

Supplemental Service Payments for Alternative Payment Models

Background

As explained in the CY 2017 Quality Payment Program final rule, the Alternative Payment Model (APM) Incentive Payment is a lump sum payment equal to 5 percent of the Qualifying APM Participant's (QP's) estimated aggregate payments for Medicare Part B covered professional services, services paid under or based on the Medicare Physician Fee Schedule (PFS), for the prior year. Eligible clinicians who are QPs for a year are excluded from the Merit-based Incentive Payment System (MIPS) for that year and are eligible to receive a 5% APM Incentive Payment. In addition, beginning in 2026, QPs receive a higher PFS update (the "qualifying APM conversion factor") than non-QPs. The QP determination is made for one year at a time.

Supplemental Service Payments

The CY 2017 Quality Payment Program final rule acknowledges that many APMs use incentives and financial arrangements that differ from usual fee schedule payments. For the purposes of the final rule, we defined three categories: Financial risk payments, supplemental service payments, and cash flow mechanisms. We finalized that we will not include financial risk payments or cash flow mechanism payments in the assessment of QP status or in the APM Incentive Payment.

We finalized that we will include supplemental service payments in both the assessment of QP status and calculation of APM Incentive Payment amount. The final rule defines "supplemental service payments" as Medicare Part B payments for longitudinal management of a beneficiary's health or for services that are within the scope of medical and other health services under Medicare Part B that are not separately reimbursed through the PFS. Often these are per-beneficiary per-month (PBPM) payments that are made for care management services or separately billable services that share the goal of improving overall quality of care, enabling investments in care improvement, and reducing Medicare expenditures for services that could be avoided through care coordination. For example, the Oncology Care Model (OCM) makes a per beneficiary Monthly Enhanced Oncology Services (MEOS) payment to practices for care management and coordination during episodes of care initiated by chemotherapy treatment.¹

In the 2017 Quality Payment Program final rule, we finalized how we would determine whether certain supplemental service payments are in lieu of covered professional services that are paid under the PFS on the basis of the following four criteria:

1. Payment is for services that constitute physicians' services authorized under section 1832(a) of the Act and defined under section 1861(s) of the Act;

¹ 81 FR 77484.

2. Payment is made for only Part B services under the first criterion above, that is, payment is not for a mix of Part A and Part B services;
3. Payment is directly attributable to services furnished to an individual beneficiary; and
4. Payment is directly attributable to an eligible clinician.

We also finalized that we will establish a process by which we notify the public of the supplemental service payments in all APMs and identify the supplemental service payments that will be included in the APM Incentive Payment calculations. This process includes posting an initial list of supplemental service payments that would be included in our APM Incentive Payment calculations on the CMS website. We finalized our proposal that we will update this list no less frequently than annually and that we will include determinations and updates to this list as new APMs with supplemental service payments are announced.

Accordingly, this document serves to notify the public that each of the payments listed in the table below meets the supplemental service payment criteria, and accordingly will be accounted for when calculating APM Incentive Payment amounts in 2019, as well as used for determining QP status for 2017.

Alternative Payment Model	Payment Title	Model Payment Description
Comprehensive Primary Care Plus (CPC+) Model	Care Management Fee (CMF)	Covers provision of care management services. Risk-adjusted to reflect the increased resources required to target care management to patients with more complex needs
Comprehensive Primary Care Plus (CPC+) Model	Comprehensive Primary Care Payment (CPCP)	Paid based on a practice's per-beneficiary-per-month revenue during a historical period
Oncology Care Model (OCM)	Monthly Enhanced Oncology Services (MEOS) payment	Monthly payment for physician services (enhanced care management services required as part of OCM participation)