Value-Based Payment

Is it Time to Modify Your Care?

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Objectives

• Discuss quality of care by healthcare providers and for patients, PQRS
• Define and discuss the Value Based Payment Modifier, PVBM, VBM or VM
• How providers are paid: SGR, Medicare PFS
• Discuss what this will mean to health care providers, billers and coders
VBM- Incentive or Penalty?

- Value-based modifier (VBM)
- “…how CMS judged the quality and efficiency…”
- Current bills in both houses of Congress
  - 4%
  - 10%
  - Higher?

Value-based Modifier

- Beginning of the year
- Payments reduced or increased for the year
- Do physicians know about it?

CMS QualityNet Help Desk Monday-Friday 7am-7pm CST
Phone: 1-866-288-8912
Qnetsupport@sdpsonline.org
Value-Based Payment Modifier

2010 Affordable Care Act (ACA) – Section 3007
• By 2015 begin applying a value modifier (VM)
• Medicare Physician Fee Schedule (MPFS)
• Cost & Quality data

Medicare Improvements for Patients & Providers Act of 2008 (MIPPA), Section 131

Eligible Professionals (EPs)
• Physicians
• Dentists
• Podiatrists
• Chiropractors
• Nurses (NP, CRNA, CNM)
• Physician assistants (PAs)
• Therapists (PT, OT, Speech-Language)
Payments to Providers

- Budget neutral
- CMS – Centers for Medicare & Medicaid Services
- “High performing physicians”
- “Low performing physicians”

Example of change in reimbursement:
- 10% increase
- 80% no change
- 10% decrease

Approach

- Physician Quality Reporting System (PQRS)
- Smaller groups & solo practitioners
- Data collected now (Likely to increase in time)

**Reporting Methods**: (individual EPs) Qnetsupport@sdps.org

1. Medicare Part B claims
2. Qualified PQRS registry
3. Direct EHR using Certified EHR Technology (CEHRT)
4. CEHRT via Data Submission Vendor
5. Qualified clinical data registry (QCDR)
Don’t report?

- Negative VBM
- 2013…drop 1% in 2015
- 2014…drop 2% in 2016

Selecting Quality Measures
- Provider associations
- Quality groups
- CMS

Medicare Physician Fee Schedule (MPFS)

Payments only under Medicare PFS
Does not apply:
- Rural Health Clinics
- Federally Qualified Health Centers
- Critical Access Hospitals
Fee Schedule

- Work RVUs
- Practice expense RVUs
- Malpractice expense RVUs

VM Does not apply to some

- Medicare Shared Savings Program ACO
- Pioneer ACO model
- Comprehensive Primary Care Initiative

PQRS – Physician Quality Reporting System

(formerly known as Physician Quality Reporting Initiative – PQRI)

Groups of Providers

- PQRS in 2013
- Self nominate/register

Two Categories
1. Have met the criteria for PQRS incentive payment
2. Have not reported PQRS criteria (-1.0% in 2015)

Quality tiering
- Upward payment adjustment (high quality/low cost tier)
- Downward payment adjustment (low quality/high cost tier)

Quality Tiering Option

Quality Tiering
- COPD
- Heart failure
- CAD
- Diabetes

*Risk adjusted to reflect the relative severity of patients’ conditions. At least 20 patients
Grading a physician’s value

“cannot accurately measure any physician’s overall value, now or in the foreseeable future.”

Will it motivate physicians?

“Grading a physicians’ value – the misapplication of performance measurement.” NEJM 2013;369:2079-2081

Malpractice Concerns

• Unintended legal risks
• Standard of care
Value Based Payment Modifier

Statements from CMS:

• “…so that Medicare rewards value rather than volume.”
• “Calculation of the Value Modifier under the quality-tiered election will result in an upward, downward, or no payment adjustment based on performance.”

Final Rule for 2014

• Payment rates and policies for 2014
• Sets payment rates for practitioners
• $87 Billion in 2014 projected
• High quality care & efficiency in Medicare
PPACA of 2010

• Patient Protection and Affordable Care Act of 2010 “Obamacare” or PPACA

• Pay-for-performance

PPACA of 2010

• Pay for Performance
• Patient satisfaction surveys
• Patient outcome
Pay for Performance

• Value or benefit for patients
• Effect on patient care

Some Questions to Consider

• Is America’s health care system in need of improvement?
• How is quality in health care defined?
• Will this make health care more expensive?
• Will this result in higher quality care and lower costs?
Does it work?

- Market driven
- Higher quality
- Lower cost care
- What about “low value care”?
- “Choosing Wisely Campaign”

NEJM: April 3, 2014; NEJM Perspective Roundtable

More Questions

- How do patients define quality?
- Providers?
- Bedside manner
Patient Perceptions

• Physician extenders
• Time

“Do I get to see my doctor?”

Quality Medical Care

Hippocratic Oath: Classical Version

I swear by Apollo Physician and Asclepius and Hygeia and Panaceia and all the gods and goddesses, making them my witnesses, that I will fulfill according to my ability and judgment this oath and this covenant:
Quality Medical Care

Hippocratic Oath: Modern Version

I swear to fulfill, to the best of my ability and judgment, this covenant:

I will remember that I do not treat a fever chart, a cancerous growth, but a sick human being, whose illness may affect the person's family and economic stability. My responsibility includes these related problems, if I am to care adequately for the sick.

I will prevent disease whenever I can, for prevention is preferable to cure.

Physician Reimbursement

- Fee for service
- Capitation
- Salary
- Pay for performance
- Some combination of the above
Relative Value Units (NEJM369;23, 12.05.2013)

- Developed in 1988

Physician Activities

Other important physician activities
- Managing systems of care
- Managing the health of populations
- Delivering individual patient care in new ways
- Behavioral influences

Alternate system?
Physician Work – cont’d.

- Improve patient outcome
- New RVU system

RVU-based System

- Value considerations
- Improve patient outcomes
Physician Work – cont’d.

• Perceived time
• Skill
• Intensity

RVU Levels

• Cognitive clinical work
• Team based
• Supervisory clinical activities
• Evidence-based
Physician work – cont’d.

- Motivators
- Value-focused
- Value based RVUs

Promote primary care?

JAMA January 15, 2014 Volume 311, Number 3

“Implications of New Coverage for Access to Care, Cost-Sharing, and Reimbursement”

- Accept new patients?
- Incentives and penalties
- Quality Benchmarks
Primary Care

“Although it is uncomfortable to consider lack of access to care and unmet human needs in economic terms, these small primary care practices must weigh the opportunity of absorbing newly insured patients against the financial and regulatory risks.”

JAMA 01.15.2014 article - continued

• Not participate?
• Penalize physicians & practices?
• Mixed results, “performance-based payment”
Unintended Consequence

- Acceptance of new patients
- Socioeconomic status
- Patient compliance

Define: Health Care Quality

- Best care
- Quality indicators
Defining Quality

• Compare information
• Quality transparency

Comparing Data

• Benchmarking
  - Internal
  - External
Define: Health Care Quality

- Safe
- Effective
- Patient-centered
- Timely
- Efficient
- Equitable

Institute of Medicine (IOM), 2001

Quality of Health Care

The Five Ds:
- Death
- Disease
- Disability
- Discomfort
- Dissatisfaction
Quality in Health Care

American Academy of Nursing Expert Panel on Quality Health:

• Achievement of appropriate self-care
• Demonstration of health-promoting behaviors
• Health-related quality of life
• Perception of being well cared for
• Symptom management

Quality in Health Care

• Safety & quality
• The Foundation of quality?
Safety & Quality

Definition of safety:
• Prevention of harm to patients

Errors
• Prevent
• Learn from
• Who is involved?

Prevention of Harm

Definition:
• Freedom from accidental or preventable injuries produced by medical care

Pay-for-performance

- Financial pressure on providers
- Does this provide benefit or value for patients?
- Market based payment system
- Complications

Preventive care

Patient Protection and Affordable Care Act of 2010

- PPACA or Obamacare

- Increase or decrease quality?
Patient Protection Affordable Care Act

PPACA of 2010
1. The In-Patient Value-Based Purchasing Program
2. The Hospital Readmissions Reduction Program
3. The Physician Value-Based Payment Modifier

PPACA of 2010
Pay for performance
• Modification of existing Medicare fee schedule
• 2015
• Quality data
Sustainable Growth Rate (NEJM 370;1, 1.02.2014)

Approximately 8,000 discrete service codes

SGR
- 1997
- Spending limit

SGR
- Short term patches, $150 billion

- NEJM 370;1, 1.02.2014
Sustainable Growth Rate

February 6, 2014 bipartisan agreement to repeal
- Replaces it with a 0.5% annual payment increase for 5 years
- 2.5% increase over 5 years compared to 1.9% over the last 10 years
- HR4015 and S2000
- Focused on continuous quality improvement

Quality, Value, Accountability

- Repeals SGR
- Threat of cuts to Medicare providers imminent
- Incentives for care coordination
- Quality measures

What actually happened 3/31/2014?

Quality Data

• Physician Quality Reporting System or PQRS
• Medicare fee-for-service claims
• 2015 VM applied to groups of 100 or more
• 2017 individual and small group practices

Relationship between PQRS & VM

• Based on participation in the PQRS
• Self nominating or registering for the PQRS as a group
• Report at least one measure, to avoid the -1.0% downward Value Modifier payment adjustment
• Result: upward, downward or no payment adjustment
Budget Neutral

Winners & losers
• No pay adjustment
• Pay adjustment based on a composite score
• Penalty of 1 percent

Patients

• Does pay-for-performance involve patients
• Who gets better value
• Better way

Can patients get the information?
Assessing Quality

• Patient satisfaction surveys
• Specialty mix in the group
• Quality and Resource Use Reports (QRURs)

QRURs

• Quality and Resource Use Reports
• Physician Feedback reports

Fall of 2014
• Email or call a technical help desk re: their report
What is the Value Modifier?

• Differential payment
• Based on quality of care compared to cost
• Performance period

When will Medicare apply the Value Modifier?

• Calendar year 2015
• 100 or more eligible professionals
What is the performance period for the Value Modifier?

- Calendar year 2013
- 17 measures, 14 process and 3 outcome measures

Examples:
- Lack of monthly INR Monitoring for Beneficiaries on Warfarin
- Lipid Profile for Beneficiaries who started Lipid-Lowering Medications
- Use of High-Risk Medications in the Elderly
- Osteoporosis Management in Women ≥67 who had a fracture

How is a “group of physicians” defined for the Value Modifier?

- Taxpayer Identification Number (TIN)
- National Provider Identifier (NPI)
How does Medicare determine whether a group of physicians has 100 or more eligible professionals?

1. Eligible as of October 15, 2013, to be subject to the Value Modifier for CY 2015
2. Analyze claims for services for CY 2013 100 or more eligible professionals during 2013

Provider Enrollment Chain and Ownership System (PECOS)

American Medical Association (AMA)

“Bills approved by Senate and House committees to repeal the flawed SGR formula include important financial and administrative proposals that represent short-term improvements over current law governing quality reporting and pay-for-performance programs, which include value-based modifiers.”
AMA

“The AMA has repeatedly argued that the value-based modifier is a flawed concept that cannot be equitably applied across the board to all physicians. The AMA will continue efforts to repeal the value-based modifier initiative, while also seeking to limit potential penalties and eliminate the 2-year lag time between quality assessments and payment adjustments.”

Prepare

- Focus on performance
- PQRS metrics
- CMS feedback reports

Replace SGR with value-based payment method?
The End

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