



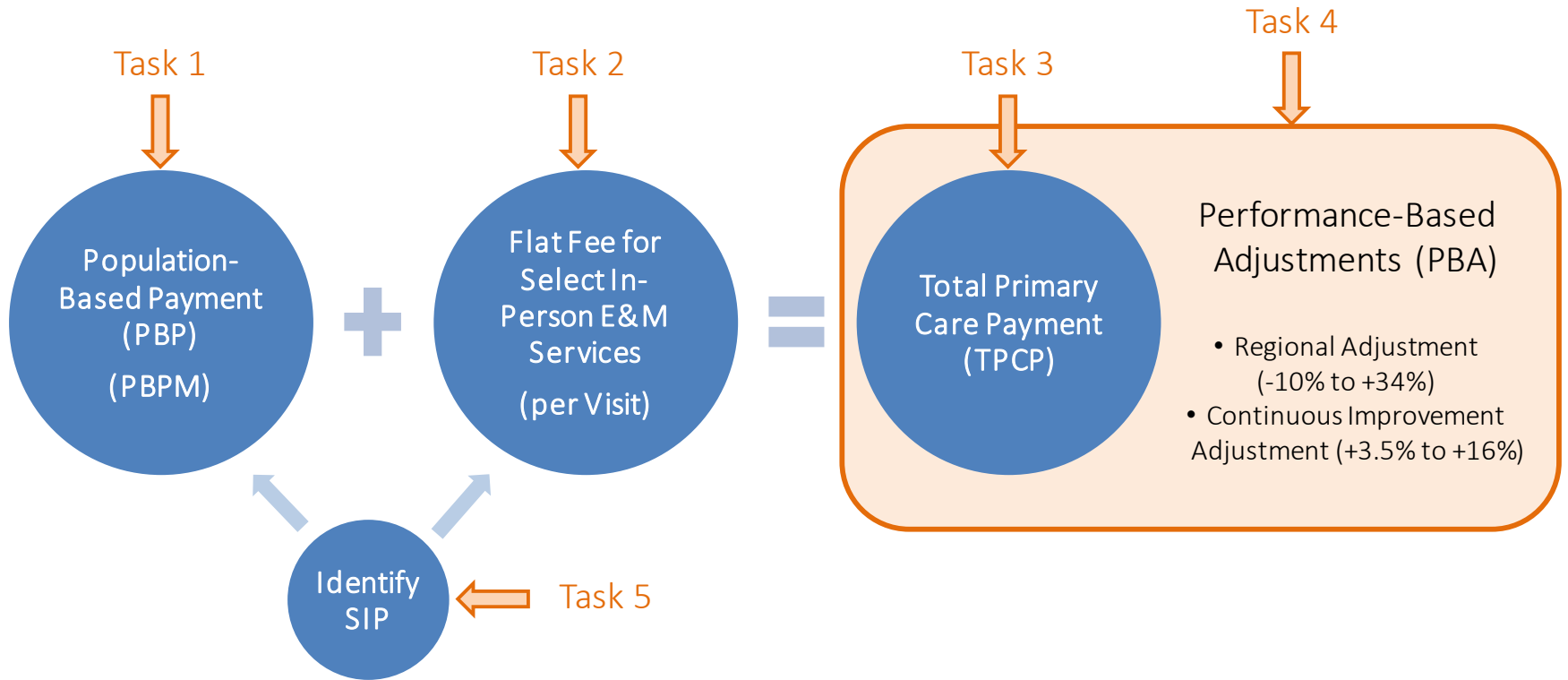
MDPCP Track 3: Preliminary Analytic Results

Presentation to Advisory Council
October 27, 2020

Presentation Overview

- Review of Analytic Scope
- Review of Key Findings
- Preliminary Results
 - Flat Fee Amount
 - Practice Impacts
- Required Policymaking Decisions & Next Steps
- Appendix

Relationship between TPCP & Analytic Scope



Summary of Key Findings

- Practice Group Analysis: *Practices are assigned to a single PBP Group* and receive one Group-specific payment amount for each beneficiary
- Model would *decrease payments to Track 2 practices by 12.5%*
- Provider-specific impacts relative to current Track 2 payments would range from a *-38% to 6%*

Total Primary Care Payment for Track 3 Practices based on Q3 2020 Attribution: Current vs Modeled Payments using PCF Practice Groups

Practice Group	Track 2 Total Payments (Current)	Track 3 Total Payments (Modeled)	Percent Impact
Group 1	\$80,915,992	\$70,843,644	-12.4%
Group 2	\$5,144,282	\$4,490,996	-12.7%
Group 3	\$0	\$0	
Group 4	\$0	\$0	
Total	\$86,060,274	\$75,334,640	-12.5%

Track 3 Practices are based on Track 2 participation as of Q3 2020; Group assignment based on the practice's average HCC score for attributed beneficiaries; PBP assumes \$28 PBPM for Group 1 and \$45 PBPM for Group 2; Annualized results assume concurrent attribution for 12 months.

- Beneficiary Group Analysis: *Beneficiaries are assigned to a PBP Group* and practices receive a PBP Group-specific payment amount (“Money follows the person”)
- Model would *increase payments to Track 2 practices by 11.5%*
- Provider-specific impacts relative to current Track 2 payments would range from a *-21% to 38%*

Total Primary Care Payment for Track 3 Practices based on Q3 2020 Attribution: Current vs Modeled Payments Using Beneficiary Groups

Beneficiary Group	Track 2 Total Payments (Current)	Track 3 Total Payments (Modeled)	Percent Impact
Group 1	\$54,702,822	\$54,634,315	-0.1%
Group 2	\$8,988,516	\$8,326,866	-7.4%
Group 3	\$8,057,343	\$11,184,794	38.8%
Group 4	\$14,311,592	\$21,783,412	52.2%
Total	\$86,060,274	\$95,929,388	11.5%

Track 3 Practices are based on Track 2 participation as of Q3 2020; Beneficiary Group is based on the PCF Group score thresholds; PBP Group PBPM is applied to beneficiary groups; Annualized results assume concurrent attribution for 12 months. Beneficiaries without HCC scores are auto-assigned to Group 1

FLAT FEE PAYMENT

Flat Fee Payment

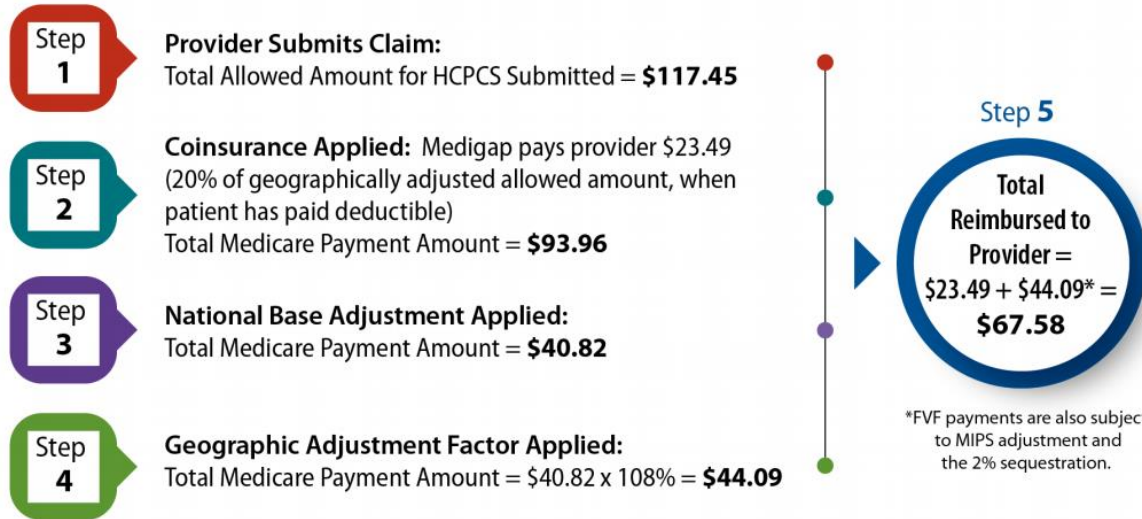
- PCF program developed a flat fee payment rate based on a Level 2 E&M service (99212)
- Most physicians in Track 2 practices routinely bill Level 3 & 4 E&M services
 - More than 70% of all services among the select E&M services included in the flat fee payment rate are for 99213 & 99214
- The selected E&M services included in the flat fee represent about 44% of all services provided by the practices, but 80% of the total allowed payments
- Flat fee payment options are constructed using three different methods:
 - a) **All E&Ms:** Weighted average Medicare payment for all E&M services that will be covered under the flat fee for PCF
 - b) **Select E&Ms 99211-99215:** Weighted average Medicare payment for 99211 through 99215
 - c) **Only 99212:** Medicare payment of only 99212, consistent with PCF methodology

Flat Fee Payment

Figure 4-1
Example Calculation for the FVF

PCF provider Jane Williams is a physician assistant delivering services to patients in the Miami, Florida region. Jane Williams submits an E&M claim, 99214, for an attributed beneficiary listing HCPCS code 99214 with no other services.

The geographic adjustment factor for Miami, Florida, is 1.08 (108%).



E&M = evaluation and management.

Flat Fee Payment: All E&M Codes

- Using the proposed 2021 Medicare Physician Fee Schedule payment rates (nationally), the weighted average payment for all E&M services subjected to the flat fee is approximately \$116, which would be further GPCI-adjusted at the time of claim processing
- About 13.5% of claims contain more than one E&M service per patient per day; therefore, the flat fee payment needs to account for this additional cost
 - The adjusted flat fee allowed amount would be \$132*
- By design, this flat fee structure would be budget neutral with the current overall E&M payments practices receive if no beneficiary cost sharing is considered
 - When including the impact of beneficiary cost sharing, the flat fee allowed amount would need to be reduced by 27% (flat fee of \$96) to be budget neutral with current payments practices received for E&M services*

Distribution of E&M Services for Track 3 Practices

E&M Service	Distribution of Services (2019)	National Payment Rate (2021)
99201	0.0%	\$0.00
99202	0.1%	\$69.04
99203	0.4%	\$106.14
99204	0.6%	\$159.37
99205	0.1%	\$210.66
99211	1.3%	\$22.26
99212	1.5%	\$54.20
99213	26.9%	\$86.78
99214	45.1%	\$122.91
99215	3.9%	\$172.27
99354	0.3%	\$120.98
99355	0.0%	\$90.33
99495	1.0%	\$197.43
99496	1.0%	\$267.12
99497	1.4%	\$80.33
99498	0.0%	\$69.04
G0402	1.0%	\$160.33
G0438	2.2%	\$160.33
G0439	13.1%	\$125.82
Overall	100.0%	\$116.17

Preliminary Results

Flat Fee Payment: All E&M Codes (Practice Group)

- Track 2 practices receive a total of \$40.8M in E&M services annually (based on 2019 utilization)
- Overall, the total E&M payments will remain budget neutral across all Track 3 practices; however, the impact by provider group – as well as individual providers – varies significantly

E&M Payments for Track 3 Practices based on Q3 2020 Attribution: Current vs Modeled Payments using Flat Fee; Practice Group

Practice Group	Number of Beneficiaries	Current E&M Allowed Amount (2021 \$)	Flat Fee E&M Allowed Amount (\$132+GPCI)	Percent Impact
Group 1	93,178	\$39,498,520	\$39,535,836	0.1%
Group 2	5,859	\$1,383,566	\$1,327,136	-4.1%
Group 3	0	0	\$0	
Group 4	0	0	\$0	
Total	99,037	\$40,882,086	\$40,862,972	0.0%

Track 3 Practices are based on Track 2 participation as of Q3 2020

Group assignment based on the practice's average HCC score for attributed beneficiaries

Preliminary Results

Flat Fee Payment: All E&M Codes (Beneficiary Group)

- Practice payments for E&M services will remain relatively consistent with current payments across all groups
 - Beneficiary Groups 2, 3, and 4 would experience slight payment increases, but these groups represent less than one-quarter of all Track 3 beneficiaries

E&M Payments for Track 3 Practices based on Q3 2020 Attribution: Current vs Modeled Payments using Flat Fee; Beneficiary Group

Beneficiary Group	Number of Beneficiaries	Current E&M Allowed Amount (2021 \$)	Flat Fee E&M Allowed Amount (\$132+GPCI)	Percent Impact
Group 1	76,211	\$29,130,042	\$29,027,419	-0.4%
Group 2	8,093	\$3,923,016	\$3,956,646	0.9%
Group 3	6,500	\$3,358,587	\$3,384,794	0.8%
Group 4	8,233	\$4,470,440	\$4,494,112	0.5%
Total	99,037	\$40,882,086	\$40,862,972	0.0%

Track 3 Practices are based on Track 2 participation as of Q3 2020

Beneficiary Group is based on the PCF Group score thresholds

Beneficiaries without HCC scores are auto-assigned to Group 1

Flat Fee Payment: E&M Codes 99211-99215

- The construction of the flat fee payment is limited to E&M codes 99211 through 99215
- Using the proposed 2021 Medicare Physician Fee Schedule payment rates (nationally), the weighted average payment for these E&M services is \$110, which would be further GPCI-adjusted at the time of claim processing
- After accounting for multiple E&M services provided per patient per day, the *alternative adjusted flat fee would be \$125*
- After adding beneficiary cost sharing, the practice would receive \$161 in total payment, a 22% increase relative to current Track 2 E&M payments

Distribution of E&M Services for Track 3 Practices

E&M Service	Distribution of Services (2019)	National Payment Rate (2021)
99211	1.6%	\$22.26
99212	2.0%	\$54.20
99213	33.3%	\$86.78
99214	58.0%	\$122.91
99215	5.1%	\$172.27
Overall	100.0%	\$110.36

Flat Fee Payment: E&M Code 99212

- The construction of the flat fee payment is limited to only 99212, *consistent with PCF structure*
- Using the proposed 2021 Medicare Physician Fee Schedule payment rates (nationally), the Medicare payment for 99212 is \$54, which would be further GPCI-adjusted at the time of claim processing
- After accounting for multiple E&M services provided per patient per day, the *alternative adjusted flat fee would be \$62*
- After adding beneficiary cost sharing, the practice would receive \$98 in total payment, a 25% reduction relative to current Track 2 E&M payments

National Payment Rate for 99212

E&M Service	National Payment Rate (2021)
99212	\$54.20



Required Policymaking Decisions

1. Structure Track 3 by Practice Group or Beneficiary Group?
2. Construct flat fee based on:
 - a) All E&Ms covered under the flat fee for PCF?
 - b) Subset of E&M codes 99211-99215?
 - c) Only using 99212?

Summary of E&M Flat Fee Construction Options; Per Patient Per Day for Selected 39 E&M Services

E&M Flat Fee Component	All E&M Codes	99211-99215	99212
Flat Fee Rate	\$96	\$125	\$62
Beneficiary Cost Sharing	\$36	\$36	\$36
Total Practice Payment	\$132	\$161	\$98
Impact on Payment for E&M Services	0%	22%	-25%

TOTAL PRIMARY CARE PAYMENT (TPCP)

Total Primary Care Payment: Practice Impact

- *Prior to any performance-based adjustments*, Track 3 could change practice TPCP payments significantly relative to current Track 2 payments
- Practice-specific impacts vary based on the current distribution of beneficiaries by risk Tier within a practice

Distribution of Track 3 Practices by Percent Impact in TPCP by Model (Modeled vs Current)

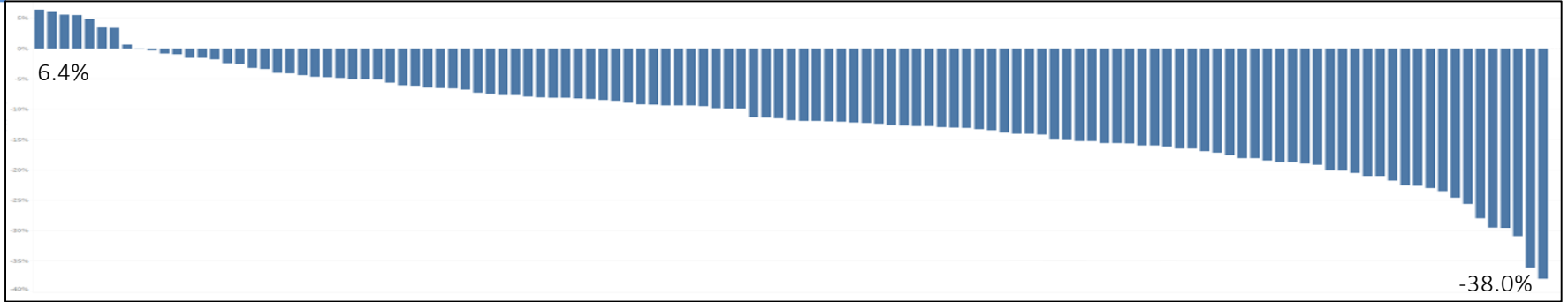
Percentile	Practice Percent Impact	
	Model A Practice Group	Model B Beneficiary Group
Min	-38.0%	-20.7%
5%	-25.6%	-2.2%
10%	-21.8%	0.7%
20%	-18.1%	6.2%
30%	-15.3%	9.1%
40%	-13.0%	11.2%
50%	-11.8%	13.2%
60%	-9.2%	14.4%
70%	-7.5%	17.4%
80%	-4.9%	19.9%
90%	-1.5%	22.5%
95%	3.4%	24.6%
Max	6.4%	38.4%

Total Track 3 practices = 122; approximately 12 practices represented in each decile

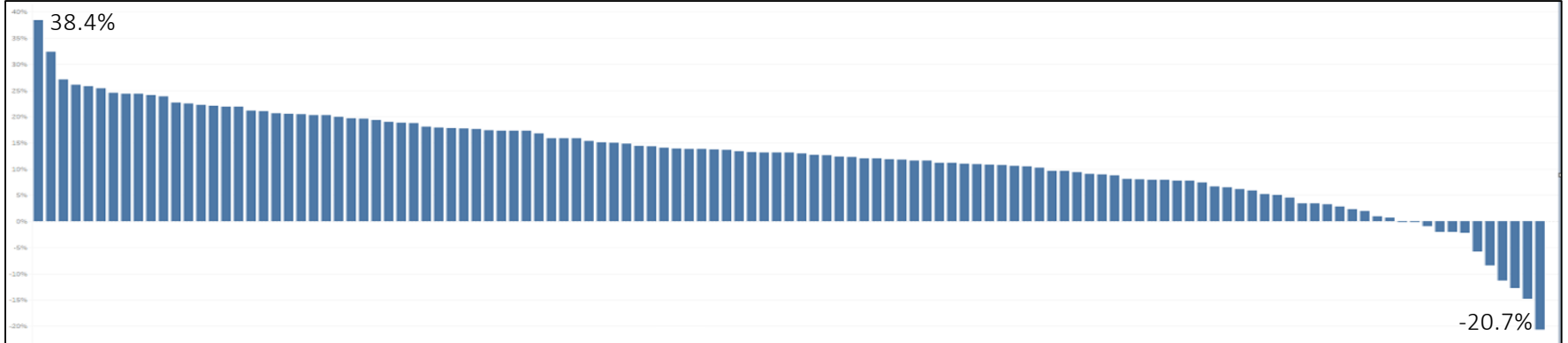
Preliminary Results

TPCP Practice Impacts

Distribution of Impact by Practice: *Practice Group Model*



Distribution of Impact by Practice: *Beneficiary Group Model*

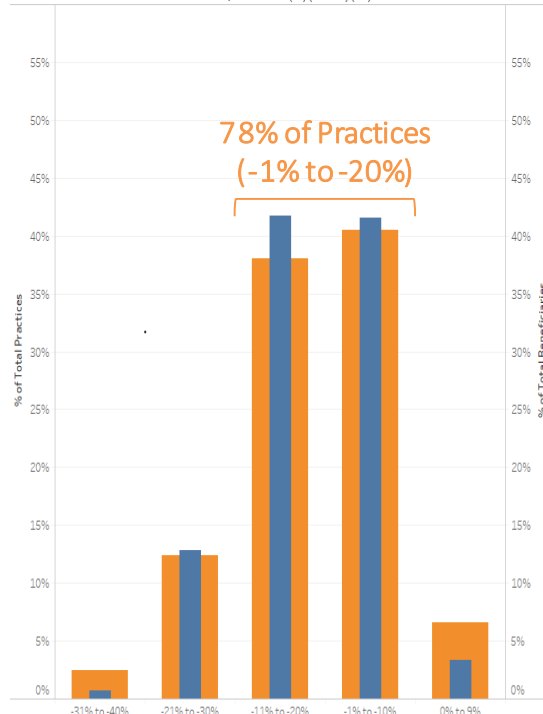


Preliminary Results

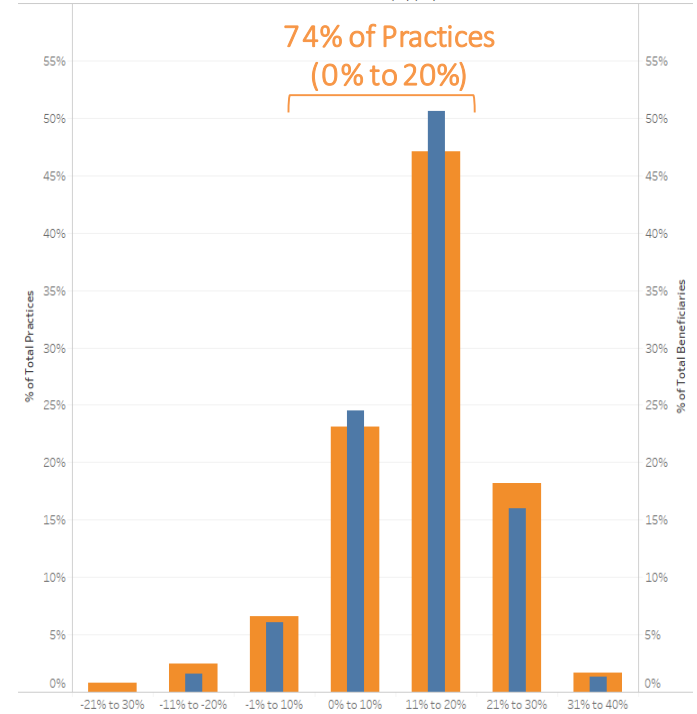
TPCP Practice Impacts

- **Practice Group:** 95 practices (78%) will experience Track 3 payments that are 1% to 20% lower than current payments under Track 2
- **Beneficiary Group:** 90 practices (74%) will experience Track 3 payments that are 0% to 19% higher than current payments under Track 2

Distribution of Practice Impact by Percent Change in Payment: *Practice Group Model*



Distribution of Practice Impact by Percent Change in Payment: *Beneficiary Group Model*



TPCP Practice Impacts: Practice Group

Total Primary Care Payment for Track 3 Practices based on Q3 2020 Attribution:

Distribution of Impact by CTO

CTO	Number of Beneficiaries	Number of Practices	Track 2 Total Payments (Current)	Track 3 Total Payments (Modeled)	Percent Impact
CTO	60,554	67	\$52,903,775	\$45,616,042	-13.8%
No CTO	38,493	55	\$33,161,383	\$29,721,958	-10.4%
Overall	99,047	122	\$86,065,158	\$75,338,000	-12.5%

Distribution of Impact by Practice Size

Practice Size	Number of Beneficiaries	Number of Practices	Track 2 Total Payments (Current)	Track 3 Total Payments (Modeled)	Percent Impact
0-250	3,475	20	\$3,077,012	\$2,771,112	-9.9%
251-500	11,097	29	\$10,297,794	\$8,975,046	-12.8%
501-750	13,107	20	\$11,900,691	\$10,325,500	-13.2%
751-1000	15,213	17	\$12,222,495	\$10,644,904	-12.9%
>=1000	56,155	36	\$48,567,166	\$42,621,437	-12.2%
Overall	99,047	122	\$86,065,158	\$75,338,000	-12.5%

Distribution of Impact by State Region

Region	Number of Beneficiaries	Number of Practices	Track 2 Total Payments (Current)	Track 3 Total Payments (Modeled)	Percent Impact
Capital	33,010	42	\$28,414,388	\$25,101,907	-11.7%
Central	55,302	69	\$48,300,631	\$42,009,207	-13.0%
Eastern Shore	4,302	5	\$3,779,573	\$3,423,174	-9.4%
Southern	4,973	5	\$4,118,771	\$3,644,363	-11.5%
Western	*	*	\$1,451,795	\$1,159,348	-20.1%
Overall	99,047	122	\$86,065,158	\$75,338,000	-12.5%

- Practices by CTO affiliation and practice size have relatively consistent impacts under the Practice Group model
- The impact does vary by region, with the Western region having the largest impact

TPCP Practice Impacts: Beneficiary Group

Total Primary Care Payment for Track 3 Practices based on Q3 2020 Attribution:

Distribution of Impact by CTO

CTO	Number of Beneficiaries	Number of Practices	Track 2 Total Payments (Current)	Track 3 Total Payments (Modeled)	Percent Impact
CTO	60,554	67	\$52,903,775	\$58,486,198	10.6%
No CTO	38,493	55	\$33,161,383	\$37,447,618	12.9%
Overall	99,047	122	\$86,065,158	\$95,933,816	11.5%

Distribution of Impact by Practice Size

Practice Size	Number of Beneficiaries	Number of Practices	Track 2 Total Payments (Current)	Track 3 Total Payments (Modeled)	Percent Impact
0-250	3,475	20	\$3,077,012	\$3,488,940	13.4%
251-500	11,097	29	\$10,297,794	\$11,236,950	9.1%
501-750	13,107	20	\$11,900,691	\$13,177,948	10.7%
751-1000	15,213	17	\$12,222,495	\$13,884,304	13.6%
>=1000	56,155	36	\$48,567,166	\$54,145,673	11.5%
Overall	99,047	122	\$86,065,158	\$95,933,816	11.5%

Distribution of Impact by State Region

Region	Number of Beneficiaries	Number of Practices	Track 2 Total Payments (Current)	Track 3 Total Payments (Modeled)	Percent Impact
Capital	33,010	42	\$28,414,388	\$31,655,743	11.4%
Central	55,302	69	\$48,300,631	\$53,659,035	11.1%
Eastern Shore	4,302	5	\$3,779,573	\$4,458,414	18.0%
Southern	4,973	5	\$4,118,771	\$4,623,035	12.2%
Western	*	*	\$1,451,795	\$1,537,588	5.9%
Overall	99,047	122	\$86,065,158	\$95,933,816	11.5%

- Practices by CTO affiliation and practice size have relatively consistent impacts under the Practice Group model
- The impact does vary by region, with the Western region having the smallest impact



Required Policymaking Decisions & Next Steps

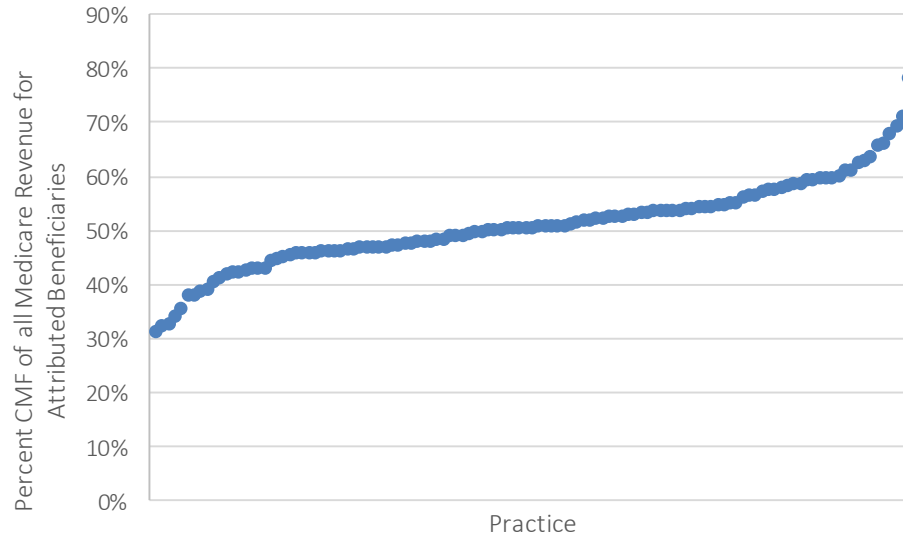
1. Structure Track 3 by Practice Group or Beneficiary Group?
2. Construct flat fee based on:
 - a) All E&Ms covered under the flat fee for PCF?
 - b) Subset of E&M codes 99211-99215?
 - c) Only using 99212?
3. *Next Steps*
 1. Incorporate Performance Based Adjustments (PBA) into modeling
 2. Identify and determine the role of SIP in Track 3

Preliminary Results

CMF Payments as a Percent of All Medicare Revenue

- On average, current CMF payments represent 50% of Track 2 practices' total Medicare revenue for attributed beneficiaries
 - Attributed beneficiaries represent, on average, 80% of all beneficiaries who receive care in the Track 2 practice

Current CMF Payments for Track 2 Practices as a Percent of Total Medicare Revenue (E&M + non-E&M + CMF Payments)



Note: Two Track 2 practices were excluded from this analysis due to extreme outliers, whereas virtually no claims were available in CY 2019 for the attributed physician and/or beneficiaries

APPENDIX

Review of hMetrix SOW

- CRISP/hMetrix has been commissioned to conduct payment modeling to inform Track 3 policy parameters
 - Task 1 - Model Population-Based Payment (PBP) – Practice Group and Beneficiary Group Models
 - Task 2 - Model Flat Fee Payments
 - Task 3 - Model Total Primary Care Payment (PBP + Flat Fee)
 - Task 4 - Apply Select Payment Adjustments
 - Task 5 - Identify Seriously Ill Population (SIP)
- hMetrix does not intend to model Quality Gateway metrics and/or behavioral impacts that would impact PBAs or leakage adjustments

Analytic Context

- PMO is interested in adding a third track to the MDPCP program in order to bring *alignment and accountability within the context of the TCOC model contract*
- Preliminary program details need to be submitted to CMMI by the end of 2020 for approval and implementation for CY 2023
- The intent is to model Track 3 after the national Primary Care First (PCF) initiative
 - Track 3 parameters may deviate from PCF to best suite the unique environment of Maryland and the existing MDPCP program
- Payment modeling is required to determine the potential impact Track 3 could have on overall program payments

Review of Key Assumptions

- All Track 2 practices are assumed to transition to Track 3
 - Based on Q3 2020 participation and beneficiary attribution
- No assumptions are made for changes in MDPCP beneficiary participation or changes in beneficiary risk/complexity
- PBP payments are based on PCF Group payment rates without geographic adjustment
- CMF payments are based on the current risk Tier payments without geographic adjustment
- Flat fee rate is based on the utilization of select E&M services for CY 2019, inflated to 2021 proposed Medicare payments
 - Neither the MIPS adjustment nor sequestration are considered at this time

Distribution of Practices by PCF Group

Track	Number of Practices	Percent of Practices	Number of Beneficiaries	Percent of Beneficiaries
Track 1	351	74.2%	251,342	71.7%
Track 2	122	25.8%	99,037	28.3%
Total Practices	473	100.0%	350,379	100.0%

PBP PBPM Payment by PCF Group

Group (Avg. HCC score)	PBP PBPM
Group 1 (<1.2)	\$28
Group 2 (1.2-1.5)	\$45
Group 3 (1.5-2.0)	\$100
Group 4 (>2.0)	\$175

CMF Payment by Risk Tier

Risk Tier	CMF PBPM
Tier 1 (0.10-0.48)	\$9
Tier 2 (0.16-7.57*)	\$11
Tier 3 (0.70-1.19)	\$19
Tier 4 (1.20-1.92)	\$33
Complex (0.10-13.5)	\$100



Required Policymaking Decisions

1. Structure Track 3 by Practice Group or Beneficiary Group?
2. Construct flat fee based on:
 - a) All E&Ms covered under the flat fee for PCF?
 - b) Subset of E&M codes 99211-99215?
 - c) Only using 99212?

POPULATION-BASED PAYMENTS (PBP)

Population-Based Payments (PBPs)

- Population-based Payments (PBPs) are modeled for two different Track 3 structures:
 - a) **Practice Group:** *Practices are assigned to a single PBP Group* and receive one Group-specific payment amount for each beneficiary
 - i. Aligns with the structure and payments of national PCF program
 - b) **Beneficiary Group:** *Beneficiaries are assigned to a PBP Group* and practices receive a PBP Group-specific payment amount (“Money follows the person”)
- Neither current CMFs nor PBPs are geographically adjusted

Population-Based Payments: Practice Group

- All Track 2 practices would be assigned to either Group 1 or Group 2
- PBPs under Track 3 are expected to be 24% lower than the expected Track 2 CMF payments (\$45.2M to \$34.5M annually)
 - Average CMF payments for Track 2: \$37 PBPM for Group 1 and \$53 for Group 2
 - PBP payments for Track 3: \$28 for Group 1 and \$45 for Group 2

CMF (Current) and PBP (Modeled) Payments for Track 3 Practices based on Q3 2020 Attribution: Practice Group

Practice Group	Number of Practices	Number of Beneficiaries	CMF Payments (Current)		PBP Payments (Modeled)		Percent Impact
			PBPM Payments	Annualized Payments	PBPM Payments	Annualized Payments	
Group 1	112	93,178	\$3,451,456	\$41,417,472	\$2,608,984	\$31,307,808	-24.4%
Group 2	10	5,859	\$313,393	\$3,760,716	\$263,655	\$3,163,860	-15.9%
Group 3	-	-					
Group 4	-	-					
Total	122	99,037	\$3,764,849	\$45,178,188	\$2,872,639	\$34,471,668	-23.7%

Track 3 Practices are based on Track 2 participation as of Q3 2020

Group assignment based on the practice's average HCC score for attributed beneficiaries

PBP assumes \$28 PBPM for Group 1 and \$45 PBPM for Group 2; Annualized results assume concurrent attribution for 12 months.

Population-Based Payments: Beneficiary Group

- Beneficiaries will be assigned to a Group solely based on the HCC score thresholds of the PBP Groups; practices would receive the beneficiary-specific Group PBP payment rate
 - Beneficiaries without enough claims data to produce an HCC score are automatically assigned to Group 1, consistent with the current policy to assign beneficiaries to the Tier that corresponds with the median HCC score of all participating beneficiaries
- This approach would increase total MDPCP PBPM payments for Track 3 practices by 22% (\$45.2M to \$55.1M annually)
- Individual practices could experience 25% to 50% increases in PBPM payments

CMF (Current) and PBP (Modeled) Payments for Track 3 Practices based on Q3 2020 Attribution: Beneficiary Group

Beneficiary Group	Number of Beneficiaries	PBP Payment PBPM	CMF Payments (Current)		PBP Payments (Modeled)		Percent Impact
			PBPM Payments	Annualized Payments	PBPM Payments	Annualized Payments	
Group 1	76,211	\$28	\$2,131,065	\$25,572,780	\$2,133,908	\$25,606,896	0.1%
Group 2	8,093	\$45	\$422,125	\$5,065,500	\$364,185	\$4,370,220	-13.7%
Group 3	6,500	\$100	\$391,563	\$4,698,756	\$650,000	\$7,800,000	66.0%
Group 4	8,233	\$175	\$820,096	\$9,841,152	\$1,440,775	\$17,289,300	75.7%
Total	99,037		\$3,764,849	\$45,178,188	\$4,588,868	\$55,066,416	21.9%

Track 3 Practices are based on Track 2 participation as of Q3 2020

Beneficiary Group is based on the PCF Group score thresholds; PBP Group PBPM is applied to beneficiary groups; Annualized results assume concurrent attribution for 12 months. Beneficiaries without HCC scores are auto-assigned to Group 1

TOTAL PRIMARY CARE PAYMENT (TPCP)

Total Primary Care Payment

- Current Track 2 payments are compared to Track 3 payments to determine the overall impact of the new track on providers
- Total Primary Care Payment (TPCP) includes the annualized PBPM care management payments (CMF vs PBPs) and the E&M payments (fee schedule vs flat fee)
- E&M services are based on the actual services provided by practices to MDPCP attributed beneficiaries in CY 2019, inflated to 2021 dollars
 - Model assumes a E&M flat fee allowed amount that based on all E&M services subjected to the flat fee (\$132)

Total Primary Care Payment: Practice Group

- Using the PCF Group structure, the Total Primary Care Payment for Track 3 practices is expected to be 12.5% lower than current payments under Track 2 (\$86.1M to \$75.3M annually)
- Impact is consistent across all Practice Groups

Total Primary Care Payment for Track 3 Practices based on Q3 2020 Attribution: Current vs Modeled Payments using PCF Practice Groups

Practice Group	Number of Practices	Number of Beneficiaries	Track 2 Payments (Current)			Track 3 Payments (Modeled)			Percent Impact
			CMF Annual Payments	E&M Services (2021 \$)	Total Payments	PBP Annual Payments	E&M Flat Fee (2021 \$)	Total Payments	
Group 1	112	93,178	\$41,417,472	\$39,498,520	\$80,915,992	\$31,307,808	\$39,535,836	\$70,843,644	-12.4%
Group 2	10	5,859	\$3,760,716	\$1,383,566	\$5,144,282	\$3,163,860	\$1,327,136	\$4,490,996	-12.7%
Group 3	0	0	\$0	\$0	\$0	\$0	\$0	\$0	
Group 4	0	0	\$0	\$0	\$0	\$0	\$0	\$0	
Total	122	99,037	\$45,178,188	\$40,882,086	\$86,060,274	\$34,471,668	\$40,862,972	\$75,334,640	-12.5%

Track 3 Practices are based on Track 2 participation as of Q3 2020; Group assignment based on the practice's average HCC score for attributed beneficiaries; PBP assumes \$28 PBPM for Group 1 and \$45 PBPM for Group 2; Annualized results assume concurrent attribution for 12 months.

Total Primary Care Payment: Beneficiary Group

- When applying PCF Group payments to individual beneficiaries, the Total Primary Care Payment for Track 3 practices is expected to be 11.5% higher than current payments under Track 2
- Practices will receive significant payment increases for beneficiaries in Group 3 and Group 4

Total Primary Care Payment for Track 3 Practices based on Q3 2020 Attribution: Current vs Modeled Payments Using PBP for Beneficiary Groups

Beneficiary Group	Number of Beneficiaries	Track 2 Payments (Current)			Track 3 Payments (Modeled)			Percent Impact
		CMF Annual Payments	E&M Services (2021 \$)	Total Payments	PBP Annual Payments	E&M Flat Fee (2021 \$)	Total Payments	
Group 1	76,211	\$25,572,780	\$29,130,042	\$54,702,822	\$25,606,896	\$29,027,419	\$54,634,315	-0.1%
Group 2	8,093	\$5,065,500	\$3,923,016	\$8,988,516	\$4,370,220	\$3,956,646	\$8,326,866	-7.4%
Group 3	6,500	\$4,698,756	\$3,358,587	\$8,057,343	\$7,800,000	\$3,384,794	\$11,184,794	38.8%
Group 4	8,233	\$9,841,152	\$4,470,440	\$14,311,592	\$17,289,300	\$4,494,112	\$21,783,412	52.2%
Total	99,037	\$45,178,188	\$40,882,086	\$86,060,274	\$55,066,416	\$40,862,972	\$95,929,388	11.5%

Track 3 Practices are based on Track 2 participation as of Q3 2020

Beneficiary Group is based on the PCF Group score thresholds; PBP Group PBPM is applied to beneficiary groups; Annualized results assume concurrent attribution for 12 months.

Beneficiaries without HCC scores are auto-assigned to Group 1

ADDITIONAL REFERENCE MATERIALS

Preliminary Results

Reference

The Total Primary Care Payment is a hybrid payment that incentivizes advanced primary care while **compensating practices with higher-risk patients**.

Population-Based Payment

Payment for service in or outside the office, adjusted for practices caring for higher risk populations. This base rate is the same for all patients within a practice.

Practice Risk Group	Payment (per beneficiary per month*)
Group 1: Average Hierarchical Condition Category (HCC) <1.2	\$28
Group 2: Average HCC 1.2-1.5	\$45
Group 3: Average HCC 1.5-2.0	\$100
Group 4: Average HCC >2.0	\$175

Payment will be reduced through calculating a “leakage adjustment” if beneficiaries seek primary care services outside the practice.



Flat Primary Care Visit Fee

Payment for in-person treatment that reduces billing and revenue cycle burden.

\$40.82

per face-to-face encounter

Payment amount does not include copayment or geographic adjustment

These payments allow practices to:

- ✓ Easily predict payments for face-to-face care
- ✓ Spend less time on billing and coding and more time with patients

* PBPM = Per Beneficiary Per Month



PBP Sensitivity Analyses

- Sensitivity analyses were conducted to determine the PBP Group-specific payment rates *required to produce budget neutral annual payments relative to current Track 2 CMF payments* at both the Group-level and for the overall program
- Budget neutral PBPs do not factor in the impact of the flat fee payments
 - E&M flat fee structures based on a subset of E&M payments or only on 99212 are not budget neutral to current E&M spending; this sensitivity analysis does not consider that impact when determining budget neutral PMP rates

Population-Based Payment (PBP) PBPM Payments Required for Budget Neutrality

Group	Current PBP PBPM Payment Amount	Budget Neutral Practice Level PBP PBPM Amount	Budget Neutral Beneficiary Group PBP PBPM Payment
Group 1	\$28	\$37	\$28
Group 2	\$45	\$53	\$52
Group 3	\$100	*	\$60
Group 4	\$175	*	\$100

* Budget Neutral Practice-Level PBP PBPM amount not simulated for Groups 3 or 4, as no Track 2 practices fall within that group assignment.