

# EQIP as an Advanced Alternative Payment Model (AAPM): A Step Towards Value-Based Health Care

In the ever-evolving landscape of health care, the pursuit of more effective and efficient payment models continues to be a priority. One such innovation is the Episode-based Quality Improvement Payment Program (EQIP). Designed around provider ownership, EQIP aims to align incentives, promote value-based care, and enhance Medicare's Total Cost of Care (TCOC) Model. Let's explore this program and its key features.

What is EQIP and its Objectives? EQIP is an episode-based payment program that ties health care payments to the quality and cost of services provided under a clinical 'episode' for a set period. Its key objectives include helping the State meet financial targets for TCOC, encouraging multi-payer alignment, broadening access to Medicare's Advanced Alternative Payment Model (AAPM), and including more episodes than traditional CMS Innovation Center models. As an AAPM, EQIP Participants are eligible to achieve Quality Payment Program Status and bonuses

**Bonus Amounts for CY2022, CY2023, and CY2024:** EQIP offers attractive bonus amounts to participating providers based on their performance in different calendar years. The bonus amounts are as follows:

- CY2022: 5%
- CY2023: 3.5%
- CY2024: TBD

**AAPM Payment Timeline:** The AAPM payment date is typically scheduled two years after the performance year. For example, for Performance in CY2023, the payment year would be in 2025.

**Eligibility for AAPM Bonus:** The AAPM bonus will only be applicable to EQIP-participating clinicians, providing a valuable incentive for these providers to enhance their value-based care efforts.

**Exclusion from MIPS Participation:** By participating in AAPM and receiving the bonus, clinicians are excluded from the Merit-based Incentive Payment System (MIPS). Physicians must choose between participating in MIPS or AAPM but cannot do both.

**Process for AAPM Participation:** The process for AAPM participation is straightforward for EQIP providers. CRISP will submit the EQIP participating clinicians' information to CMS, and the remaining process will be handled by CMS. No additional reporting is required beyond what is needed for participating in EQIP.

**Bonus Increase for QP's:** Starting in 2026, QP's will receive a 0.75% increase to their Medicare physician fee schedule (PFS).

**Requirements for AAPM Entity to be QP's:** For PY2023, an AAPM entity must meet specific criteria to submit all its eligible clinicians to become QP's. The entity must either receive at

least 50% of its Medicare Part B payments through an AAPM entity or see at least 35% of its Medicare patients through the AAPM entity.

**Accountability and Performance Monitoring:** HSCRC monitors EQIP entities' performance closely, and those achieving minimal quality performance may be subject to removal from the program. If an EQIP entity's performance rate in any quality measure falls below the 20th percentile benchmark for a given year, they will receive zero points for that measure and be placed on probation for the following performance year. If the entity remains on probation for two consecutive years, it will be automatically removed from the EQIP program.

The EQIP AAPM presents a promising opportunity for providers to embrace value-based care and contribute to Medicare's Total Cost of Care (TCOC) Model. With attractive bonuses and potential MIPS exclusion, EQIP is expected to drive improvements in health care quality and efficiency. As providers continue to explore innovative payment models, EQIP stands out as a step towards a more sustainable and patient-centric health care system.