

June 8, 2020

CMS Announces Delays and Extensions for Pay for Performance Value-Based Programs

On June 2, 2020, the Centers for Medicare & Medicaid Services (“CMS”) announced timeline changes for several CMS Innovation Center Models in response to the COVID-19 public health emergency, extending some models while delaying the start of others. The changes, first announced in a [blog post](#) authored by CMS leadership, are outlined in a [flexibilities table](#) made available by CMS. We have prepared a table below providing a brief description of each model and indicating the timeline changes. Links to related Ropes & Gray alerts are provided as well for additional information. If you have any questions, please don’t hesitate to contact one of the authors or your usual Ropes & Gray advisor.

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Affected Model	Description	Timeline Changes
Comprehensive ESRD Care Model (CEC)	Designed to identify, test, and evaluate new ways to improve care for Medicare beneficiaries with End-Stage Renal Disease (ESRD). Dialysis facilities, nephrologists, and other providers joined together to form ESRD Seamless Care Organizations (ESCOs) that are responsible for the cost and quality of care for aligned beneficiaries. CMS will partner with health care providers and suppliers to test the effectiveness of a new payment and service delivery model in providing beneficiaries with person-centered, high-quality care. ¹	Model extended until March 31, 2021
Comprehensive Care for Joint Replacement (CJR) Model	Aims to support better and more efficient care for beneficiaries undergoing hip and knee replacements (also called lower extremity joint replacements or LEJR), the most common inpatient surgeries for Medicare beneficiaries. This model tests bundled payment and quality measurement for an episode of care associated with hip and knee replacements to encourage hospitals, physicians, and post-acute care providers to work together to improve the quality and coordination of care from the initial hospitalization through recovery. ² <u>Additional Materials:</u> <ul style="list-style-type: none"> https://www.ropesgray.com/en/newsroom/alerts/2017/10/The-Future-Of-Value-Based-Care-After-Repeal-And-Replace https://www.ropesgray.com/en/newsroom/alerts/2018/02/What-To-Know-About-CMS-New-Bundled-Payment-Model https://www.ropesgray.com/en/newsroom/alerts/2017/01/CMS-Finalizes-Testing-of-New-Episode-Payment-Models-and-MSSP-Track-1-ACO 	Performance year 5 extended through March 2021

¹ Centers for Medicare & Medicaid Services, Innovation Center: [Comprehensive ESRD Care Model](#) (last accessed June 3, 2020).

² Centers for Medicare & Medicaid Services, Innovation Center: [Comprehensive Care for Joint Replacement Model](#) (last accessed June 3, 2020).

<p>Direct Contracting (Global and Professional)</p>	<p>Direct Contracting (DC) is a set of voluntary payment model options aimed at reducing expenditures and preserving or enhancing quality of care for beneficiaries in Medicare fee-for-service (FFS). DC creates three payment model options for participants to take on risk and earn rewards, and provides them with choices related to cash flow, beneficiary alignment, and benefit enhancements.³</p> <p><u>Additional Materials:</u></p> <ul style="list-style-type: none"> • https://www.ropesgray.com/en/newsroom/alerts/2019/12/Value-Based-Direct-Contracting-Models-CMS-Announces-RFA • https://www.ropesgray.com/en/newsroom/alerts/2019/05/What-to-Know-About-the-CMS-Primary-Cares-Initiative 	<ul style="list-style-type: none"> • Start of the first Performance Period for cohort #1 delayed to April 1, 2021 • Creates application cycle during 2021 for second cohort to launch January 1, 2022
<p>Emergency Triage, Treat, and Transport (ET3)</p>	<p>Under the ET3 model, CMS will pay participating ambulance suppliers and providers to 1) transport an individual to a hospital emergency department (ED) or other destination covered under the regulations, 2) transport to an alternative destination (such as a primary care doctor’s office or an urgent care clinic), or 3) provide treatment in place with a qualified health care practitioner, either on the scene or connected using telehealth.⁴</p>	<p>Model start delayed from May 1, 2020 to Fall 2020</p>
<p>Integrated Care for Kids (InCK) Model</p>	<p>The InCK Model is a child-centered local service delivery and state payment model aimed at reducing expenditures and improving the quality of care for children covered by Medicaid and the Children’s Health Insurance Program (CHIP) through prevention, early identification, and treatment of priority health concerns like behavioral health challenges and physical health needs. The model will offer states and local providers support to address these priorities through a framework of child-centered care integration across behavioral, physical, and other child providers.⁵</p>	<p>First quarterly progress report and associated deliverables delayed to July 30, 2020</p>
<p>Kidney Care Choices</p>	<p>Kidney Care Choices (KCC) will build upon the existing Comprehensive End Stage Renal Disease (ESRD) Care (CEC) Model structure – in which dialysis facilities, nephrologists, and other health care providers form ESRD-focused accountable care organizations to manage care for beneficiaries with ESRD – by adding strong financial incentives for health care providers to manage the care for Medicare beneficiaries with chronic kidney disease (CKD) stages 4 and 5 and ESRD, to delay the onset of dialysis and to incentivize kidney transplantation.⁶</p>	<p>Start of the first Performance Period for cohort #1 delayed to April 1, 2021 • Creates application cycle during 2021 for second cohort to launch January 1, 2022</p>

³ Centers for Medicare & Medicaid Services, Innovation Center: [Direct Contracting Model Options](#) (last accessed June 3, 2020).

⁴ Centers for Medicare & Medicaid Services, Innovation Center: [Emergency Triage, Treat, and Transport \(ET3\) Model](#) (last accessed June 3, 2020).

⁵ Centers for Medicare & Medicaid Services, Innovation Center: [Integrated Care for Kids \(InCK\) Model](#) (last accessed June 3, 2020).

⁶ Centers for Medicare & Medicaid Services, Innovation Center: [Kidney Care Choices Model](#) (last accessed June 3, 2020).

<p>Maternal Opioid Misuse Model (MOM)</p>	<p>The Model aims to address fragmentation in the care of pregnant and postpartum Medicaid beneficiaries with opioid use disorder (OUD) through state-driven transformation of the delivery system surrounding this vulnerable population. By supporting the coordination of clinical care and the integration of other services critical for health, wellbeing, and recovery, the MOM Model has the potential to improve quality of care and reduce costs for mothers and infants.⁷</p>	<p>Start of beneficiary enrollment delayed by six months, until July 1, 2021</p>
<p>Medicare ACO Track 1+ Model</p>	<p>Model is based on the Shared Savings Program Track 1, but incorporates elements of Track 3 including: prospective beneficiary assignment to allow ACOs to know in advance the patient population for which they are responsible; the introduction of downside risk (although lower than Track 3); and the option to request a Skilled Nursing Facility (SNF) 3-Day Rule Waiver to provide greater flexibility to Track 1+ ACOs to better coordinate and deliver high quality care.⁸</p> <p><u>Additional Materials:</u></p> <ul style="list-style-type: none"> • https://www.ropesgray.com/en/newsroom/alerts/2017/01/CMS-Finalizes-Testing-of-New-Episode-Payment-Models-and-MSSP-Track-1-ACO 	<p>Voluntary election to extend agreement for 1 year through December 2021</p>
<p>Next Generation ACO (NGACO)</p>	<p>The Next Generation ACO Model is an initiative for ACOs that are experienced in coordinating care for populations of patients. It allows these provider groups to assume higher levels of financial risk and reward than are available under the Shared Savings Program (MSSP). The goal of the Model is to test whether strong financial incentives for ACOs, coupled with tools to support better patient engagement and care management, can improve health outcomes and lower expenditures for Original Medicare fee-for-service (FFS) beneficiaries.⁹</p> <p><u>Additional Materials:</u></p> <ul style="list-style-type: none"> • https://www.ropesgray.com/en/newsroom/alerts/2015/March/Next-Generation-Accountable-Care-Organization-A-New-Model-from-CMS 	<p>Model extended through December 2021</p>
<p>Oncology Care Model (OCM)</p>	<p>OCM will utilize appropriately aligned financial incentives to enable improved care coordination, appropriateness of care, and access to care for beneficiaries undergoing chemotherapy. OCM encourages participating practices to improve care and lower costs through an episode-based payment model that financially incentivizes high-quality, coordinated care. The CMS Innovation Center expects that these</p>	<p>Model extended for 1 year through June 2022</p>

⁷ Centers for Medicare & Medicaid Services, Innovation Center: [Maternal Opioid Misuse Model](#) (last accessed June 3, 2020).

⁸ Centers for Medicare & Medicaid Services, “[New Accountable Care Organization Model Opportunity: Medicare ACO Track 1+ Model](#),” Fact Sheet, Jul. 2017.

⁹ Centers for Medicare & Medicaid Services, Innovation Center: [Next Generation ACO Model](#) (last accessed June 3, 2020).

	improvements will result in better care, smarter spending, and healthier people. ¹⁰	
Primary Care First— Serious Illness Component	<p>Provides higher payment to advanced primary care practices that specialize in care for high-need, seriously ill beneficiaries who currently lack a primary care practitioner and/or effective care coordination. The model refers to these high-need population groups as Seriously Ill Populations (SIP). Payment amounts for SIP patients will be set to reflect the high-need, high-risk nature of the population, and to include an increase or decrease in payment based on performance on quality measures.¹¹</p> <p><u>Additional Materials</u></p> <ul style="list-style-type: none"> • https://www.ropesgray.com/en/newsroom/alerts/2019/05/What-to-Know-About-the-CMS-Primary-Cares-Initiative 	Implementation of the start of the Performance Period for the Serious Illness component delayed until April 1, 2021; Primary Care First only component will still start on January 1, 2021

¹⁰ Centers for Medicare & Medicaid Services, Innovation Center: [Oncology Care Model](#) (last accessed June 3, 2020).

¹¹ See <https://www.ropesgray.com/en/newsroom/alerts/2019/05/What-to-Know-About-the-CMS-Primary-Cares-Initiative>