

# Value-Based Payment NEWS

## CMS Finalizes QPP, Fee Schedule Rules for 2018

The Centers for Medicare & Medicaid Services has issued a final rule for the 2018 Physician Fee Schedule and a final rule with comment period for the Quality Payment Program. One change in the Physician Fee Schedule is supposed to “modernize the Medicare payment system through innovation in the biopharmaceutical market” by “updating payment for biosimilars, which are lower-cost alternatives to certain types of drugs known as ‘biologicals.’” CMS says the move “promotes competition.” The government is also “transforming access to Medicare telehealth services by paying for more services” and making it easier for providers to bill for them.

CMS says the final rule also removes additional physician responsibility for patient-focused practice modernization by “including policies designed to provide clinicians – especially in small and rural practices -- with a smoother transition to the QPP” by allowing more of them to skip documenting compliance with quality standards and by “adding an option to help them join together and share the responsibility of participating in value-based payments.” CMS is also adding a new hardship exception for providers in hurricane-prone parts of the country, claiming it “mitigates the absence of electronic health records as a result of natural disasters.”

The final rule also “provides additional detail on clinician participation in Advanced Alternative Payment Models,” offering credit for payment bonuses through it; CMS says it intends to “develop a demonstration project testing the effects of counting as credit participation prior to 2019 and through 2024 in Medicare Advantage plans that meet certain criteria.” CMS says as well that it will count performance on cost measures in the Merit-based Incentive Payment System during 2018; that surprised some because the agency had previously entertained not doing so. Says CMS: “We’re including the Medicare Spending per Beneficiary and total per capita cost measures to calculate the Cost performance category score for

The 1,653-page Quality Payment Program final rule is available here:  
<https://s3.amazonaws.com/public-inspection.federalregister.gov/2017-24067.pdf>

The Physician Fee Schedule final rule is available here:  
<https://s3.amazonaws.com/public-inspection.federalregister.gov/2017-23953.pdf>

the 2018 MIPS performance period. These two measures carried over from the Value Modifier program and are currently being used to provide feedback for the MIPS transition year.”

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## Focus Group, Study Examine Evolving Value Emphasis

*Each player in the healthcare space has its own perspective and its own key issues, but one issue they all have a take on is value. Here’s a look at two recent efforts to find out what everybody’s thinking.*

### ❖ Employers Seen ‘Moving Toward Value-Based Care Approaches’

Chasm Partners, a healthcare technology and services executive search firm, reports convening an industry roundtable to discuss “how employer-focused digital health companies are disrupting the traditional benefits space” -- and how they’re “actively investing in the long-term health of their team members.” The roundtable was hosted as part of Chasm’s quarterly newsletter, *ChasmPOV*, and included thought leaders from Castlight, Glooko, meQuilibrium and Zipongo.

Noting data from the National Business Group on Health’s latest healthcare strategy and plan design report that almost 40% of employers will use “some type of value-based benefit design” next year, Matt Dumas, Managing Partner at Chasm, said at the roundtable that he’s seen that trend firsthand. “In our extensive work with health IT companies,” he commented, “we continue to see major momentum in the employer-focused digital health space. A growing number of tech innovators have realized that employers are increasingly eager to consider disruptive digital health solutions that not only improve costs and outcomes for employees, but also improve their overall wellness and productivity.”

Here are key takeaways from the roundtable:

- **“Benefits” means more.** Said Mike Leonard, Senior Vice President of Sales and Growth at Castlight: “Ultimately, employers need to find a way to effectively identify, procure and deploy the right solutions that meet the needs of their employee populations and address the healthcare cost drivers unique to their workforce, rather than one-size-fits-all programs.” And Jan Bruce, co-founder of and CEO at meQuilibrium, “emphasized that employers have a new mindset about benefits that expands far beyond cost control” – they’re starting to “leverage digital benefits solutions to support engagement and performance.”

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