

Understanding the Episode Quality Improvement Program (EQIP)

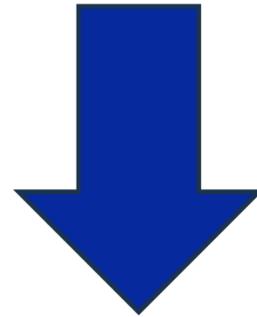
Value-Based Medicare Incentive Payment Opportunity for Maryland Physicians

Understanding the Opportunity

Maryland physicians largely remain on fee-for-service reimbursement incentives.

As a result of the Total Cost of Care Model, Maryland physicians are left out of national, Medicare value-based payment programs.

There is a need for new value-based reimbursement opportunities to ensure cost containment in non-hospital settings.



The HSCRC, CRISP, and MedChi created a voluntary, episodic incentive payment program for physicians in Medicare, EQIP, in 2022.

What is the Episode Quality Improvement Program?

EQIP is a voluntary program that engages non-hospital Medicare practitioners and suppliers in care transformation and value-based payment through an episode-based approach.

EQIP will provide incentive payments to physicians who improve the quality of care and reduce the cost of care they provide to Maryland Medicare patients.

Benefits include:

- Avoid MIPS participation and qualify as an AAPM.
- No downside risk for the practice and an outside chance at shared savings rewards.

EQIP will utilize the Prometheus Episode Grouping to define a clinical 'episode'.

Goals of EQIP

- Increase physicians' accountability for improving quality of care and reducing healthcare spending related to episodes of care.
- Support and encourage physicians interested in continuously transforming care to align with value-based payment policies and Maryland hospital Global Budget Revenues (GBR).
- Reduce episode costs by eliminating unnecessary or low-value care, shifting care to lower-cost settings where clinically appropriate, increasing care coordination, and fostering quality improvement.
- Shift towards physician-focused, value-based care reimbursement to create environments that stimulate rapid development and deployment of new evidence-based knowledge.
- Increase the likelihood of better health at lower cost through patient education and ongoing communication throughout the clinical episode.

Episodic Value-Based Payment

- EQIP works directly with physicians and allows them to earn a portion of the savings they create through better care management.
- EQIP helps to align physicians with the hospitals and the TCOC Model. By succeeding in EQIP, physicians will help the state meet its savings target and reduce potentially avoidable hospitalizations.

Physicians Agree to Episodic Payment

- Signed Agreement with a CRP Entity
- Enroll in clinical episodes that will Trigger when a specific Medicare beneficiary or procedure is performed

Target Price is Set

- Costs from episodes triggered in the baseline year are aggregated
- A per episode average cost or Target Price is set

Performance Assessed

- Performance year episode costs are compared to the Target Price
- Savings are aggregated to determine the Incentive Payment due to the physician

EQIP Methodology

Each episode has a Target Price that is based on the EQIP Entities costs in 2019.

- The baseline period costs are trended forward based on inflation.
- The Target Price is set regardless of the setting of care (Hospital, Outpatient Facility, ASC) where the episode is initiated. This creates an incentive for participants to move episodes to the most cost-efficient setting of care.

EQIP Entities earn savings based on whether the actual performance period costs are less than or equal to the Target Price.

- Each Care Partner's Target will be compared to the statewide experience and annually ranked based on relative efficiency. Lower cost providers will be in a higher tier and vice versa.
- This ensures that expensive entities are brought down to their peers while efficient entities still have an incentive to participate.

Target Price Rank	% of Savings to due Care Partner
Up to 33 rd percentile	50 percent
34 th – 66 th percentile	65 percent
66 th + percentile	80 percent

EQIP Interventions and Performance Improvement Opportunities

In addition to electing episodes, each EQIP Entity will need to indicate how they intend to produce savings in their episodes.

Intervention Category	Example Intervention
Clinical Care Redesign and Quality Improvement	Standardized, evidence-based protocols are implemented, for example for discharge planning and follow-up care.
	Performance of medication reconciliation.
	Elimination of duplicative, potentially avoidable complications or low value services
Beneficiary/Caregiver Engagement	Patient education/shared decision making is provided pre-admission and addresses post-discharge options.
	Implementation of "health literacy" practices for patient/family education
Care Coordination and Care Transitions	Assignment of a care manager and enhanced coordination to follow patient across care settings
	Interdisciplinary team meetings address patients' needs and progress.
	Selection of most cost efficient, high-quality settings of care

Participation Requirements

1. You must qualify as a Care Partner with CMS

- Must be licensed and enrolled in the Medicare Provider Enrollment, Chain, and Ownership System (PECOS).
- Must use CEHRT and CRISP, Maryland's health information exchange.

2. You must enroll in EQIP

- Establish EQIP Entity with multiple Care Partners
- Select Episodes and Interventions and agree to quality metrics
- Each Care Partner Signs a Care Partner Arrangement
- Determine Payment Remission Recipient

3. You must meet episode thresholds

- Provide care in Maryland
- For a single episode, threshold = 11 episodes in the baseline
- Across all episodes of participation, threshold = 50 episodes in the baseline

EQIP Year 1 Results

- EQIP saved \$20 million in total cost of care in 2021.
- Overall, EQIP episodes accounted for ~\$400 million in costs so the savings rate was approximately 5%.
 - Savings were only counted if the entity exceeded a 3% minimum savings rate, which was created to ensure that savings and payouts from EQIP would be statistically significant.
 - 19 EQIP entities earned savings out of a total of 50. However, many of the smaller practices had difficulty earning savings.
- Based on the savings, we expect to pay out \$13 million in incentive payments to physicians (i.e., 60% of the total earned savings).

Support for Smaller Practices

In PY3 MedChi assisted smaller practices in grouping together into single entities.

In PY4+, we are considering providing practices with some practice transformation supports.

Learning More About EQIP

Please reach out if you would like to schedule a meeting about EQIP with your organization. Staff will be available to:

- Walk through opportunity analysis, specific to your organization
- Discuss any episode definitions
- Answer specific questions

EQIP Subgroup Bi-Monthly Meeting Schedule

- The third Friday of every other month, 9-11am
- To be added to distribution list, email: bfitzgerald@medchi.org

If you have additional questions, please reach out to osimon@medchi.org or gransom@medchi.org.