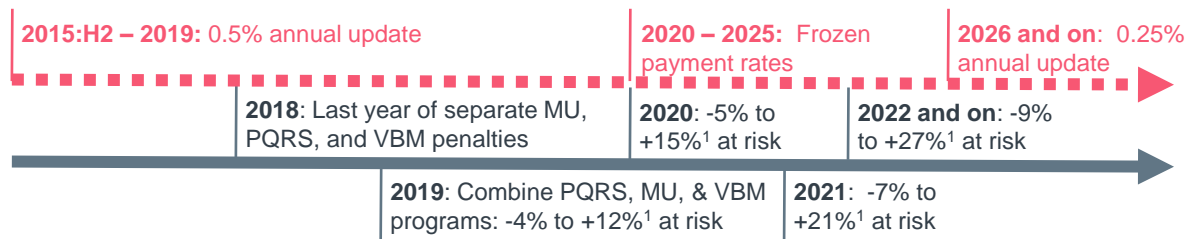


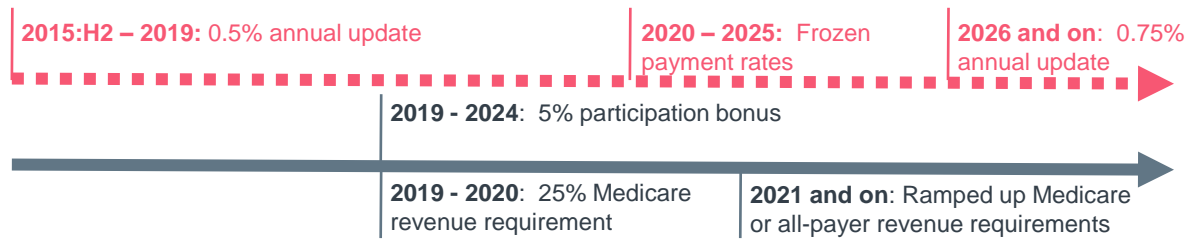
SGR Repeal Creates Two Tracks for Providers

Providers Must Choose Enhanced FFS¹ or Accountable Care Options

Merit-Based Incentive Payment System



Advanced Alternative Payment Models²



1. Fee for service.
 2. Positive adjustments for professionals with scores above the benchmark may be scaled by a factor of up to 3 times the negative adjustment limit to ensure budget neutrality. In addition, top performers may earn additional adjustments of up to 10 percent.
 3. APM participants who are close to but fall short of APM bonus requirements will not qualify for bonus but can report MIPS measures and receive incentives or can decline to participate in MIPS.

Source: *The Medicare Access and CHIP Reauthorization Act of 2015*, Advisory Board analysis.

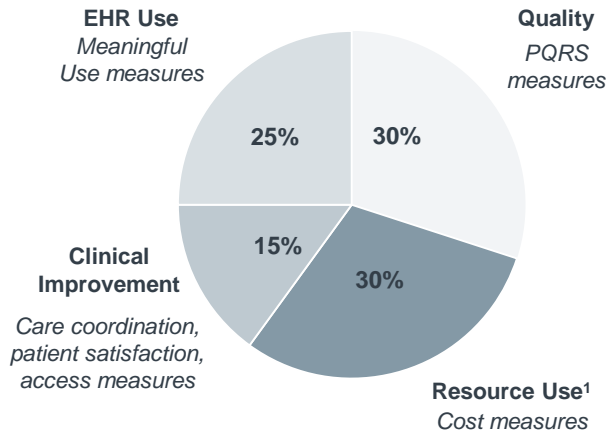
New Law Strengthens Move To P4P Incentives

Builds on Trend of Increasing Provider Accountability Even Within FFS

Merit-Based Incentive Payment System (MIPS) Summary

- Sunsets current Meaningful Use, Value-Based Modifier, and Physician Quality Reporting System (PQRS) penalties at the end of 2018, rolling requirements into a single program
- Adjusts Medicare payments based on performance on a single budget-neutral payment beginning in 2019
- Applies to physicians, NPs, clinical nurse specialists, physician assistants, and certified RN anesthetists
- Includes improvement incentives for quality and resource use categories

MIPS Performance Category Weights



1) Resource Use measures would be weighted less during first two years of MIPS program, reaching 30 percent in the third year of the program. Quality measures would be weighted more than 30 percent during the first two years to make up the difference.

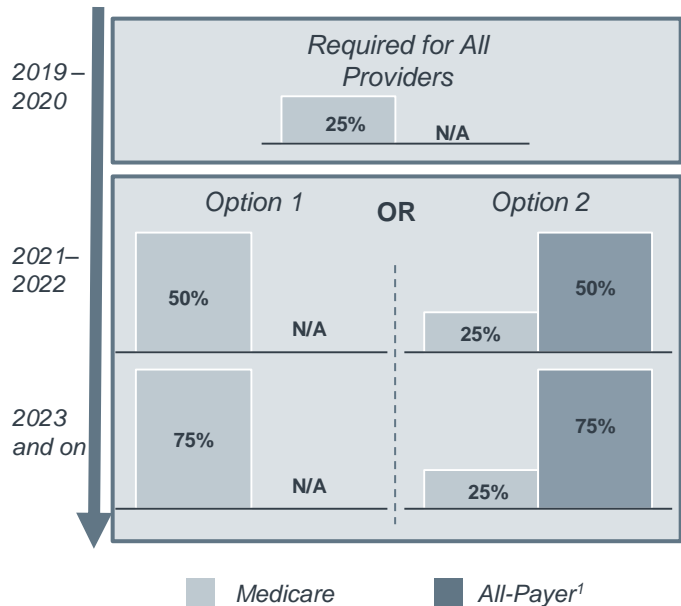
APM Bonus Rewards Participation in New Models

Option Signals Policymakers' High Expectations for Risk-Based Models

Advanced Alternative Payment Model (APM) Summary

- Requires significant share of provider revenue in APM with two-sided risk, and quality measurement; or in some cases participation in certified patient-centered medical homes (PCMHs)
- Provides financial incentives (5% annual bonus in 2019-2024) and exemption from MIPS requirements
- Includes partial qualifying mechanism that allows providers that fall short of APM requirements to report MIPS measures and receive corresponding incentives or to decline to participate in MIPS

Required Percentage of Revenue Under Risk-Based Payment Models



1. Risk-based contracts with Medicare Advantage plans count toward the all-payer requirement category.