MDPCP Track 3: PMPM Payment Comparison & Assumption Review

Presentation to Advisory Council
December 1, 2020

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Preliminary Results

PMPM Comparison Across Models

- CMF/PBP PMPM: Monthly management fees, assumes beneficiaries are enrolled for 12 full months
- E&M PMPM: FFS or Flat Fee payments, GPCI-adjusted, with beneficiary cost sharing
  - E&Ms limited to 39 codes included in PCF flat fee
  - Services based on CY 2019 utilization, inflated to 2021 payment rates
  - Uses Medicare eligibility (Part A & B) for 2019 to determine total member months
- Universe is Track 2 practices (122) and attributed beneficiaries (99,047) as of Q3 2020
- For Models #2-4, total dollars (CMF + E&M) reflect 85-90% of total practice revenue for participating physicians and attributed beneficiaries (CMF + E&M + All Other Services)

Model	Assumptions	Total Dollars	CMF/PBP PMPM	E&M PMPM	Total PMPM
1) Fee for Service Only	E&M = **FFS**+BCS / Total Member Months	$40,882,086	$0	$35.68	**$35.68**
2) PCF	PBP = Total Annual PBP $ / Total Beneficiaries E&M = **$54.20**+BCS / Total Member Months	$63,309,470	$29.76	$24.39	**$54.15**
3A) Track 3 (Practice-Group Model)	PBP = Total Annual PBP $ / Total Beneficiaries E&M = **$62.00**+BCS / Total Member Months	$65,598,349	$29.76	$26.38	**$56.14**
3B) Track 3 (Beneficiary-Group Model)	PBP = Total Annual PBP $ / Total Beneficiaries E&M = **$62.00**+BCS / Total Member Months	$84,864,733	$45.97	$26.38	**$72.35**
4) Track 2	CMF = Total Annual CMF $ / Total Beneficiaries E&M = **FFS**+BCS / Total Member Months	$86,065,158	$38.01	$35.68*	**$73.70**

*Track 2 E&M PMPM payments exclude the 10% payment inflation used to calculate the quarterly CPCP based on the CPCP Election Percentage selected by each individual practice. Therefore, the E&M PMPM is understated by approximately 2-4%, and the Total PMPM is also slightly understated.

REFERENCE SLIDES: DISCUSSION WITH CMMI – 12/2

Presentation Overview

- Review of Analytic Assumptions
- Preliminary Results: Review of Total Primary Care Payment & Practice Impacts

Preliminary Results

Review of Key Assumptions

- All Track 2 practices are assumed to transition to Track 3
  - Based on Q3 2020 participation and beneficiary attribution
- No assumptions are made for changes in MDPCP beneficiary participation or changes in beneficiary risk/complexity
- PBP payments are based on PCF Group payment rates without geographic adjustment
- CMF payments are based on the current Risk Tier payments without geographic adjustment
- Flat fee rate is based on the utilization of select E&M services for CY 2019, inflated to 2021 proposed Medicare payments
  - Neither the Leakage adjustment, MIPS adjustment, nor sequestration are considered at this time
  - Track 2 E&M payments do not include the 10% payment inflation used to calculate the quarterly CPCP based on the CPCP Election Percentage selected by each individual practice.
- All results presented are prior to performance-based adjustments (PBAs)

Distribution of Practices by PCF Group

Track	Number of Practices	Percent of Practices	Number of Beneficiaries	Percent of Beneficiaries
Track 1	351	74%	251,342	72%
Track 2	122	26%	99,047	28%
Total Practices	473	100%	350,389	100%

PBP PBPM Payment by PCF Group

Group (Avg. HCC score)	PBP PBPM
Group 1 (<1.2)	$28
Group 2 (1.2-1.5)	$45
Group 3 (1.5-2.0)	$100
Group 4 (>2.0)	$175

CMF Payment by Risk Tier

Risk Tier	CMF PBPM
Tier 1 (0.10-0.48)	$9
Tier 2 (0.49-0.70*)	$11
Tier 3 (0.70-1.19)	$19
Tier 4 (1.20-1.92)	$33
Complex (0.10-13.9)	$100

* Includes auto-assignment of beneficiaries without HCC scores at the time of attribution. Ranges based on corrected attribution files from CMMI.

Population-Based Payments (PBPs)

- Population-based Payments (PBPs) are modeled for two different Track 3 structures:
  a) **Practice Group**: ***Practices are assigned to a single PBP Group*** and receive one Group-specific payment amount for each beneficiary
     i. Aligns with the structure and payments of national PCF program
  b) **Beneficiary Group**: ***Beneficiaries are assigned to a PBP Group*** and practices receive a PBP Group-specific payment amount ("Money follows the person")
- Neither current CMFs nor PBPs are geographically adjusted

Preliminary Results

Flat Fee Payment

- PCF program developed a flat fee payment rate based on a Level 2 E&M service (99212)
- Most physicians in Track 2 practices routinely bill Level 3 & 4 E&M services
  - More than 70% of all services among the select E&M services included in the flat fee payment rate are for 99213 & 99214
- The selected E&M services included in the flat fee represent about 44% of all services provided by the practices, but 80% of the total allowed payments

Preliminary Results

Flat Fee Payment: E&M Code 99212

- The construction of the flat fee payment is limited to only 99212, *consistent with PCF structure*
- Using the proposed 2021 Medicare Physician Fee Schedule payment rates (nationally), the Medicare payment for 99212 is $54, which would be further GPCI-adjusted at the time of claim processing
- About 13.5% of claims contain more than one E&M service per patient per day; therefore, the flat fee payment needs to account for this additional cost
  - *The adjusted flat fee would be $62*
- After adding beneficiary cost sharing (estimated at 27% of total Medicare allowed payment for both deductibles and copayments), the practice would receive $98 in total payment, a 25% reduction relative to current Track 2 E&M payments

National Payment Rate for 99212

E&M Service	National Payment Rate (2021)
99212	$54.20

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PRELIMINARY RESULTS: TOTAL PRIMARY CARE PAYMENT (TPCP)

Preliminary Results

Total Primary Care Payment

- Current Track 2 payments are compared to Track 3 payments to determine the overall impact of the new track on providers
- Total Primary Care Payment (TPCP) includes the annualized PBPM care management payments (CMF vs PBPs) and the E&M payments (fee schedule vs flat fee)
- E&M services are based on the actual services provided by practices to MDPCP attributed beneficiaries in CY 2019, inflated to 2021 dollars
  - Model assumes a E&M flat fee allowed amount that based on 99212 ($62) plus beneficiary cost sharing

Preliminary Results

Total Primary Care Payment: Practice Group

- Using the PCF Group structure, the Total Primary Care Payment for Track 3 practices is expected to be 24% lower than current payments under Track 2 ($86.1M to $65.6M annually)

Total Primary Care Payment for Track 3 Practices based on Q3 2020 Attribution: Current vs Modeled Payments Using PBP for Practice Groups
Corrected HCC Scores; Flat Fee = $62 + Beneficiary Cost Sharing

			Track 2 Payments (Current)			Track 3 Payments (Modeled)			
Practice Group	Number of Practices	Number of Beneficiaries	CMF Annual Payments	E&M Services (2021 $)	Total Payments	PBP Annual Payments	E&M Flat Fee (2021 $)	Total Payments	Percent Impact
Group 1	105	88,797	$39,096,012	$37,490,823	$76,586,835	$29,835,792	$27,839,706	$57,675,498	-24.7%
Group 2	17	10,250	$6,087,060	$3,391,263	$9,478,323	$5,535,000	$2,392,183	$7,927,183	-16.4%
Total	**122**	**99,047**	**$45,183,072**	**$40,882,086**	**$86,065,158**	**$35,370,792**	**$30,231,889**	**$65,602,681**	**-23.8%**

Track 3 Practices are based on Track 2 participation as of Q3 2020; Group assignment based on the practice's average HCC score for attributed beneficiaries; PBP assumes $28 PBPM for Group 1 and $45 PBPM for Group 2; Annualized results assume concurrent attribution for 12 months.

Preliminary Results

Total Primary Care Payment: Beneficiary Group

- When applying PCF Group payments to individual beneficiaries, the Total Primary Care Payment for Track 3 practices is expected to be 1.4% lower than current payments under Track 2
- Practices will receive significant payment increases for beneficiaries in Group 3 and Group 4

Total Primary Care Payment for Track 3 Practices based on Q3 2020 Attribution: Current vs Modeled Payments Using PBP for Beneficiary Groups
Revised Model: Corrected HCC Scores; Flat Fee = $62 + Beneficiary Cost Sharing

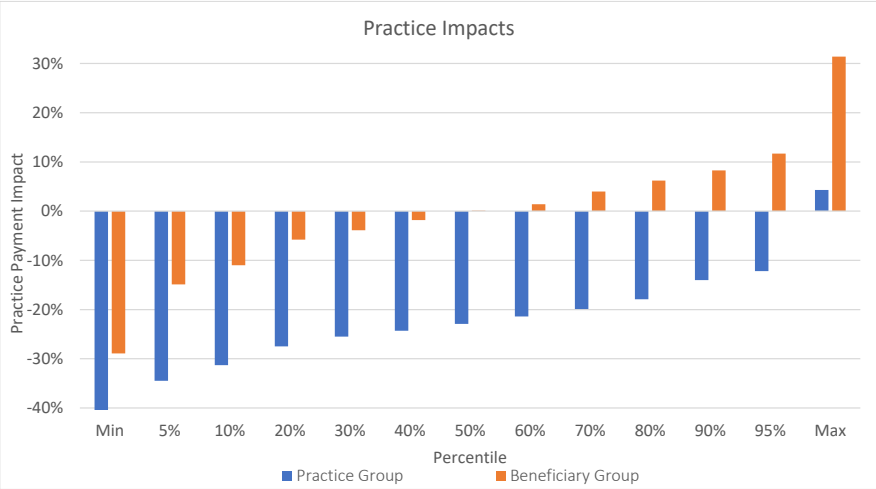
		Track 2 Payments (Current)			Track 3 Payments (Modeled)			
Practice Group	Number of Beneficiaries	CMF Annual Payments	E&M Services (2021 $)	Total Payments	PBP Annual Payments	E&M Flat Fee (2021 $)	Total Payments	Percent Impact
Group 1	77,376	$26,210,460	$29,627,650	$55,838,110	$25,998,336	$21,857,862	$47,856,198	-14.3%
Group 2	7,141	$4,553,220	$3,520,778	$8,073,998	$3,856,140	$2,620,850	$6,476,990	-19.8%
Group 3	6,367	$4,623,792	$3,298,698	$7,922,490	$7,640,400	$2,456,250	$10,096,650	27.4%
Group 4	8,163	$9,795,600	$4,429,396	$14,224,996	$17,142,300	$3,292,595	$20,434,895	43.7%
Total	**99,047**	**$45,183,072**	**$40,876,522**	**$86,059,594**	**$54,637,176**	**$30,227,557**	**$84,864,733**	**-1.4%**

Track 3 Practices are based on Track 2 participation as of Q3 2020
Beneficiary Group is based on the PCF Group score thresholds; PBP Group PBPM is applied to beneficiary groups; Annualized results assume concurrent attribution for 12 months.
Beneficiaries without HCC scores are auto-assigned to Group 1

Preliminary Results

Total Primary Care Payment: Practice Impact

- *Prior to any performance-based adjustments,* Track 3 could change practice TPCP payments significantly relative to current Track 2 payments
- Practice-specific impacts vary based on the current distribution of beneficiaries by Risk Tier



Distribution of Track 3 Practices by Percent Impact in TPCP by Model (Modeled vs Current)

	Practice Percent Impact	
Percentile	Model A Practice Group	Model B Beneficiary Group
Min	-45.6%	-28.9%
5%	-34.5%	-14.9%
10%	-31.3%	-11.0%
20%	-27.5%	-5.8%
30%	-25.5%	-3.9%
40%	-24.3%	-1.8%
50%	-22.9%	0.1%
60%	-21.4%	1.4%
70%	-19.9%	4.0%
80%	-17.9%	6.2%
90%	-14.0%	8.3%
95%	-12.2%	11.7%
Max	4.3%	31.4%

Total Track 3 practices = 122; approximately 12 practices represented in each decile

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Preliminary Results

Seriously Ill Population Overview

- SIP identification is based on calendar year 2019
- SIP requires ***both*** the Care Fragmentation and the Seriously Ill criteria to be met
- ***Care Fragmentation*** will be identified by one of these two criteria:
  - No single provider (identified by TIN) accounts for more than 50% of the beneficiary's total evaluation and management visits
    - Assumptions (all must be met):
      - Based only on PCF's 39 E&M codes
      - Restricted to Place of Service = Office (11)
      - Not limited to Primary Care specialists; anyone billing under TIN was included

  OR
  - The beneficiary had two or more ED visits or observation stays
- ***Serious Illness*** will be identified by any one of these three criteria:
  - An HCC score of 3.0 or greater

  OR
  - An HCC score of 2.0 or greater combined with 2 or more unplanned hospitalizations in the previous 12 months
    - Not yet implemented

  OR
  - DME claims for either transfer equipment or a hospital bed (as indicators of frailty)

Preliminary Results

Seriously Ill Population: Initial Estimate

Initial Prevalence of SIP beneficiaries among Medicare CCLF Beneficiaries

Enrollment	Total Beneficiaries	Qualified for Care Fragmentation	Qualified for Seriously Ill*	Qualified Fragmentation + SIP
Fee for Service (Part A & B)	172,640	134,752	9,770	6,553
MDPCP Non-Participating	268,194	149,850	17,657	11,655
MDPCP Participating (Q3 2020)	339,998	188,881	19,672	12,953
Total	**780,832**	**473,483**	**47,099**	**31,161**

* Logic to identify beneficiaries with 2 or more unplanned hospitalizations in the previous 12 months has not yet been applied