

# PUBLICATION

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## **Comprehensive Primary Care Plus Model: Today's Alternative Payment Model for Primary Care Providers Could Be Tomorrow's Obligatory Payment Model [Ober|Kaler]**

2016

**In an effort to affect how approximately 25 million Medicare beneficiaries and other commercial insurance patients receive primary care services, the CMS Innovation Center (the "Innovation Center") announced the Comprehensive Primary Care Plus model ("CPC+").**

CPC+ will combine Medicare and private payer patients in specific geographic regions in an attempt to change how primary care medicine is delivered and reimbursed. CPC+ will accomplish this by subtly shifting reimbursement away from traditional fee-for-service and towards a monthly per patient per month capitation payment with performance-based incentive payments. The Innovation Center intends to persuade 20,000 primary care physicians, comprising approximately 5,000 physician group practices, to enroll voluntarily in this model.

CPC+ will be both a payment model and care delivery model that builds on the knowledge gained from the Comprehensive Primary Care initiative. CMS is bringing together payers (commercial insurance, state Medicaid agencies, and other payers) in the CPC+ to provide the necessary financial support and capabilities to align payment, data sharing, and quality metrics. The Innovation Center will select payers based on their willingness to accept certain commitments in participation, as outlined in a [Memorandum of Understanding \[PDF\]](#). Once the Innovation Center determines the payer participants, it will solicit applications from primary care physicians located in the geographic services areas of the payer participants who want to participate in CPC+.

The Innovation Center plans to open the CPC+ application for primary care physicians on July 15, 2016. CPC+ will begin its five-year program in January 2017. It will provide two tracks for providers to choose from, depending on the level of risk a primary care practice is willing to accept, subject to meeting CPC+ practice eligibility criteria. Although the CPC+ model does not replace fee-for-service payments, it does provide additional sources of revenue for providers in the form of Care Management Fees and Performance-Based Incentive Payments. CPC+ will have two Tracks:

CPC+ Track 1 continues to reimburse providers at 100% fee-for-service rates and includes a prospective monthly Care Management Fee based on a capitated per-beneficiary per-month ("PBPM") risk tier formula. CMS projects an average Care Management Fee of \$15 PBPM for Track 1 participants.

CPC+ Track 2 reduces fee-for-service rates and increases the Care Management Fee to an average of \$28 PBPM.

Both tracks allow for additional Performance-Based Incentive Payments where the amount is based on the provider's performance on patient experience, clinical quality, and utilization measures.

In order to participate in the CPC+ model, primary care physicians must have multi-payer support (although the Innovation Center is responsible for initiating participation in CPC+ from payers), Certified Electronic Health

Record Technology (CEHRT), other infrastructural capabilities, and the additional clinical capabilities to deliver comprehensive primary care. Depending on the CPC+ track selected, the practice eligibility criteria are different.

The Innovation Center continues to develop and implement new payment programs under Section 3021 of the Affordable Care Act, which is the statutory authority and funding mechanism for CPC+ and other alternative payments models. In 2016 alone, the Innovation Center launched the Comprehensive Care for Joint Replacement program, extended the Bundled Payments for Care Improvement initiative for an additional two years, and announced the CPC+ model.

## Ober|Kaler's Comments

- CPC+ is part of the overall redesign of the reimbursement system, and primary care physicians can expect the Innovation Center to build on previous iterations of alternative payment models, as seen here with CPC+ adding to the original CPC initiative.
- Primary care physicians who have been slow to adopt electronic medical records and other emerging health information technology should consider adopting these technologies sooner rather than later, as these technologies will continue to shape the delivery of care and are a vital component to providers' success for measuring quality and cost.
- CPC+ provides additional sources of revenue and is an opportunity for primary care physicians at varying levels of payment transformation readiness to participate in an alternative payment model.
- Providers should monitor whether they are in a geographic region participating in CPC+. The Innovation Center intends to announce these regions shortly after the payer participant application deadline of June 1, 2016. Primary care physicians and their practices will be able to enroll in CPC+ from July 15 to September 1, 2016.
- CPC+ is consistent with the trend of shifting fee-for-service payments to reimbursement based on value. To be successful in alternative payment models in the future, providers will need to be flexible, continually improve, and have the ability to monitor, evaluate, and deliver high quality care in a cost-effective manner. These new payment programs encourage providers to volunteer for today's *alternative* payment models, such as CPC+, which should result in those providers being in the best position to succeed in tomorrow's *obligatory* payment models.