



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

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The Washington Post

Trump to Scrap Critical Health Care Subsidies, Hitting Obamacare Again

**Modern
Healthcare**

**GOP states move to cut
Medicaid**

**THE
HILL**

**CMS delays
expansion of
bundled payment
programs**

Forbes

**Bundled Payments
And Episodes Of
Care: What's Next**

The New York Times

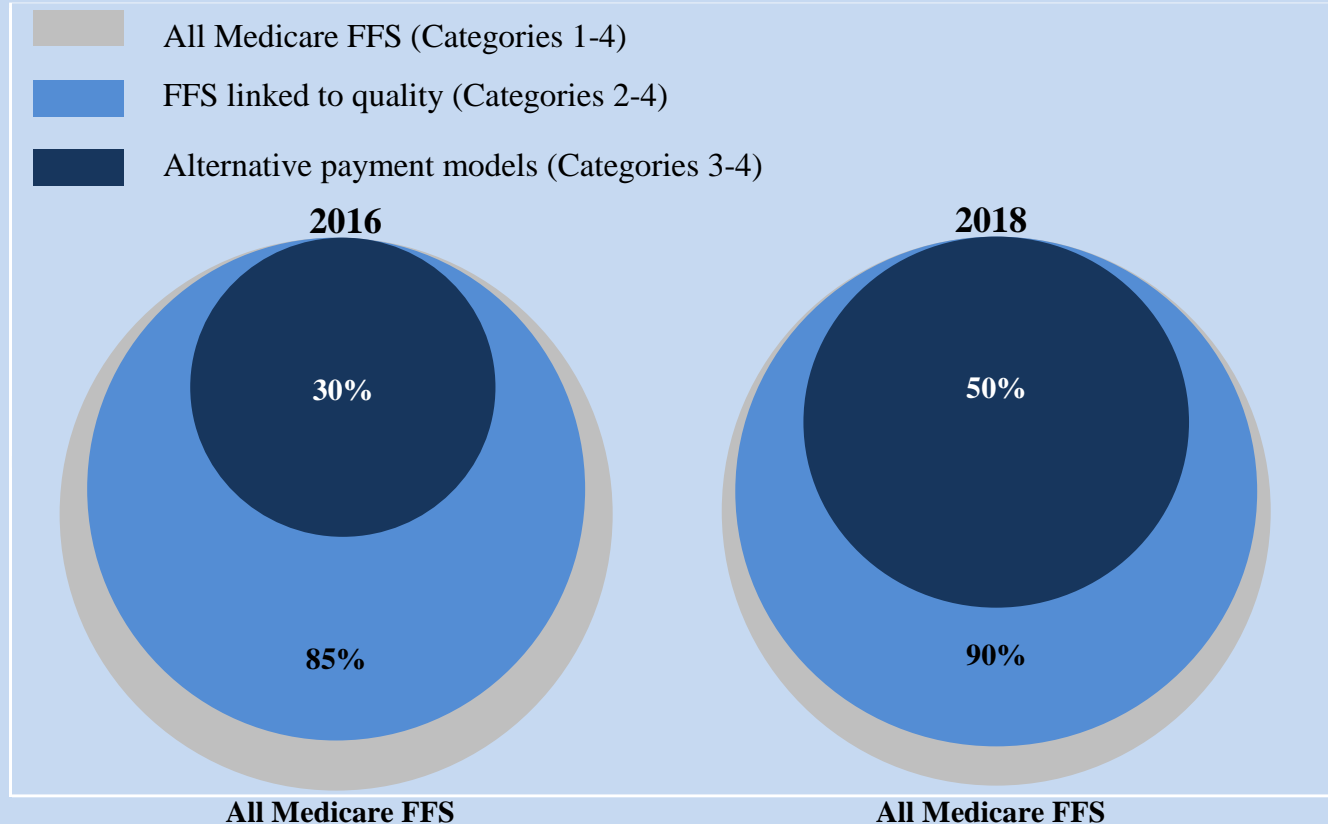
**9 million kids get health insurance
under CHIP. Congress just let it expire.**

Looking at the Big Picture.....



Healthcare is moving to reimbursement based on value:

Target percentage of Medicare FFS payments linked to quality & VBC



MACRA implementation timeline:

CMS posted a final Quality Measure Development Plan (updated annually)

May 1, 2016

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

HHS Secretary is directed to draft a list of the care episodes and patient condition codes

Nov. 9, 2016

Jan. 1, 2017

Start of the first performance period for 2019 payment adjustments under MIPS/APMs posted a final Quality Measure Development Plan

HHS to provide confidential performance reports to MIPS-eligible clinicians on the individual's performance on quality and resource use

Jul. 1, 2017

Dec. 14, 2017

HHS Secretary will post an operational list of care episodes and patient condition codes

Start of first performance period for 2021 payment adjustments, incl. through Other Payer APMs

Jan. 1, 2019

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

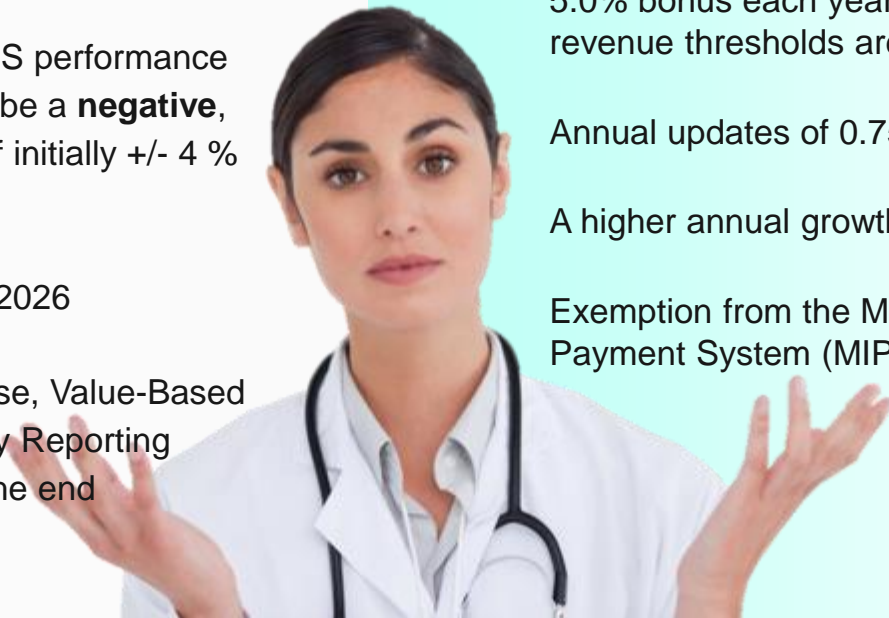
25% of Business in Alternative Payment Models at start and then increases to 75 % by 2021

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?

Surgery of the Pediatric Spine



Early Onset Scoliosis

Headwinds:

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

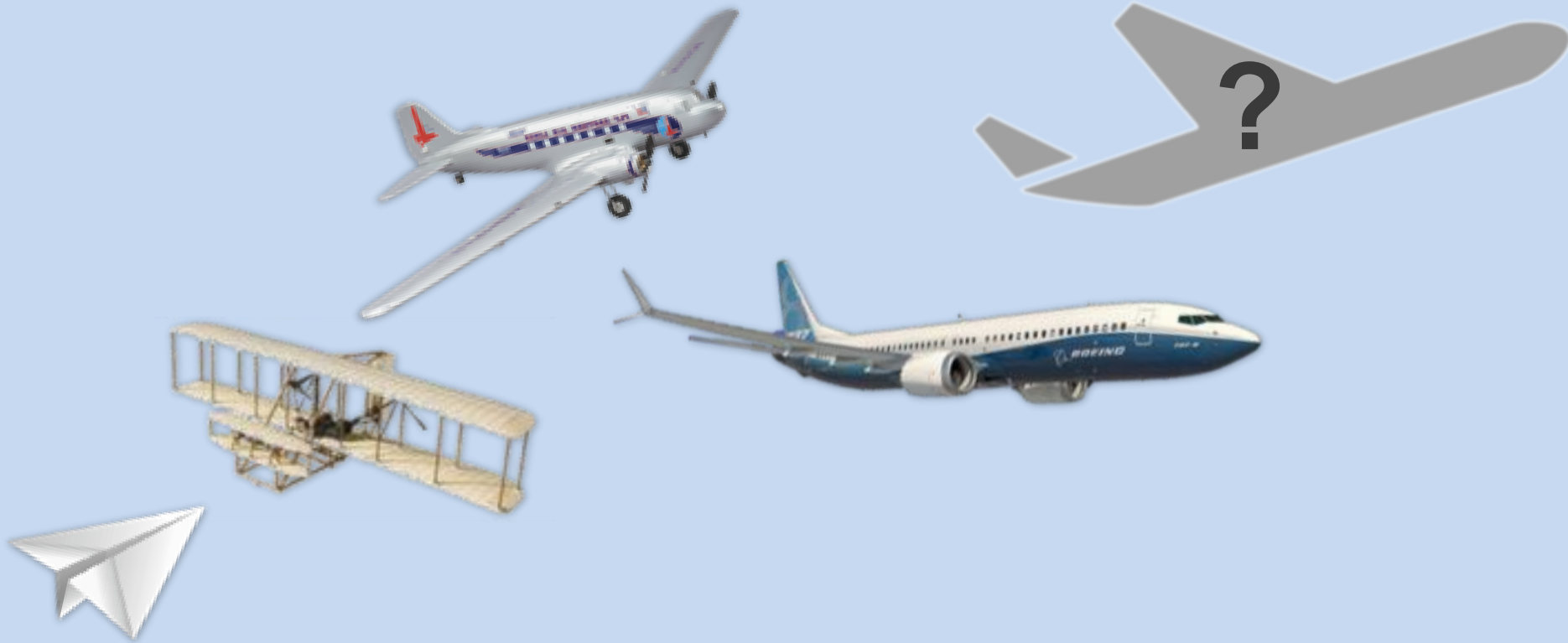
Tailwinds:

- ✓ **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.

