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WEEK OF JANUARY 6, 2020

Welcome to America's Physician Groups' "Healthcare on the Hill," where you can get the latest on healthcare happenings in our nation's capital--and with a special focus on the value-based care movement. Here's what you will find in this week's edition:

- *What We've All Been Rate-ing For*
- *Welcome to the Jungle!*
- *Add Water and Watch it Grow!*
- *Just a Bit More*
- *With Great Power...*
- *No Surprise*
- *Registration Open! APG Annual Conference 2020 in San Diego!*

*Think someone else may enjoy "Healthcare on the Hill?" **Forward this email and have them click [here](#) to be added to our subscription list.** And remember, you can always visit our [website](#) for more news and resources.*

*Valinda Rutledge
Senior Vice President of Federal Affairs
America's Physician Groups*

Administration

CMS Releases Part I of the 2021 MA Rate Notice

On January 6, the Centers for Medicare & Medicaid Services (CMS) released [Part I of the 2021 Advance Notice of Methodological Changes for Medicare Advantage](#) (the Advance Notice of Methodological Changes for Medicare Advantage Capitation Rates and Part C and Part D Payment Policies). Several important policy changes were proposed for comment in the Advance Notice including changes to the Part C risk adjustment model and ability of plans to use encounter data. You can view the fact sheet [here](#).

CMS has proposed to change the use of encounter data in establishing Medicare Advantage (MA) risk scores. Under the proposed Advance Notice, MA risk scores would be established by combining 75 percent of the encounter data-based risk score with 25 percent of the RAPS-based risk score. CMS proposes to use the 2020 CMS-HCC model to establish the encounter-data scores and 2017 CMS-HCC model to establish the RAPS scores.

Providers are currently experiencing a large amount of burden in submission (and edit resubmission) of encounter data. APG has previously recommended to CMS to slow the transition to encounter data until revisions can be made and a more streamlined and accurate set of encounter data can be developed.

The remainder of the Rate Notice will be issued on or before February 6, 2020 and will include a 30-day comment period. Final changes for both parts of the Rate Notice will be finalized on or before April 6, 2020. APG will be submitting comments in response to Part I which are due on March 6, 2020.

Brad Smith Confirmed as New CMMI Director

This week, Brad Smith was selected to serve as Director of the Center for Medicare & Medicaid Innovation (CMMI). Brad will also serve as Senior Advisor to the Department of Health and Human Services (HHS) Secretary Azar for Value-Based Transformation. APG issued a [press statement](#) and sent a [letter](#) to Brad with our congratulations and our commitment to building a strong relationship with him and the agency as we continue our work to advance the volume-to-value movement.

ACO Participation Continues to Grow

In a [blog post](#) which appeared in *Health Affairs*, CMS Administrator Seema Verma reported on the current state of Accountable Care Organizations (ACOs) participating in the Medicare Shared Savings Program's (MSSP) "Pathways to Success." Administrator Verma wrote, "For the January 1, 2020 start date, CMS approved 53 applications for new ACOs and 100 applications for renewing ACOs. The total number of Medicare beneficiaries served by health care providers in ACOs is now 11.2 million, up from 10.4 million at the start of 2019."

Verma also noted in the blog post that "...that the number of ACOs taking on risk for cost increases has grown significantly—from 93 ACOs at the start of 2019 to 192 at the start of 2020. The number of ACOs with real accountability has more than doubled over the past year. This will translate to lower costs and higher value for Medicare beneficiaries and taxpayers."

These results indicate that providers are growing more comfortable in risk-based models and are developing competencies to success. APG through our Risk Evolution Task Force and webinars assist our members in developing these competencies.

Verma shared 2018 results for the Next Generation ACO (NGACO) Model. Per Verma's post, over 75 percent of the ACOs participating in the NGACO model that year had estimated savings, with Medicare paying approximately \$285 million as shared savings.

This is significant due to the fact that the new risk-based model (Direct Contracting) has been build on lessons learned from the Next Generation model.

You can read Administrator Verma's full blog post in *Health Affairs* by clicking [here](#).

Status on APM Bonuses

CMS has asked nearly 3,000 providers who participated in advanced alternative payment models in 2017 and earned a five percent performance bonus for their banking information. According to the agency, it has been unable to identify certain financial information for these providers and cannot make their bonus payments. Providers have until February 28 to provide this information. APG and eight other organizations wrote a [letter](#) to CMS last year to express a strong concern with the delayed distribution of the bonus and the impact it could have on physicians and the

patients they serve.

CMS Seeks Comments on How to Ease Restrictions for Non-Physician Practitioners

CMS is requesting feedback from stakeholders regarding policy changes that would eliminate some Medicare scope of practice restriction on Advanced Care Practitioners (ACPs), e.g., Physician Assistants and Nurse Practitioners. The request from CMS is in response to the Executive Order announced last fall entitled, “Protecting and Improving Medicare for our Nation’s Seniors.” CMS has stated that it is considering revising Medicare regulations that require more stringent supervision of ACPs than currently provided by existing state scope of practice laws and limit ACPs from practicing at the top of their professional licenses.

States are increasingly looking to expand scope of practice for ACPs, citing a need for greater patient access and reduced healthcare costs. Stakeholder comments are due January 17. You can file your comment at PatientsOverPaperwork@cms.hhs.gov.

Congressional Corner

Surprise Billing

As Congress wrapped up the year, unfortunately no progress was made on surprise billing legislation. A struggle to find a bipartisan solution continues with some members in strong support of arbitration and others interested in median contracted rates with an arbitration backstop. We will continue to keep a close eye on this issue and report any new developments.

APG Annual Conference 2020

Join us at America’s Physician Groups Annual Conference 2020 ***The Value Movement Grows Up: What’s Next?*** May 28-30 in San Diego. This is the can’t miss meeting for anyone engaged in or planning on entering the world of value-based care. Make sure to [register today!](#)

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