

Accountable Care NEWS

Balancing Risk and Rewards: Advanced Alternative Payment Model Participation in 2018 and Beyond

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As we approach the third anniversary of the signing of the Medicare Access and CHIP Reauthorization Act of 2015, providers and health systems continue to evaluate the best ways to align and take advantage of positive payment adjustments and incentives available under the Act. Physicians have voiced concern that MACRA's value-based payment options put too much financial risk and administrative burden on their practices. As physician payment programs created by MACRA continue to be reformed and refined, health industry leaders should continue to weigh the challenges and opportunities presented by MACRA, and particularly the benefits of participating in one-sided- or two-sided-risk Alternative Payment Models.

As providers evaluate their options, APM participation presents itself as an attractive option to achieve scale and enhance care coordination along the continuum of patient care. Participating in APMs with downside risk – known as Advanced APMs – also prepares providers for additional risk sharing in the future.

MACRA Background

MACRA is bipartisan legislation that fundamentally transforms the way Medicare pays physicians and hospitals for professional services. While Medicare traditionally paid physicians on a fee-for-service basis, MACRA marks a shift to paying physicians for successful treatment outcomes and rewarding value over volume.

(continued on page 3)

Journal Scan

ACOs, Other Models Struggle With Getting, Using Data

The Commonwealth Fund, discussing a study in *Health Affairs*, notes that "Accountable Care Organizations and other newer care delivery models use some health information technology to drive innovation, but most report difficulty accessing, sharing and applying data for performance improvement," as well, the organization reports, the article, "Data-Driven Diffusion of Innovations: Successes and Challenges in 3 Large-Scale Innovative Delivery Models," argues that "to drive innovation in patient care, ACOs and other new care delivery models need help from external experts to help them exploit the data they collect." Indeed, the Fund says, "electronic health information has had only a limited impact on how healthcare is delivered, despite experts' hopes that such data would improve quality of care and reduce costs," adding: "Public policy efforts, the authors say, should focus on helping providers use data more effectively to improve information-sharing and patient care."

Even though "many stakeholders expected that the substantial national investment in health IT and electronic data would be paying off in the successful adoption of data-driven innovation models in healthcare delivery," the Fund reports, "evidence from three large-scale and diverse innovations suggests that this is not yet the case."

- ACOs. The researchers "found that 97% of ACOs have an EHR system in place," The Fund reports, "making it the most widely adopted data tool; ACOs also use measurement data on providers' performance, often reporting feedback directly to physicians." But, the *Health Affairs* article notes, "ACOs find it difficult to obtain complete health data for patients who receive care outside the ACO."

(continued on page 6)

In This Issue

1 **Balancing Risk and Rewards: Advanced Alternative Payment Model Participation in 2018 and Beyond**

1 **Journal Scan: ACOs, Other Models Struggle With Getting, Using Data**

2 **Washington DC Watch**

10 **Thought Leaders' Corner: Which type of ACO activity will have more impact on stakeholders in the long term: Medicare, Medicaid or commercial?**

11 **Industry News**

12 **Catching Up With Matt Amodeo and Jeanna Palmer Gunville**