

# “Medicare’s New Payment Reform Plan,” co-author, Minnesota Physician

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In the wake of health care reforms passed under the Affordable Care Act, the Centers for Medicare and Medicaid Services (CMS) announced in January 2015 that it aimed to shift its reimbursement model away from a volume-based methodology, towards one that better reflects the quality, effectiveness and affordability of patient care. CMS aims to factor this value-based model into 85 percent of its provider payments by the end of 2016, which represents a significant change; in 2014, only 20 percent of Medicare's payments included a value-based component.

While consensus holds that the existing volume-based reimbursement models are not sustainable over the long term, Gray Plant Mooty attorneys Tim Johnson and Julia Marotte write in the June 2015 issue of *Minnesota Physician* that these new payment goals may be difficult to meet, particularly if these new alternative payment models are not embraced by commercial payers and employers.

Despite the potential difficulties in meeting CMS targets, Johnson and Marotte write that physicians should familiarize themselves with the goals and consider how they could be implemented in their practice. "While the ambitious goals may not ultimately be attained," they write, "the transition to value-based reimbursement is here to stay."

Read Johnson and Marotte's full analysis at *Minnesota Physician* (p. 42-44).

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