road to value must have as many lanes as possible," stresses **Seema Verma**, CMS administrator, in a brief. "Our Primary Care Initiative is designed to give clinicians different options that advance our goal to deliver better care at a lower cost while allowing clinicians to focus on what they do best: treating patients."

The pathways - Primary Care First (PCF) and Direct Contracting (DC) - incentivize cost reductions and promote affordability while putting more of the risk on providers. The policies follow current agency trends and are reminiscent of the Medicare Shared Savings Program (MSSP) final rule, "Pathways to Success." The MSSP overhaul, which was finalized in December 2018, revamped Accountable Care Organization (ACO) participation and also promoted new options to move away from fee-for-service to value-based care (See Medicare Compliance & Reimbursement, Vol. 45, No. 2).

And don't expect the feds to slow down their payment model renaissance anytime soon. "CMS is evaluating its existing models, creating new models, and the pace of change is faster than it has been since the slate of mandatory bundled payment programs were announced in 2016 through 2017," submit attorneys **Kristen Barlow** and **Alissa Smith** of **Dorsey and Whitney LLP**, in the Dorsey Health Law blog.

Expect a Quick Ramp-Up Period

Similar to other recent policy changes, CMS has fast-tracked both the PCF and DC paths with start dates in January 2020.

Primary Care First: Two models are available under PCF and concentrate on offering options to individual primary care practices. The first is a general entry for primary care practices, and the second focuses on advanced primary providers who attend to the needs of high-need populations. The payment models will be implemented initially in 26 PCF regions, with expansion to the rest of the United States in following performance years (See story, p.75).

"CMS anticipates releasing a Request for Application in spring 2019 for the first cohort of payers and practices. Practices and payers will begin participation in the model in January 2020," CMS says.

Direct Contracting: This pathway offers three payment models: DC-Global; DC-Professional; and DC-Geographic. With a greater focus on organizations like ACOs, Medicare Advantage plans, and Medicaid Managed Care Organizations, the DC models "are designed to create a competitive delivery system environment where organizations offering greater efficiencies and better quality of care will be financially rewarded," note CMS.

Organizations interested in DC payment models can line up their beneficiaries to meet the minimum beneficiary requirements starting in January 2020, CMS indicates. The performance period will commence in January 2021 and run for five years.

Industry Groups Praise Feds' Primary Care Policies

CMS calls primary care physicians the "front line" of medicine and "central to a high-functioning healthcare system," so it's no surprise that organizations like the **American Medical Association** (AMA) are thrilled that the feds are finally investing in healthcare's foundation.

"Many primary care physicians have been struggling to deliver the care their patients need and to financially sustain their practices under current Medicare payments," points out **Gerald E. Harmon, MD**, immediate past chair of the **AMA Board of Trustees** in a statement on the models. "The new primary care payment models announced today will provide practices with more resources and more flexibility to deliver the highest-quality care to their patients."

Note: The Primary Care First path and payment models' fact sheet is at www.cms.gov/newsroom/fact-sheets/primary-care-first-foster-independence-reward-outcomes.

The Direct Contracting path and payment model options' fact sheet is at www.cms.gov/newsroom/fact-sheets/direct-contracting.