Choosing to Participate in an APM: A Discussion Guide

Clinicians who deliver a certain percentage of their care through an advanced alternative payment model (APM) are eligible for a bonus of 5 percent of their Medicare Part B professional services payments in 2019 through 2024. Advanced APMs are defined as a model that uses certified EHR technology, ties payment to quality, and takes on downside financial risk. There remain a limited list of advanced APMs that qualify for these bonuses in the MACRA’s first performance year (2017):

- Comprehensive End-stage Renal Disease (ESRD) Care (CEC)—Two-sided Risk
- Comprehensive Primary Care Plus (CPC+)
- Next Generation ACO Model
- Medicare Shared Savings Program (MSSP)—Track 2
- MSSP—Track 3
- Oncology Care Model (OCM)—Two-sided Risk
- Comprehensive Care for Joint Replacement (CJR) Payment Model—Track 1-CEHRT

However, CMS is considering adding more options for future years, such as a new MSSP Track 1+. As APMs grow—both in general and as part of the MACRA—it is likely that post-acute care providers will be approached to join a model that provides efficient, streamlined and coordinated care across the continuum since APMs necessarily require this type of care.

That said, participating in an APM may not be the right decision for your post-acute care organization. Below is a list of benefits and risks of participating in an APM, and the questions you should ask your leadership as part of your decision-making process.

**Benefits of Participating in an APM**

The primary purposes of APMs in general is to move the health care field away from fee-for-service mechanisms in order to incentivize providers to provide high-quality and cost efficient care. Getting involved in these forward-facing models now could yield both short-term rewards and long-term achievements.

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<th>Benefit</th>
<th>Questions to Ask</th>
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<td>Varying levels of upside potential and downside risk to ease into new models</td>
<td>Is our organization committed to moving towards pay-for-value? Have we already begun this transition and are looking to make significant steps toward fully taking on risk?</td>
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<td>Is our organization prepared to take on downside risk, or do we depend on traditional fee-for-service to keep</td>
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afloat? Can we follow the necessary timeframes to begin to take on risk?

Bonus incentive equal to 5% of previous year’s Part B annual payments for covered professional services

Do we employ a sufficient number of clinicians that we would enjoy this benefit?

Exemption from MIPS reporting requirements for participating clinicians

Would our participation in this model be attractive to clinicians that we are trying to recruit?

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<th>Risk</th>
<th>Questions to Ask</th>
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<td>Lag between investment and payoff of incentives</td>
<td>Is our organization financially healthy enough to sustain our work even if we do not realize a payoff for a few years?</td>
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<td>Underperformance would reduce Medicare revenues</td>
<td>Are we confident that our organization is operationally strong enough to maintain high performance (or improve performance) while operating in this model?</td>
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<td>Publicly available data from APM participation could harm reputation</td>
<td>Does our organization have a healthy reputation that could withstand newly available public data? Has our performance been under scrutiny lately?</td>
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<td>APM models are subject regulatory volatility as priorities of Administration change</td>
<td>Are there pending regulatory changes that could alter the provisions of this model? Are we prepared to make rapid changes in response?</td>
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**Risks of APMs**

With a few years of performance in certain APMs to review, it’s clear that some models can return significant financial gains. However, participation in these models is inherently risky and involves considerable investments and operational challenges that not every organization is prepared to withstand.

**Other Considerations**

Participating in a model with other non-post-acute providers could involve more than just financial risks and rewards. Other questions to consider include:

- Is our organization’s EHR system functionally interoperable with another setting, or would we need to transition to a new system?
- Are we willing to change practice patterns or reporting channels to integrate our care with that of another setting?
- Will participating in this model require additional quality reporting data for us to collect or communicate?