

Physician-Focused Payment Model Technical Advisory Committee

PROCESSES FOR REVIEWING AND EVALUATING PROPOSED PHYSICIAN-FOCUSED PAYMENT MODELS AND MAKING RECOMMENDATIONS TO THE SECRETARY OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

This document describes the processes to be used by the Physician-Focused Payment Model Technical Advisory Committee (PTAC) to review and evaluate Physician-Focused Payment Models (PFPMs) submitted by stakeholders as provided for by the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). This document also describes how PTAC will develop its comments and recommendations to the Secretary of the US Department of Health and Human Services (the Secretary) with respect to each submitted PFPM.

I. PRELIMINARY REVIEW

- A. Completeness Review
 - 1. Staff from the Office of the Assistant Secretary for Planning and Evaluation (ASPE) will review the submitted proposal to determine its completeness using the Submission Checklist included in PTAC's *Request for Proposals: Medicare Physician-Focused Payment Models*.
 - 2. Incomplete proposals will be returned to submitters. The PTAC Chair/Vice Chair (or their designee) will confirm the need to return the proposal due to incompleteness and approve the statement to the submitter giving the reason for the incompleteness.
 - 3. Complete proposals will be:
 - a. posted on PTAC's public website in order to provide the public with the opportunity to comment on the proposed PFPM. Consistent with PTAC's Proposal Review Process, v 6.0 dated August 2016, in general 3 weeks will be allowed for submission of public comments on a proposal.
 - b. assigned to a Preliminary Review Team (PRT) appointed by the Chair/Vice-Chair, and consisting of two to three PTAC members, at least one of whom will be a physician.
- B. Preliminary Review Team
 - 1. The PRT will identify any additional information needed from the submitter relevant to the proposal. PRT staff will draft the information request which will be finalized by the PRT and approved by the lead reviewer. Information needed from the submitter will be communicated via an email from the PTAC. Although (as per PTAC's draft proposal review process [version 6, dated August 2016]) the PRT will decide on a case-by-case basis the most efficient and effective way of

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obtaining additional information and responses to questions (e.g., a written response, a telephone discussion, an in-person discussion with the submitter, or a request for a revised proposal), ultimately, all responses must be submitted in writing to the PRT before the PRT can complete its review.

2. The PRT will determine to what extent any additional resources (e.g., medical specialty expertise) are required for the review.
3. The PRT will determine to what extent any additional analyses (e.g., actuarial analysis to confirm proposal estimates of total cost of care reductions) are needed for the review.
 - a. The PRT and ASPE staff and contractors will arrange any needed analyses so as to minimize the extra time required to review the proposal.
 - b. The PRT may be faced with a trade-off between time and thoroughness and will exercise judgment on weighing them.
4. Using the proposal's responses to the Supporting Information items listed in PTAC's *Request for Proposals: Medicare Physician-Focused Payment Models*, any supplemental information provided by the submitter in response to requests for additional information from PTAC, and any public comments received on the proposal, PRT members will evaluate the submitted proposal on each of the ten criteria promulgated by the Secretary in regulations at 42 CFR §414.1465. The evaluation will address the extent to which the proposal:
 - a. does not meet the criterion;
 - b. meets the criterion; or
 - c. meets the criterion and deserves priority consideration.
5. The PRT will identify areas of consensus on the evaluation of each of the ten criteria and areas of disagreement.
6. To the extent possible, the PRT will reach consensus on a recommendation to the full PTAC regarding which of the following categories is appropriate for the proposal:
 - a. Do not recommend proposed payment model to the Secretary; or
 - b. Recommend proposed payment model to the Secretary for:
 - Limited-scale testing of the proposed payment model. This category may be used when the PTAC determines a proposal meets all or most of the Secretary's criteria but lacks sufficient data to (1) estimate potential costs, savings, or other impacts of the payment model and/or (2) specify key parameters in the payment model (such as risk adjustment or stratification), and the PTAC believes the only effective way to obtain those data would

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be through implementation of the payment model in a limited number of settings.

- Implementation of the proposed payment model; or
- Implementation of the proposed payment model as a high priority. High priority models will be those that are rated as “meets the criterion and deserves priority consideration” on multiple criteria, particularly the criteria designated by the PTAC as “high priority” criteria.

In determining the recommendation category to be assigned to the proposed model, the PRT will be guided by the following consideration:

Any model that is assigned to a category of “Recommend . . .” must be evaluated as either “meets” or “meets the criterion and deserves priority consideration” for each of the criteria identified as high priority criteria by PTAC.

7. With staff assistance, the PRT will prepare a draft report on each PFPM submitted to PTAC for consideration by the full committee. The draft report will:
 - a. Contain a draft qualitative rating for each of the ten criteria and a draft recommendation to the Secretary.
 - b. Provide the rationale for the qualitative rating given by the PRT for each of the ten criteria and for the PRT’s overall proposed recommendation to the Secretary.
 - c. Explain the basis for the PRT’s conclusions, including the results of any analyses the PRT conducted related to those conclusions.

II. FULL COMMITTEE REVIEW AND DELIBERATION

- A. Full Committee Review and Deliberation on Criteria
 1. Each PTAC member will independently review the submitted proposal prior to the Committee’s deliberation on the proposal at a public meeting.
 2. The Chair/Vice-Chair will determine the schedule for deliberation on the proposal by PTAC at a public meeting.
 3. The PRT will present its draft report to the full committee at the public meeting. At this meeting, the submitter of the proposal will be provided the opportunity to make a public statement, including a response to the PRT report. PTAC will

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also receive all public comments on the proposal received prior to the public meeting.

4. At the public meeting, the full committee will deliberate and score the proposal on each criterion established by the Secretary using electronic voting technology to compile and display scores. Committee members participating remotely may vote, with assistance from ASPE staff.
 - a. After discussion of each criterion, each member will cast an electronic vote on the extent to which the proposal meets the criterion. This vote will use a whole number between 1 and 6, where 1-2 means “does not meet the criterion,” 3-4 means “meets the criterion,” and 5-6 means “meets the criterion and deserves priority consideration”.
 - b. For each criterion, the distribution of the committee members’ votes will be calculated. Individual committee members’ scores will not be displayed or made public.
 - c. If all or nearly all of the Committee members’ votes fall in the same numeric range (i.e., 1-2, 3-4, or 5-6), the Committee may choose to accept the vote as its decision on the criterion without further discussion unless a Committee member requests additional discussion. Committee members will have the opportunity to discuss how to score a proposal on an individual criterion when the Committee members’ scoring shows substantial disagreement.
 - d. A second “round” of voting may be used at the end of committee discussion to ascertain if there are any changes among committee members’ scores.
 - e. For each criterion, the final rating will be based on the point range in which a majority of votes fall:
 - If the majority of votes are 1 or 2, the proposal does not meet the criterion.
 - If the majority of votes are 5 or 6, the proposal meets the criterion and deserves priority consideration.
 - If the majority of votes is 3 or 4, or if the majority of votes is 3 or greater but a majority is not 5 or 6, the proposal meets the criterion (but does not deserve priority consideration).
- B. Full Committee Deliberation on Recommendation to the Secretary.
1. After rating each proposal on the individual criteria, each committee member will vote using electronic voting technology and a voice vote to place the proposal into one of the following Secretarial recommendation categories:

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- a. Do not recommend proposed payment model to the Secretary; or
- b. Recommend proposed payment model to the Secretary for:
 - Limited-scale testing of the proposed payment model. This category may be used when the PTAC determines a proposal meets all or most of the Secretary's criteria but lacks sufficient data to (1) estimate potential costs, savings, or other impacts of the payment model and/or (2) specify key parameters in the payment model (such as risk adjustment or stratification), and the PTAC believes the only effective way to obtain those data would be through implementation of the payment model in a limited number of settings.
 - Implementation of the proposed payment model; or
 - Implementation of the proposed payment model as a high priority. High priority models will be those that are rated as "meets the criterion and deserves priority consideration" on multiple criteria, particularly the criteria designated by the PTAC as "high priority" criteria.
2. In order to be recommended to the Secretary in any of the three "recommendation" categories, a proposed PFPM must receive at least a "meets" score on each of the three high priority criteria.
3. A two-thirds majority of voting will be required to determine the recommendation to the Secretary.
4. If two-thirds of the Committee members' votes fall in the same recommendation category (i.e., do not recommend, recommend for limited scale testing, recommend for implementation, or recommend for implementation as a high priority), this will be the Committee's recommendation to the Secretary.
5. If two-thirds of the Committee members' votes do not fall in the same recommendation category, Committee members will have the opportunity to further discuss the proposal. Additional "rounds" of voting may be used at the end of committee discussion to ascertain if there are any changes among committee members' scores.
6. The final recommendation will be determined as follows:
 - a. If two thirds of the votes cast are for "Do not recommend proposed payment model to the Secretary," the Committee will adopt this recommendation.
 - b. If two-thirds of the votes cast are for one or more of the three categories of recommending the model to the Secretary, the Committee shall

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determine which of the three recommendations shall be made to the Secretary by aggregating votes cast for the following categories in the following order:

- First: Implementation of the proposed payment model as a high priority.
- Second: Implementation of the proposed payment model.
- Third: Limited-scale testing of the proposed payment model.

As soon as the aggregation of votes cast in the order above reaches a two-thirds majority of votes cast, the recommendation level at which the two-thirds majority is reached shall be the Committee's recommendation.

III. PRODUCTION OF REPORT TO THE SECRETARY

- A. PTAC staff will prepare the draft final report and recommendations to the Secretary, incorporating material content of the full committee's deliberations.
- B. The PRT and then all voting committee members will be given the opportunity to review the draft final report and propose changes.
- C. In an effort to insure that PTAC reports accurately reflect the facts included in each proposal, PTAC will send the draft final Secretarial report to the submitter to give the submitter the opportunity to correct any factual errors. All suggested edits to the draft final report will be considered for inclusion in the final report. Contents of the final draft of the final report are solely the discretion of PTAC. PTAC staff will make final changes to the draft report.
- D. The Chair/Vice-Chair will determine when the report is finished.
- E. The Chair will forward the finished final report and recommendations to the Secretary.
- F. The PTAC's report to the Secretary will be posted on the PTAC website.

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