

HHS Announces New Value-Based Primary Care Payment Model Designed For Smaller Practices

The Department of Health and Human Services (HHS) unveiled in late April a new value-based primary care payment model designed for smaller practices. The program is called Primary Care First (PCF). (Another new program, Direct Contracting, is intended for larger practices and other organizations experienced in dealing with financial risk such as accountable care organizations). Together, HHS expects these two new initiatives to ultimately serve more than 25% of the Medicare fee-for-service population.

Under PCF, primary care practices will receive a capitation style flat monthly payment per patient. Practices that specialize in high-needs patients, such as those with complex chronic needs and seriously ill populations, will receive higher payments. In addition, practices participating in the PCF program will be eligible to receive performance-based adjustments of up to 50% of the practice revenue, while also being responsible for downside risk of up to 10% of such revenue. The performance-based adjustments, which will be based on criteria such as controlling high blood pressure, managing diabetes and preventative screenings all of which keep patients out of the hospital, will be measured and paid on a quarterly basis.

The PCF program will commence January 1, 2020. It is a voluntary program and practices that wish to participate need to file applications which should be available this spring. Not all areas of the country will initially be eligible to participate. Local areas which will be eligible to enroll for 2020 include New Jersey and the North Hudson-Capital Region of New York, which includes, among others, Columbia, Dutchess, Orange, Sullivan and Ulster counties. Additional participating regions may be added for 2021 and beyond.

For additional information, please contact Joshua S. Levine, Esq. of our firm.

Contact:

Joshua S. Levine, Esq.
914.948.1556 ext. 8003
jlevine@dmlawyers.com