Continuing Health Reform: What will it mean for Early Onset Scoliosis?

Dr. Stephen Ondra
Trump to Scrap Critical Health Care Subsidies, Hitting Obamacare Again

GOP states move to cut Medicaid

Bundled Payments And Episodes Of Care: What's Next

9 million kids get health insurance under CHIP. Congress just let it expire.

CMS delays expansion of bundled payment programs
Looking at the Big Picture.....
Healthcare is moving to reimbursement based on value: Target percentage of Medicare FFS payments linked to quality & VBC

- **2016**
  - All Medicare FFS (Categories 1-4): 30%
  - FFS linked to quality (Categories 2-4): 85%
  - Alternative payment models (Categories 3-4): 50%

- **2018**
  - All Medicare FFS (Categories 1-4): 50%
  - FFS linked to quality (Categories 2-4): 90%
  - Alternative payment models (Categories 3-4): 90%
MACRA implementation timeline:

- **May 1, 2016**: CMS posted a final Quality Measure Development Plan (updated annually).
- **Nov. 1, 2016**: HHS Secretary to establish and publish in the Fed Reg. an annual list of quality measures to serve as the basis for the MIPS payment adjustment for comment.
- **Nov. 9, 2016**: HHS Secretary is directed to draft a list of the care episodes and patient condition codes.
- **Jul. 1, 2017**: HHS to provide confidential performance reports to MIPS-eligible clinicians on the individual’s performance on quality and resource use.
- **Dec. 14, 2017**: HHS Secretary will post an operational list of care episodes and patient condition codes.
- **Jan. 1, 2019**: Start of first performance period for 2021 payment adjustments, incl. through Other Payer APMs.
**Merit-Based Incentive Payment System (MIPS)**

**Regulations, restrictions and penalties**

A Fixed Bucket: Some Winners, Some Losers

Annual update of 0.5% from 2015 - 2019

Annual updates based on MIPS performance from 2019 – 2025. These can be a **negative**, **zero**, or positive adjustment of initially +/- 4% and eventually up to +/- 9%

Annual updates of .25% after 2026

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.

**Advanced Alternative Payment Model (APM)**

**Significant share of provider revenue, two-sided risk, financial incentives & exemption from MIPS requirements**

25% of Business in Alternative Payment Models at start and then increases to 75 % by 2021

5.0% bonus each year from 2019-2025 if APM revenue thresholds are met

Annual updates of 0.75% after 2023

A higher annual growth rate in the fee schedule

Exemption from the Merit-Based Incentive Payment System (MIPS) and other requirements
What does this mean for pediatric spine surgery?
Early Onset Scoliosis

**Headwinds:**
- Medicaid cutbacks
- CHIP reauthorization
- Individual market uncertainty
- Shift to value

**Tailwinds:**
- FDA flexibility
- Shift to value
Health reform impacts on innovation

- Industry uncertainty
  - Investment capital
  - Risk tolerance for provider and systems
- Reimbursement tied to demonstrable value
- Reference based contracting
Reform of our healthcare system is evolving but the final chapter isn’t written....
"The arc of the moral universe is long, but it bends towards justice."

– Dr. Martin Luther King Jr.