

# Specialists at Risk: How To Navigate Hazards in Medicare's Value-Based Purchasing Programs

written by Theresa Hush | November 11, 2014



Heads up, specialty providers. The future of your practice may depend on three key components in Medicare's Value-Based Purchasing program. Especially if you work in an independent practice with a higher proportion of

Medicare patients than many primary care physicians, your income and practice survival are at risk if you don't understand implications of the new Rule for 2015.

This is certain: You must manage the new environment to avoid penalties and losses under these programs. Most important are PQRS 2015, Value-Based Payment Modifier (VBPM) and ACO Participation. That's the foundation; with requirements getting tougher every year, you need to invest in the measurement and improvement of patient outcomes and costs to ensure competitive results.

## Three Programs You Must Understand to Avoid Penalties

The risks under the Medicare Value-Based Purchasing programs are hidden in the details. Here are the main issues:

### 1) *PQRS and VBPM: Measure Choices*

Why you should care if your patients smoke. A measure not restricted by a patient's condition is now required for PQRS reporting. This is called a "cross-cutting" measure, and every Medicare Part B patient is included. Given that most specialty visits do not focus on general patient issues, you must take more time and effort to complete the measure, or risk penalties for non-reporting.

“Easy” has a downside. VBPM risk applies to every practice of 10 or more providers, beginning with 2015 services. Because the Modifier quality-tiering process is closely entwined with your selection of PQRS measures, be sure to get expert advice. Selecting what seems “easy” may carry a hidden risk if you cannot demonstrate better performance than others, since the VBPM risk is based on your *relative* performance.

## 2) VBPM: Patient Attribution and Costs

Your patients’ costs may cost you. Under the VBPM, patients are attributed to physicians based on the “plurality” of primary care services. This creates an inherent issue for specialists: If you have been the only provider who has seen a patient in the office in 2015, that patient is attributed to you as primary, *even if you are providing specialty care*. The VBPM calculates a cost-per-beneficiary that will be used to compare your cost performance against others.

You’ll also be responsible for patients’ admissions and readmissions. If you have primary care assignment under the same attribution, all admissions and readmissions for those patients—regardless of cause—will be assigned to you. You will be charged under the VBPM for costs related to those patients.

## 3) ACO Participation for Specialists

Your MSSP ACO participation status is critical to your independence. If you are participating in an ACO under your practice Tax Identification Number, *you may not also provide services in a different ACO*. While most specialists are not actual ACO members, in some markets an ACO has attempted to eliminate competitors by insisting that specialists accept full membership in the ACO.

If your ACO does not succeed in quality reporting, you will become subject to the VBPM and PQRS penalties. You have an exemption for reporting PQRS if you join an ACO—but if they fail at successfully reporting, you’re at risk for penalties.

## Five Steps to Success Under the New 2015 Rule

To succeed under the Medicare Value-Based Purchasing Efforts, specialists need to take these five steps, at a minimum:

Consider using a Qualified Clinical Data Registry for reporting. This will help integrate your Medicare Value Based Purchasing activities with your overall practice strategy and positioning in the market. Because you can use Qualified Clinical Data Registry (QCDR) reporting in place of regular PQRS reporting, your quality program can include all patients and standardizes your effort. A QCDR allows innovation by incorporating measures and benchmarks important to you. It also has the additional benefit of neutralizing potential

penalties under the Value-Based Payment Modifier. Be sure to select a QCDR that is authorized by Medicare to customize measures that are relevant to you.

Choose PQRS measures wisely and with guidance, including a review of your QRUR reports and data under the VBPM. This includes cross-cutting measures as well as all other PQRS measures. Once you have chosen your cross-cutting measures, create processes in the practice to routinely collect this data. Remember also that the later you start in 2015, the more difficult it will be to meet the requirements.

Ensure that your admitting institutions are effectively moving out patients and have good post-discharge follow-up. One VBPM criterion is based on cost of hospitalizations. Now that your revenues are being charged for this, it's time for you to help drive efficiency in hospitalizations.

Help your patients get primary care physicians, to avoid being tagged with very high costs and emergency expenses. As part of your intake, check with each patient to ensure that he or she has a primary care physician. Have a referral network of primaries available.

Carefully determine your ACO participation, with legal guidance. You can participate as an "other entity" with an ACO, without having to subsume your Tax Identification Number under the ACO's. This will protect your PQRS status as well as your independence.

*Founded in 2002, ICLOPS has pioneered data registry solutions for improving population health. Our industry experts provide comprehensive [PQRS Reporting with VBPM Consultation](#) and [ACO Reporting and Population Health](#) that help you both report and improve your performance. ICLOPS is a CMS Qualified Clinical Data Registry. [Contact ICLOPS for a Discovery Session.](#)*

Photo Credit: [cortto](#) via [Compfight cc](#)