Physician-Focused Payment Model Technical Advisory Committee

February 28, 2018

Alex M. Azar II, Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Azar:

On behalf of the Physician-Focused Payment Model Technical Advisory Committee (PTAC), I am pleased to submit PTAC's comments and recommendation to you on a Physician-Focused Payment Model (PFPM), *Annual Wellness Visit Billing at Rural Health Clinics,* submitted by Mercy Accountable Care Organization (Mercy ACO). These comments and recommendation are required by the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) which directs PTAC to: 1) review PFPM models submitted to PTAC by individuals and stakeholder entities; 2) prepare comments and recommendations regarding whether such models meet criteria established by the Secretary of Health and Human Services (HHS); and 3) submit these comments and recommendations to the Secretary.

With the assistance of HHS' Office of the Assistant Secretary for Planning and Evaluation (ASPE), PTAC's members carefully reviewed Mercy ACO's proposed model, submitted to PTAC on August 14, 2017, additional information on the existing RHC payment methodology including its statutory and regulatory parameters, and public comments on the proposal. At a public meeting of PTAC held on December 18, 2017, the Committee deliberated on the extent to which this proposal meets the criteria established by the Secretary in regulations at 42 CFR § 414.1465 and whether it should be recommended.

PTAC finds that the proposal is not an applicable physician-focused payment model, but rather presents relatively minor changes to a well-established and frequently updated payment methodology. The Committee offers no opinion about the merits of the proposed changes to the payment methodology for Rural Health Clinics.

The members of PTAC appreciate your support of our shared goal to improve the Medicare program for both beneficiaries and the physicians who care for them. The Committee looks forward to your response posted on the CMS website and would be happy to answer questions about this proposal as you develop your response. If you need additional information, please have your staff contact me at Jeff.Bailet@blueshieldca.com.

Sincerely,

Jeffrey Bailet, MD
Chair

Attachments

Physician-Focused Payment Model Technical Advisory Committee

REPORT TO THE SECRETARY OF HEALTH AND HUMAN SERVICES

Comments and Recommendation on

Annual Wellness Visit Billing at Rural Health Clinics

February 28, 2018

About This Report

The Physician-Focused Payment Model Technical Advisory Committee (PTAC) was established by the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) to: 1) review physician-focused payment models (PFPMs) submitted by individuals and stakeholder entities; 2) prepare comments and recommendations regarding whether such models meet criteria established by the Secretary of Health and Human Services (Secretary, HHS); and 3) submit these comments and recommendations to the Secretary. PTAC reviews submitted proposals using criteria established by the Secretary in regulations at 42 CFR § 414.1465.

This report contains PTAC's comments and recommendation on a PFPM proposal, *Annual Wellness Visit Billing at Rural Health Clinics*, submitted by Mercy Accountable Care Organization (Mercy ACO). This report also includes: 1) a summary of PTAC's review of this proposal; 2) a summary of the proposed model; 3) PTAC's comments on the proposed model and its recommendation to the Secretary; and 4) PTAC's evaluation of the proposed PFPM against each of the Secretary's criteria for PFPMs. The appendices to this report include a record of the voting by PTAC on this proposal; the proposal submitted by Mercy ACO; and additional information produced by PTAC on the existing Rural Health Center billing and payment methodology.

SUMMARY STATEMENT

PTAC finds that the proposed PFPM, *Annual Wellness Visit Billing at Rural Health Clinics*, is not applicable to the committee's charge.

PTAC REVIEW OF THE PROPOSAL

The *Annual Wellness Visit Billing at Rural Health Clinics* proposal was submitted to PTAC on August 14, 2017. The proposal was first reviewed by a PTAC Preliminary Review Team (PRT) composed of three PTAC members, including at least one physician. These members requested additional information to assist in their review. The proposal was also posted for public comment. The PRT's findings were documented in a "Preliminary Review Team Report to the Physician-Focused Payment Model Technical Advisory Committee (PTAC)," dated November 17, 2017. At a public meeting held on December 18, 2017, PTAC deliberated on the extent to which the proposal meets the criteria established by the Secretary in regulations at 42 CFR § 414.1465 and whether it should be recommended to the Secretary for implementation. The submitter and members of the public were given an opportunity to make statements to the Committee at the public meeting. Below are a summary of the *Annual Wellness Visit Billing at Rural Health Clinics* model*,* PTAC's comments and recommendation to the Secretary on this proposal, and the results of PTAC's evaluation of the proposal using the Secretary's criteria for PFPMs.

PROPOSAL SUMMARY

The proposed *Annual Wellness Visit Billing at Rural Health Clinics* model would provide separate additional payments to Rural Health Clinics for providing Medicare Annual Wellness Visits (AWV) to Medicare beneficiaries, within the existing Rural Health Clinic (RHC) All-Inclusive Rate (AIR) payment methodology. The proposal also requests that Medicare supervision rules specific to RHCs be changed to allow non-practitioners including Registered Nurses (RNs) to provide these newly separately paid AWV services without the involvement of a physician or non-physician practitioner, which is currently allowed in other settings of care. The goal of the *Annual Wellness Visit Billing at Rural Health Clinics* model is to increase the number of AWVs delivered to rural beneficiaries by providing separate payment for this service and a relaxing of physician supervision rules in this setting. Mercy ACO believes that patients in rural settings receive less than optimal preventative care screening. The submitter asserts that the delivery of AWVs is potentially associated with improved health outcomes and reducing spending.

Medicare's payment methodology for RHCs was established in 1977 to address physician shortages in rural areas. RHCs are facilities specially certified by CMS under this provision. The Medicare RHC benefit includes services delivered by physicians, nurse practitioners (NPs), physician assistants (PAs), certified nurse midwives (CNMs), clinical psychologist (CP) and

clinical social worker (CSW) and services and supplies furnished incident to a physician, NP, PA, CNM, CP, or CSW services. RHCs are paid an all-inclusive rate (AIR) for medically-necessary primary health services and qualified preventive services provided to a Medicare beneficiary. RHCs receive a single AIR payment per date of service per beneficiary regardless of the number, intensity, or duration of services or number of practitioners who see the patient. In only three circumstances can an RHC receive an additional AIR payment for the same date of service:

- An Initial Physical and Preventive Exam (IPPE) performed on the same date as other qualified RHC services,
- A mental health visit the same date as a medical visit (or vice versa), and
- An emergency medical situation that is entirely unrelated to the earlier qualifying encounter on the same date.

Specifically, Mercy ACO's proposal would add the AWV as an additional circumstance for separate AIR payment if performed on the same date of service as another billable service. Mercy ACO's proposal would also amend Medicare's supervision rules for RHCs to allow for RNs to provide this newly separate payment-eligible service.

RECOMMENDATION AND COMMENTS TO THE SECRETARY

PTAC finds that the *Annual Wellness Visit Billing at Rural Health Clinics* model is not applicable to the Committee's charge. The Committee believes that Mercy ACO's proposal is not a payment model, but rather a request for relatively minor changes to existing regulations and billing guidance in a well-developed and frequently updated payment methodology specific to RHCs. Most members of the PTAC believed that since the requested change could be accomplished through an existing regulatory pathway, a finding of "not applicable" is prudent. The majority of PTAC members thought it is not desirable for the PTAC to spend substantial time assessing the merits of straight-forward changes that can readily be accommodated in current payment methods and that CMS has responsibility to consider. PTAC should, to these members, discourage these types of proposals.

One PTAC member disagreed strongly with the Committee's decision. This member believes that the proposal describes a physician-focused payment model, that all of the Secretary's criteria are applicable to the proposal, and that the Committee has an obligation under the law to evaluate the proposal against the criteria and make a recommendation. This member felt that the proposal met many of the Secretary's criteria, but it did not meet the payment methodology criterion, and voted not to recommend the model for testing as a PFPM.

There was broad consensus among Committee members that there was sufficient information to determine that the proposal was not a new payment model, in contrast to the minority view that it is a payment model that does not meet all the requisite criteria. The Committee offers no opinion about the merits of the proposed changes to the AIR payment methodology for RHCs.

EVALUATION OF PROPOSAL USING SECRETARY'S CRITERIA

PTAC Rating of Proposal by Secretarial Criteria

Criteria Specified by the Secretary (at 42 CFR §414.1465)	Rating
1. Scope (High Priority)[1]	Not applicable
2. Quality and Cost (High Priority)	Not applicable
3. Payment Methodology (High Priority)	Not applicable
4. Value over Volume	Not applicable
5. Flexibility	Not applicable
6. Ability to be Evaluated	Not applicable
7. Integration and Care Coordination	Not applicable
8. Patient Choice	Not applicable
9. Patient Safety	Not applicable
10. Health Information Technology	Not applicable

Criterion 1. Scope (High Priority Criterion)

Aim to either directly address an issue in payment policy that broadens and expands the CMS APM portfolio or include APM Entities whose opportunities to participate in APMs have been limited.

Rating: Not applicable

PTAC concludes the criterion of "Scope" is not applicable to this proposal. The reasons it is not applicable are shared across ten criteria. The proposal is a technical change to existing billing and payment rules where rulemaking already occurs on a regular basis. By voting "not applicable" PTAC withholds judgment about whether the argument has merit in the rulemaking venue.

[1]Criteria designated as "high priority" are those PTAC believes are of greatest importance in the overall review of the payment model proposal.

One PTAC member believes that the proposal describes a physician-focused payment model and should be evaluated on all of the criteria in order to provide feedback to the applicant and to other RHCs for development of future proposals. Moreover, the member believes it would be helpful for the Secretary to know whether the proposal is addressing an important aspect of care delivery but simply has failed to develop a satisfactory payment methodology.

Criterion 2. Quality and Cost (High Priority Criterion)

Are anticipated to improve health care quality at no additional cost, maintain health care quality while decreasing cost, or both improve health care quality and decrease cost.

Rating: Not applicable

PTAC concludes the criterion of "Quality and Cost" is not applicable to this proposal, for the reasons stated above.

Criterion 3. Payment Methodology (High Priority Criterion)

Pay APM Entities with a payment methodology designed to achieve the goals of the PFPM criteria. Addresses in detail through this methodology how Medicare and other payers, if applicable, pay APM Entities, how the payment methodology differs from current payment methodologies, and why the Physician-Focused Payment Model cannot be tested under current payment methodologies.

Rating: Not applicable

PTAC concludes the criterion of "Payment Methodology" is not applicable to this proposal, for the reasons stated above.

Criterion 4. Value over Volume

Provide incentives to practitioners to deliver high-quality health care.

Rating: Not applicable

PTAC concludes the criterion of "Value over Volume" is not applicable to this proposal, for the reasons stated above.

Criterion 5. Flexibility

Provide the flexibility needed for practitioners to deliver high-quality health care.

Rating: Not applicable

PTAC concludes the criterion of "Flexibility" is not applicable to this proposal, for the reasons stated above.

Criterion 6. Ability to be Evaluated

Have evaluable goals for quality of care, cost, and any other goals of the PFPM.

Rating: Not applicable

PTAC concludes the criterion of "Ability to be Evaluated" is not applicable to this proposal, for the reasons stated above.

Criterion 7. Integration and Care Coordination

Encourage greater integration and care coordination among practitioners and across settings where multiple practitioners or settings are relevant to delivering care to the population treated under the PFPM.

Rating: Not applicable

PTAC concludes the criterion of "Integration and Care Coordination" is not applicable to this proposal, for the reasons stated above.

Criterion 8. Patient Choice

Encourage greater attention to the health of the population served while also supporting the unique needs and preferences of individual patients.

Rating: Not applicable

PTAC concludes the criterion of "Patient Choice" is not applicable to this proposal, for the reasons stated above.

Criterion 9. Patient Safety

Aim to maintain or improve standards of patient safety.

Rating: Not applicable

PTAC concludes the criterion of "Patient Safety" is not applicable to this proposal, for the reasons stated above.

Criterion 10. Health Information Technology

Encourage use of health information technology to inform care.

Rating: Not applicable

PTAC concludes the criterion of "Health Information Technology" is not applicable to this proposal, for the reasons stated above.

APPENDIX 1. COMMITTEE MEMBERS AND TERMS

Jeffrey Bailet, MD, *Chair*

Elizabeth Mitchell, *Vice-Chair*

Term Expires October 2018

Jeffrey Bailet, MD
Blue Shield of California
San Francisco, CA

Elizabeth Mitchell
Network for Regional Healthcare Improvement
Portland, ME

Robert Berenson, MD
Urban Institute
Washington, DC

Kavita Patel, MD
Brookings Institution
Washington, DC

Term Expires October 2019

Paul N. Casale, MD, MPH
NewYork Quality Care
NewYork-Presbyterian, Columbia University College of Physicians and Surgeons, Weill Cornell Medicine
New York, NY

Bruce Steinwald, MBA
Independent Consultant
Washington, DC

Tim Ferris, MD, MPH
Massachusetts General Physicians Organization
Boston, MA

Term Expires October 2020

Rhonda M. Medows, MD
Providence Health & Services
Seattle, WA

Len M. Nichols, PhD
Center for Health Policy Research and Ethics
George Mason University
Fairfax, VA

Harold D. Miller
Center for Healthcare Quality and Payment Reform
Pittsburgh, PA

Grace Terrell, MD, MMM
Envision Genomics
Huntsville, AL

APPENDIX 2. PFPM CRITERIA ESTABLISHED BY THE SECRETARY

PFPM CRITERIA ESTABLISHED BY THE SECRETARY
1. Scope. Aim to either directly address an issue in payment policy that broadens and expands the CMS APM portfolio or include APM Entities whose opportunities to participate in APMs have been limited.
2. Quality and Cost. Are anticipated to improve health care quality at no additional cost, maintain health care quality while decreasing cost, or both improve health care quality and decrease cost.
3. Payment Methodology. Pay APM Entities with a payment methodology designed to achieve the goals of the PFPM criteria. Addresses in detail through this methodology how Medicare and other payers, if applicable, pay APM Entities, how the payment methodology differs from current payment methodologies, and why the Physician-Focused Payment Model cannot be tested under current payment methodologies.
4. Value over Volume. Provide incentives to practitioners to deliver high-quality health care.
5. Flexibility. Provide the flexibility needed for practitioners to deliver high-quality health care.
6. Ability to be Evaluated. Have evaluable goals for quality of care, cost, and any other goals of the PFPM.
7. Integration and Care Coordination. Encourage greater integration and care coordination among practitioners and across settings where multiple practitioners or settings are relevant to delivering care to the population treated under the PFPM.
8. Patient Choice. Encourage greater attention to the health of the population served while also supporting the unique needs and preferences of individual patients.
9. Patient Safety. Aim to maintain or improve standards of patient safety.
10. Health Information Technology. Encourage use of health information technology to inform care.

APPENDIX 3. DISTRIBUTION OF MEMBER VOTES ON EXTENT TO WHICH PROPOSAL MEETS CRITERIA AND OVERALL RECOMMENDATION[1]

Criteria Specified by the Secretary (at 42 CFR §414.1465)	Not applicable	Does not meet		Meets		Priority consideration		Rating
	*	1	2	3	4	5	6	
1. Scope of Proposed PFPM (High Priority)[2]	9	1		1				Not applicable
2. Quality and Cost (High Priority)	9	1		1				Not applicable
3. Payment Methodology (High Priority)	6	5						Not applicable
4. Value over Volume	9	1		1				Not applicable
5. Flexibility	9		1	1				Not applicable
6. Ability to be Evaluated	10			1				Not applicable
7. Integration and Care Coordination	9	1		1				Not applicable
8. Patient Choice	10				1			Not applicable
9. Patient Safety	10				1			Not applicable
10. Health Information Technology	10			1				Not applicable

Not applicable	Do not recommend	Recommend for limited-scale testing	Recommend for implementation	Recommend for implementation as a high priority	Recommendation
10	1				**Not applicable**

[1]PTAC member Grace Terrell, MD, MMM, was not in attendance.

[2]Criteria designated as "high priority" are those PTAC believes are of greatest importance in the overall review of the payment model proposal.