MACRA: A CHANGING WORLD OF PHYSICIAN PAYMENT
AGENDA

Background and Objectives of MACRA

MIPS Assessment Categories

Payment Adjustments

Alternative Payment Methods

Key concerns
BACKGROUND AND OBJECTIVES OF MACRA
THE “DOC FIX” BILL

• Signed into law in April 2015
• Did away with Sustainable Growth Rate (SGR) and prevented 21% cut in physician payment

Stabilized to:
• 0.5% annual update each year 2015-2019
• 0% update for 2020-2025

2026 AND BEYOND
• 0.25% annual update for fee-for-service
• 0.75% for alternative payment model (APM) participants
UNIFIED MERIT-BASED INCENTIVE PAYMENT SYSTEM (MIPS)

- Payment adjusted on performance begins in 2019
- MIPS consolidates current quality programs – PQRS, VBPM, and EHR/MU
- Penalties for three programs sunset at end of 2018
- MIPS adds clinical practice improvement activities section
PROPOSED RULE FOR MIPS METHODOLOGY
2016

• Applicable CY 2019, with CY 2017 as first performance period
• CY 2015 used to set benchmarks
**DESIGNED TO IMPACT A BROAD RANGE OF PROVIDERS**

**Applies to:**

<table>
<thead>
<tr>
<th>Doctors</th>
<th>Chiropractors</th>
<th>Physician assistants</th>
<th>Nurse practitioners</th>
<th>Clinical nurse specialists</th>
<th>CRNAs</th>
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Beginning in 2021, other professionals paid under the physician fee schedule may be added.
MIPS ASSESSMENT CATEGORIES

- Quality (6 measures)
- Cost (resource use)
- Advancing Care information (meaningful use)
- Clinical practice improvement activities
COMPOSITE SCORING (0 TO 100)

- Resource Use: 10%
- Clinical Practice Improvement Activities: 15%
- Advancing Care Information: 25%
- Quality: 50%
QUALITY ASSESSMENT CATEGORY

• Part of a broader Medicare initiative to drive value and quality in healthcare

• Designed to streamline existing multiple quality programs
RESOURCES USE / COST

- Overall program designed to overhaul traditional fee for service payments structure
- Repeal SGR which was unsuccessful in reducing physician cost below targets
- Providers held to national benchmarks as opposed to being compared to past performance
CLINICAL PRACTICE IMPROVEMENT INITIATIVE

• Choose from 90 CPIA activities
• Minimum selection of one for a partial score; additional scoring for more activities
• Activities categorized as “high” or “medium” weight, earning 20 or 10 points each, respectively
ADVANCING CARE INFORMATION

- Customizable – clinicians choose which categories to emphasize in their scoring
- Flexible – allows for diverse reporting that matches clinician’s practice and experience
- Emphasizes patient engagement
- Aligned with other Medicare reporting programs
PAYMENT ADJUSTMENT
POSITIVE, NEGATIVE, OR NEUTRAL

Maximum adjustments

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjustments</th>
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<tbody>
<tr>
<td>2019</td>
<td>+/- 4%</td>
</tr>
<tr>
<td>2020</td>
<td>+/- 5%</td>
</tr>
<tr>
<td>2021</td>
<td>+/- 7%</td>
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<tr>
<td>2022 &amp; after</td>
<td>+/- 9%</td>
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Bonuses available for exceptional performers for period of time (expire 2025)

Budget neutral
EXCLUSIONS FROM MIPS

• Treat low volume of Medicare patients or have low volume of charges
• Participate in significant amount of Alternative Payment Methods (APMs)
ALTERNATIVE PAYMENT METHODS (APMS)

Would be excluded from MIPS

Will receive 5% bonus each year

2019
Requires AT LEAST 25% of revenues from an APM

2023
Requires AT LEAST 75% of revenues from an APM

2024

2025
Bonus expires
QUALIFYING APMS:

- Comprehensive ESRD Care Model
- Comprehensive Primary Care Plus
- Medicare Shared Savings Program (MSSP) – Track 2
- MSSP – Track 3
- Next Generation ACO Model
- Oncology Care Model Two-Sided Risk Arrangement
- Other future models possible
- Special rules for Medical Home Models
KEY CONCERNS

• Final rule issued early November, little time for implementation (1/1/17)
• Excludes MSSP Track 1 as an accepted APM
• Definition of exceptional performance
• Administrative burden and cost
• Must have certified EHR
• How to attribute care and reimbursement to the many physicians involved in caring for individual patients
• Lack of risk adjustment for socio-economic factors
QUESTIONS?
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