

Vizient Office of Public Policy and Government Relations Regulatory Update: CMS “Advancing Care Coordination Through Episode Payment Models”

February 22, 2017

The Trump administration issued a [memorandum](#) on inauguration day that directed agencies to postpone the effective dates of regulations that had been published in the Federal Register but had not yet taken effect.

In accordance with this memorandum, the Centers for Medicare & Medicaid Services (CMS) delayed the effective date of the provisions of the final rule, which were to become effective on February 18, until March 21, 2017. The delay notice was published in the Federal Register on February 17. No other changes to the rule beyond the effective date delay are anticipated at this time.

Therefore – the delay does not apply to the final rule’s effective date implementing the creation and testing of three new mandatory episode payment models (EPMs) and a Cardiac Rehabilitation (CR) incentive payment model. The first performance period for the new and expanded models remains July 1, 2017.

Background & Summary

The first two new episode payment models (EPMs) are for services surrounding an acute myocardial infarction (AMI) and coronary artery bypass graft (CABG). The third new EPM is a model for episodes of care surrounding surgical hip/femur fracture treatment excluding lower extremity joint replacement (SHFFT). The Cardiac Rehabilitation (CR) will test the use of CR and intensive cardiac rehabilitation (ICR) services for beneficiaries hospitalized for treatment of an AMI or CABG for 90 days post-hospital discharge.

The EPMs are designed to incorporate downside risk starting in 2019, but allow participants to assume downside risk in 2018 in order to qualify for potential incentive payments under the Medicare Access and CHIP Reauthorization Act (MACRA), by participating in an Advanced Alternative Payment Model.

What’s Next?

Action Item: CMS held a webinar on February 22, 2017 to provide an overview of the final rule. During the webinar, CMS requested that hospitals selected to be mandatory EPM model participants send point of contact (POC) information to epmsupport@cms.hhs.gov by March 1, 2017. They requested that the hospital CCN be in the subject line of the email, and to include in the body the following information:

- Names of two primary points of contact for EPM communication
- Titles, telephone numbers, and email addresses for POCs
- Hospital physical mailing address

CMS will post the slides from the webinar within a week to <http://innovation.cms.gov/initiatives/epm>. Further inquiries can be sent to epmrule@cms.hhs.gov.

CMS will continue to offer education and training to help prepare and support providers in complying with the new payment models. For example, CMS will offer webinars addressing each payment model and the criteria providers must meet to qualify for incentive payments under MACRA. CMS also will release fact sheets explaining how clinicians can successfully comply with the models and will host open forums where CMS staff will answer questions about the new payment models.

The ongoing discussions regarding the future of the ACA raises the uncertainty level for mandatory programs. It is unclear when CMS will provide further guidance on the future of CMMI and more specifically these mandatory programs. This is the first regulation signed by new Secretary of Health and Human Services, Dr. Tom Price. Secretary Price was a vocal opponent of mandatory bundled payment models while serving in the House of Representatives, which adds to the haziness for the future of CMMI and mandatory models under the Trump administration. However, the new EPM models have a considerable amount of time until they impose mandatory downside risk – which offers providers some leeway while the politics are sorted out.

Please keep in mind that it is possible that Secretary Price will allow the rule to become effective, further delay the rule, seek time to amend it, or withdraw it completely. However, until CMS issues further guidance or the administration takes formal action to further delay or modify the mandatory nature of the EPMS, participant hospitals should continue to plan for implementation.

Additional Resources

[Chelsea Arnone](#), Regulatory Affairs and Government Relations Director in Vizient's Washington DC office at (202) 354-2608, is monitoring this rule and other regulatory developments. Please reach out to her if you have any questions or if Vizient can provide any assistance as you consider these issues.