

# **Understand How Quality Impacts Reimbursement**

Paying close attention to your practice's efficiencies can keep your business operationally and fiscally healthy. Just as you monitor the vital signs of your patients, assessing and monitoring key operational aspects of your practice will help you better understand the status of your practice's financial health. Understanding how quality impacts your reimbursement will ensure you have a handle on your fiscal position.

### Five Tips to Understand How Quality Impacts Reimbursement

#### 1. Value-based payment system--what it means to your practice

As physician payment transitions from a volume- to value-based system, the traditional fee-forservice will become a smaller portion of your annual revenue. Your practice will be at risk for decreased reimbursement if you do not understand the components of the value-based payment model. For Medicare's Merit-based Incentive Payment System (MIPS), clinical outcomes, resource use, meaningful use, and clinical improvement activities will determine your final payment. Meeting these requirements will require teamwork between many members of your GI team. Performance data and benchmarking will be the bedrock of this new payment model. This data will determine if you are meeting national benchmarks and regulatory requirements. One way to measure and provide data to payers is to participate in a registry, such as GIQuIC. Value-based payment models are still in their infancy, but there is no doubt that they are here to stay and will transform the payment delivery system.

### **Resources:**

- ASGE/ACG Registry: <u>GIQUIC Registry</u>
- ASGE Quality Resources: <u>ASGE Quality Initiatives</u>

### 2. Educate yourself on the new payment system authorized by MACRA

After more than a decade of delays, the Medicare Access and CHIP (Children's Health Insurance Program) Reauthorization Act of 2015 (MACRA) replaced the Sustainable Growth Rate (SGR) payment methodology with a payment system that encourages and rewards quality and efficiency in patient care. Starting with CY 2017 reporting for CY 2019 payment, CMS will be implementing the Merit-based Incentive Payment System (MIPS) and Alternative Payment Models (APMs). The current quality programs (Physician Quality Reporting System, Meaningful Use, and the Value-Based Payment Modifier) will be absorbed into MIPs. The last year to report under these programs is 2016.

Over the past several years, the Centers for Medicare and Medicaid Services have developed and implemented several innovative payment models, mainly for primary care, such as Accountable Care Organizations and Medical Homes. New alternative payment models, including specialty- specific ones, will be considered for inclusion in the new payment system. Those practices that excel and participate in the new models will realize increased reimbursement. In the future, there will be various payment models to choose from such as: population health management, bundled payment, episodes of care, shared savings, and capitation models. While most of these models are still evolving, now is the time to educate and engage yourself on the opportunities and threats these payment model is appropriate for your practice. There will be many factors that will determine which payment model is appropriate for your practice. Your selection may depend on factors such as: your information technology system, possible use of a care manager, and how well your team can prepare and adapt to the requirements for a new payment model.

### **Resources:**

- ACP: <u>Payment Model Definitions</u>
- CMS: <u>MIPS and APMs</u>
- CMS: <u>CMS Quality Initiatives and Timeline</u>
- **2016 GI Outlook: The Practice Management Conference:** *Save the date August 5-7, 2016 in Washington, DC*

# 3. Know what commercial payers are doing

Commercial payers are also transitioning to payment models that include value. In the future, shifts in payment will encourage and mandate that providers move toward value-based alternative payments models. Today, many payers are analyzing data they are collecting to determine who can provide the best outcomes for the population they insure and rating providers accordingly. Insurers are developing provider panels based on performance and offering beneficiaries incentives to use high performing providers. Private payers are also developing innovative payment models. Be aware of the opportunities that are available to you.

# 4. Components of preparing for a value-based system

Practices small and large will be evaluated and rated on certain aspects of care. Examples include: patient experience; resource use; and clinical outcomes. Your data and metrics must show improvements and prove your value while demonstrating cost reduction. Use patient surveys to capture the patient experience, and take them seriously to address concerns. Measure your resources use by keeping track of your equipment usage, staffing data, wait times, turnaround times for lab tests, and readmissions, among other measures. Benchmark and measure your clinical outcomes over a period of time. The future of patient care is centered on a team-based approach. When your payment is dependent on more than one provider's performance, the team must work closely together.

#### **Resources:**

- ASGE Patient Survey: <u>ASGE Sample Patient Satisfaction Survey</u>
- ASGE Educational Course: Improving Quality and Safety in Your Endoscopy Unit
- ASGE Recognition Program: ASGE Endoscopic Unit Recognition Program (EURP)
- ASGE Presentation: <u>The High Performing Practice</u>

### 5. Prepare your staff for new payment models

Change can be frightening. It is imperative that your staff understand how payment will be determined in the future. Develop a change management strategy to help all members of your team deal with this transition and its impact on your practice operations and processes. Education and time will be needed for staff to be comfortable with the new payment and regulatory requirements. Communication, project plans and leaders, and timelines will be essential for a successful transition. Explain why the new payment system has been created and its goal to improve patient care. Being an active participant in planning for change will help allay fears. The more information you can share with your team, the less stressful the transition will be.

#### **Resource:**

ASGE Practical Solutions Resources: <u>ASGE Regulatory and Compliance Information</u>