

Medicare Advantage Qualifying Payment Arrangement Incentive (MAQI) Demonstration

The Centers for Medicare & Medicaid Services (CMS) is conducting the Medicare Advantage Qualifying Payment Arrangement Incentive (MAQI) Demonstration under the authority of Section 402 of the Social Security Amendments of 1967 (as amended), which authorizes CMS to develop and engage in experiments and demonstration projects to determine whether, and if so which, changes in methods of payment or reimbursement for health care and services under the Medicare program would have the effect of increasing the efficiency and economy of health services under Medicare through the creation of additional incentives without adversely affecting the quality of such services.

The MAQI Demonstration tests whether providing exclusions from the Merit-Based Incentive Payment System (“MIPS”) reporting requirements, payment adjustments, and performance feedback (collectively, the “MIPS exclusions”) for individual eligible clinicians who participate to a sufficient degree in certain payment arrangements with Medicare Advantage Organizations (“MAOs”) (combined with eligible clinician participation, if any, in Advanced Alternative Payment Models (“Advanced APMs”) with Medicare Fee-for-Service (“FFS”)) will increase or maintain eligible clinician participation in payment arrangements with MAOs that are similar to Advanced APMs, and change the manner in which those clinicians deliver care. The Demonstration will test whether:

- There is an increase in eligible clinician participation in payment arrangements with MAOs that we determine to be Qualifying Payment Arrangements;
- Participating in Qualifying Payment Arrangements and Advanced APMs (as applicable) to the degree required to receive the MIPS exclusions incentivizes eligible clinicians to transform their care delivery (assessed by interviews with participating clinicians);
- Whether there is a change in utilization patterns among participants in the Demonstration; and
- If there are changes in utilization, how those changes affect MA plan bids.

Background

Under current law, eligible clinicians may participate in one of two paths of the Quality Payment Program (QPP): 1) MIPS, which adjusts Medicare payments in a payment year based on combined performance on measures of quality, cost, improvement activities, and promoting interoperability in a performance year, or 2) Advanced APMs, under which eligible clinicians may earn an incentive payment in a payment year for sufficient participation during a performance year in certain advanced payment arrangements with Fee-for-Service (FFS) and, starting in the 2019 performance period, with a combination of those Medicare FFS arrangements and similar arrangements with other payers such as Medicare Advantage commercial payers, and Medicaid managed care. To participate in the Advanced APM path of QPP for a given year and earn an incentive payment, eligible clinicians must be determined to be Qualifying APM Participants (QPs); in addition to earning an APM incentive payment, QPs are excluded from the MIPS reporting requirements and payment adjustments.

An eligible clinician may become a QP through one of two options: the Medicare Option, which only includes certain advanced payment arrangements under Medicare FFS (Advanced APMs), not Medicare Advantage; or the All-Payer Combination Option, which includes Advanced APMs and similarly advanced payment arrangements with other non-Medicare FFS payers (Other Payer Advanced APMs), including Medicare Advantage and other Medicare health plans. Both Advanced APMs and Other Payer Advanced APMs involve payment arrangements that meet certain criteria for CEHRT use, payment based on MIPS-comparable quality measures, and financial risk. Under the Medicare Option, which began with the 2017 performance period, eligible clinicians can become QPs if they meet certain thresholds for participation in Advanced APMs. Under the All-Payer Combination Option, which will begin with the 2019 performance period, eligible clinicians can also become QPs if they first meet a minimum threshold for participation in Advanced APMs (lower than the threshold required under the Medicare Option) and then meet a minimum threshold for combined participation in both Advanced APMs and Other Payer Advanced APMs. Eligible clinicians who do not meet the thresholds to become QPs for a year can meet lower thresholds to become “Partial QPs,” which allows them the option to be excluded from the MIPS reporting requirements and payment adjustment, but does not earn them an APM incentive payment. An eligible clinician who does not meet the criteria to be a QP or a Partial QP for a given year is subject to the MIPS reporting requirements and payment adjustments for that year unless the clinician meets certain other MIPS exclusion criteria (for example, being newly enrolled in Medicare, or having a low volume under Medicare FFS).

The MAQI Demonstration allows participating eligible clinicians to have the opportunity to receive the MIPS exclusions for a given year if they participate to a sufficient degree in Qualifying Payment Arrangements with MAOs (combined with participation in Advanced APMs with Medicare FFS, if any) during the performance period for that year, without meeting the criteria to be QPs or Partial QPs, or otherwise being excluded from MIPS. The Demonstration permits consideration of eligible clinicians’ participation in “Qualifying Payment Arrangements” with Medicare Advantage plans that meet the criteria to be Other Payer Advanced APMs a year before the All-Payer Combination Option is available. The Demonstration also allows participating eligible clinicians to receive the MIPS exclusions for the year even if they do not meet the threshold level of participation in Advanced APMs with Medicare FFS to be determined to be QPs under the All Payer Combination Option for a year. However, if an eligible clinician participates in one or more Advanced APMs with Medicare FFS, that participation will also be counted toward the thresholds for the MIPS exclusions under this Demonstration.

Demonstration participants who do not meet the thresholds to receive the MIPS exclusions for a given year continue their participation in the Demonstration and will be notified with sufficient time to complete MIPS reporting for the year. The Demonstration will not grant QP status to participating eligible clinicians; participating clinicians would still have to meet the thresholds under the Medicare Option or All-Payer Combination Option in order to become QPs and earn the APM incentive payment for a year.

Under section 1848(q)(6)(F)(ii) of the Social Security Act (the Act), MIPS payment adjustments must be budget neutral in the aggregate. Therefore, removing MIPS eligible clinicians from the population across which positive and negative payment adjustments are calculated under MIPS may affect the payment adjustments for other MIPS eligible clinicians. The Demonstration

would remove certain clinicians from the pool of MIPS eligible clinicians for which the MIPS payment adjustments are calculated, thereby decreasing the pool of MIPS eligible clinicians included in the budget neutrality determination. This may have the effect of increasing or decreasing the number of MIPS eligible clinicians receiving negative or positive payment adjustments.

In addition, the MAQI demonstration includes a waiver of the requirement that the Secretary permit all eligible professionals to voluntarily report under MIPS even if they are not required to do so under MIPS regulations; eligible clinicians who receive the MIPS exclusions for a year under the Demonstration will not be permitted to report under the MIPS for that year.

The first performance period for the Demonstration is in 2018, and the Demonstration will last for five years.

Demonstration Design:

Eligible Participants

A Demonstration participant is an “eligible clinician”, as defined under 42 CFR § 414.1305, and identified by a single Tax Identification Number (TIN) and National Provider Identification (“NPI”) combination. Since all eligible clinicians are not MIPS eligible clinicians, the eligibility for the Demonstration (“eligible clinician”) is broad to accommodate eligible clinicians whose MIPS eligibility status may change throughout the performance year (i.e. those whose are not considered MIPS eligible clinicians and become MIPS eligible clinicians).

Under §414.1305, a “MIPS eligible clinician”, as identified by a unique billing TIN and NPI combination, is currently defined as any of the following (when they are not otherwise excluded from MIPS): a physician (as defined in section 1861(r) of the Act); a physician assistant, nurse practitioner, and clinical nurse specialist (as such terms are defined in section 1861(aa)(5) of the Act); a certified registered nurse anesthetist (as defined in section 1861(bb)(2) of the Act); and a group that includes such clinicians.

As authorized under section 1848(q)(1)(C)(II) of the Act, we have amended the definition beginning with the 2021 MIPS payment year to specify additional eligible clinicians (as defined in section 1848(k)(3)(B) of the Act) as MIPS eligible clinicians. Such clinicians may include physical therapists, occupational therapists, or qualified speech-language pathologists; qualified audiologists (as defined in section 1861(ll)(3)(B) of the Act); certified nurse-midwives (as defined in section 1861(gg)(2) of the Act); clinical social workers (as defined in section 1861(hh)(1) of the Act); clinical psychologists (as defined by the Secretary for purposes of section 1861(ii) of the Act); and registered dietitians or nutrition professionals.

Application Process and Participation

Eligible clinicians must apply to the Demonstration up-front, prior to CMS determining whether they would qualify for the MIPS exclusions under the Demonstration. The application period for 2018 is closed. CMS plans to allow new applications from additional eligible clinicians in each year of the Demonstration. The next application period is anticipated to begin in the summer of 2019.

Eligible clinicians who are selected for participation in the Demonstration will receive the MIPS exclusions for the year if they: (1) submit the required documentation as outlined below and (2) meet a threshold for sufficient combined participation in Qualifying Payment Arrangements with MAOs and Advanced APMs with Medicare FFS, if any. If they do not meet these conditions for a year, the eligible clinicians' participation in the Demonstration will not be terminated, but they will not receive the MIPS exclusions for that year. Therefore, unless they become QPs or Partial QPs, or are otherwise excluded from MIPS, those eligible clinicians who are participating in the Demonstration but do not meet the criteria to receive the MIPS exclusions will be subject to the MIPS reporting requirements and payment adjustments for the applicable year.

Eligible clinicians who applied to the MAQI Demonstration for 2018 were notified about their application status in October 2018. Eligible clinicians who were selected for participation received instructions in October 2018 on how to finalize their participation in the Demonstration and submit information to be evaluated for the MIPS exclusions for the 2018 MIPS performance period and 2020 MIPS payment year.

Determinations will be made annually as to whether participating eligible clinicians meet the conditions set forth under the Demonstration to receive the MIPS exclusions for the year. Participation will continue for the remainder of the Demonstration, unless participation is voluntarily or involuntarily terminated under the terms and conditions of the Demonstration. For example, eligible clinicians who do not comply with the terms of the participation agreement or who present program integrity risks may be involuntarily terminated from the Demonstration. Participants will be required each year to submit the specified documentation regarding potential Qualifying Payment Arrangements and the amount of their revenue and/or patients covered by these arrangements.

Qualifying Payment Arrangement Criteria

The criteria for Qualifying Payment Arrangements under the MAQI Demonstration are the same as for Other Payer Advanced APMs under the QPP for the applicable year, as set forth in 42 CFR § 414.1420. We will apply the criteria specified in that regulation, as in effect at the time of the determination, to determine whether a payment arrangement is a Qualifying Payment Arrangement for the performance period under the Demonstration.

For the 2018 performance period, the criteria are that the payment arrangement must:

- Require at least 50% of eligible clinicians in each participating APM Entity group to use certified electronic health record technology (CEHRT) to document and communicate clinical care as specified in § 414.1420(b);
- Base payments for covered professional services on quality measures that are comparable to those used in the MIPS quality performance category, including the use of at least one outcome measure as specified in § 414.1420(c); and
- Require APM Entities to bear more than nominal financial risk if actual aggregate expenditures exceed expected aggregate expenditures, as described in § 414.1420(d)(1) and (d)(3).

The Demonstration’s standards for minimum required financial risk for Qualifying Payment Arrangements match the criteria for Other Payer Advanced APMs under the All-Payer Combination Option. As of January 1, 2018, those standards are:

Expenditure-Based Nominal Amount Standard	Revenue-Based Nominal Amount Standard
Marginal Risk of at least 30%;	Marginal Risk of at least 30%;
Minimum loss rate of no more than 4%; and	Minimum loss rate of no more than 4%; and
Total risk of at least 3% of the expected expenditures of the APM Entity (the “benchmark” of the Entity)	Total risk of at least 8% of the total combined revenues from the payer to the providers and other entities under the payment arrangement

Submission Process for Qualifying Payment Arrangement Determinations

Because CMS will not make Other Payer Advanced APM determinations for the 2018 performance year, Demonstration participants must submit information for 2018 payment arrangements to CMS through a separate process so that CMS may determine whether their payment arrangements with MAOs meet required criteria to be a Qualifying Payment Arrangement. The content of the submission mirrors the content required by CMS for purposes of making Other Payer Advanced APM determinations, and includes:

- Name of the payer and payment arrangement
- Description of how the payment arrangement meets the requirements outlined above
- Payment arrangement documentation (e.g., contracts)

CMS is finalizing its submission process for 2019 and will share details with the public via the MAQI Demonstration website when they are available.

Thresholds to Qualify for Exclusions under the MAQI Demonstration

Eligibility for the MIPS exclusions is conditioned on the eligible clinician meeting a combined threshold for participation in Qualifying Payment Arrangements and Advanced APMs. There are two methods used to measure the level of participation: payments and patients. The combined participation thresholds match the thresholds under the Medicare Option of the QPP. Similar to the QPP, eligible clinicians will be assessed using both methods and need only meet one of the two thresholds to receive the MIPS exclusions. The Demonstration will use whichever threshold is more advantageous to the clinician. The thresholds for the Demonstration are:

Demonstration Thresholds

Performance Year	2018	2019	2020	2021	2022
Payment Amount	25%	50%	50%	75%	75%
Patient Count	20%	35%	35%	50%	50%

The Demonstration participant's score for the Payment Amount Threshold will be calculated by dividing the aggregate of payments for Covered Professional Services furnished by the Demonstration participant during the MAQI Performance Period to Medicare beneficiaries attributed to the Demonstration participant through Advanced APMs (if any), plus the aggregate payments made to the Eligible Clinician under the terms of all of the Demonstration participant's Qualifying Payment Arrangements during the MAQI Performance Period by the aggregate of payments for Covered Professional Services furnished by the Demonstration participant to all Medicare beneficiaries during the MAQI Performance Period plus the aggregate of all MAO payments to the Demonstration participant during the MAQI Performance Period.

The Demonstration participant's score for the Patient Count Threshold will be calculated by dividing the number of Medicare beneficiaries attributed to the Demonstration participant through Advanced APMs (if any) during the MAQI Performance Period, plus the number of Medicare beneficiaries to whom the Demonstration participant furnishes services under the terms of all of their Qualifying Payment Arrangements during the MAQI Performance Period by the number of Medicare beneficiaries to whom the Demonstration participant furnishes Covered Professional Services during the MAQI Performance Period, plus the number of Medicare beneficiaries to whom the Demonstration participant furnishes services for which MAOs paid during the MAQI Performance Period.

The definition of eligible beneficiaries as used in the Medicare FFS component of the denominators will be Medicare FFS beneficiaries who, during the Performance Period, are not enrolled in Medicare Advantage or a Medicare cost plan, do not have Medicare as a secondary payer, are enrolled in both Medicare Parts A and B, are at least 18 years of age, and are United States residents.

Payment amount method:

$$\frac{\$ \text{ through Qualifying Payment Arrangements} + \$ \text{ through Advanced APMs}}{\text{Total } \$ \text{ from MAOs and from Medicare FFS}}$$

Patient count method:

$$\frac{\# \text{ beneficiaries under Qualifying Payment Arrangements} + \# \text{ beneficiaries under Advanced APMs}}{\text{Total } \# \text{ beneficiaries under MAOs and Medicare FFS}}$$

Submission Process for MIPS exclusion determinations

Demonstration participants will need to submit information to CMS about their patients and/or payments under Qualifying Payment Arrangements and their total MAO patients and/or payments. CMS has access to Demonstration participants' Medicare FFS claims and Advanced APM participation. CMS will evaluate whether Demonstration participants meet the thresholds to receive the MIPS exclusions at the Eligible Clinician or NPI level, not at the APM entity level as is done in some cases under the QPP. This means that the calculation of the numerator and denominator to determine whether the thresholds are met will include all relevant Medicare FFS and MA patients and/or payments associated with each eligible clinician's NPI. If the eligible clinician meets the threshold for the MIPS exclusions, then the eligible clinician will be excluded for the year from MIPS reporting requirements and payment

adjustments for all of the individual eligible clinician's TIN/NPI combinations for that year.

The Performance Period for which threshold data are collected each year will be the same as the QP Performance Period: January 1 through August 31. There will be three date ranges (snapshots) for which Demonstration participants will be assessed to determine whether they qualify for the MIPS exclusions: January 1 through March 31, January 1 through June 30, and January 1 through August 31. Participants may submit payment and patient count data for any or all of these snapshot date ranges during the Demonstration's submission period (September 1 through October 31, following the Performance Periods). If a Demonstration participant meets or exceeds the relevant threshold score in any of the snapshots, the clinician will receive the MIPS exclusions for the applicable performance and payment years. For example, for the 2018 performance period under the Demonstration, if a participating eligible clinician meets the payment or patient count threshold for any snapshot date range, the clinician will receive the MIPS exclusions for the 2018 performance period. As such, the clinician will not report to MIPS for the 2018 MIPS performance period and will not receive any MIPS payment adjustments (neither an upward or downward adjustment) in the 2020 MIPS payment year.

If a Demonstration participant does not meet the payment or patient count threshold for at least one snapshot, the eligible clinician will not receive the MIPS exclusions for the year. As such, the eligible clinician will be subject to the MIPS reporting requirements and payment adjustment. Such a clinician may still be excluded from MIPS if they are a QP, Partial QP, or excluded on one of the other grounds for MIPS exclusion (for example, being a newly enrolled practitioner or having a low volume under Medicare FFS).

MAQI Application:

The application period for 2018 is closed. The next application period is anticipated to begin in the summer of 2019.