

# 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

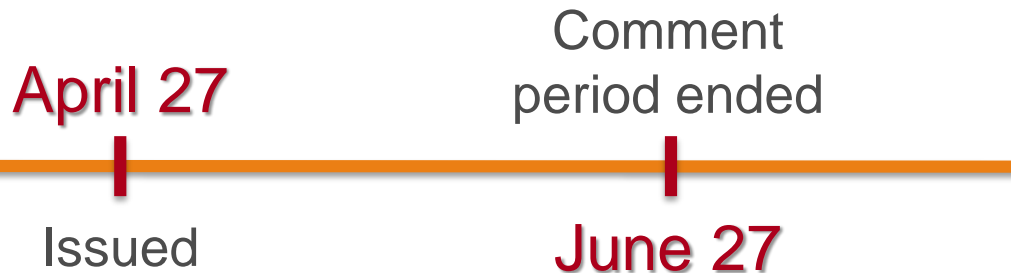
2026 AND BEYOND

- 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:

Doctors

Chiropractors

Physician  
assistants

Nurse  
practitioners

Clinical nurse  
specialists

CRNAs

Beginning in 2021, other professionals paid under the physician fee schedule may be added

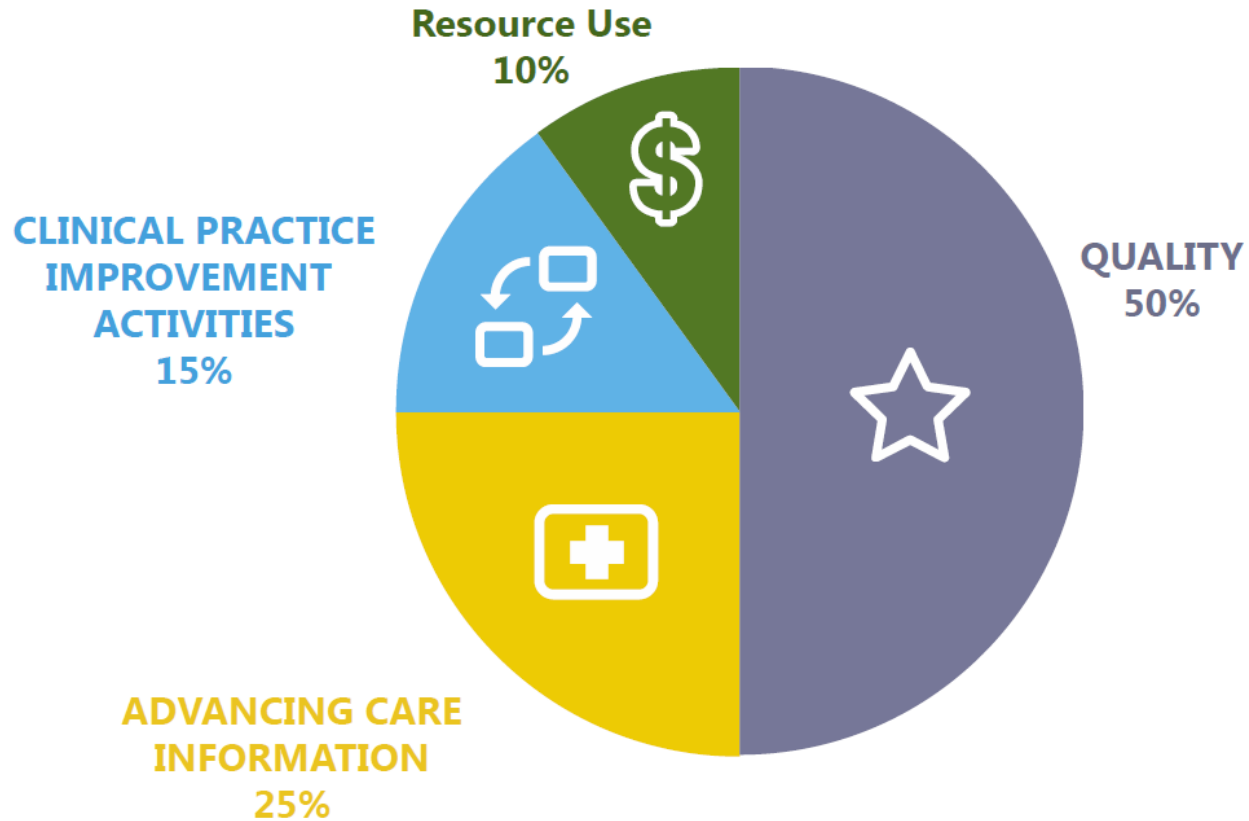
# MIPS ASSESSMENT CATEGORIES

- Quality (6 measures)
- Cost (resource use)



- Advancing Care information (meaningful use)
- Clinical practice improvement activities

# COMPOSITE SCORING (0 TO 100)







## **QUALITY ASSESSMENT CATEGORY**

- Part of a broader Medicare initiative to drive value and quality in healthcare
- Designed to streamline existing multiple quality programs

# RESOURCE 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

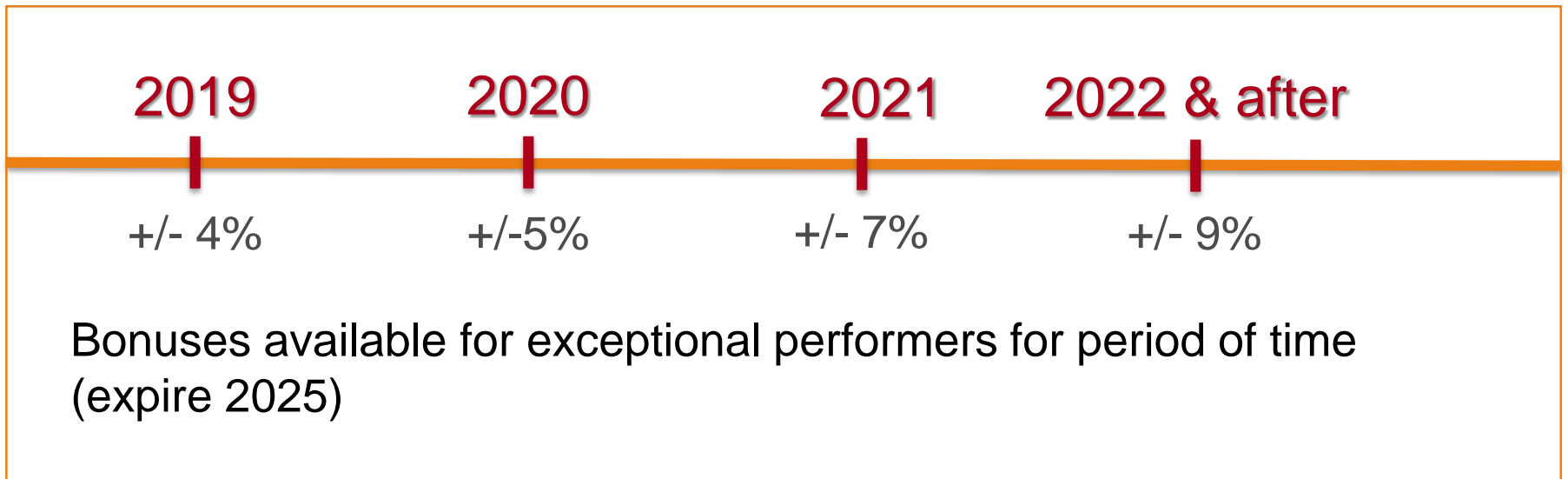
## **ADVANCING CARE INFORMATION**

- 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



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

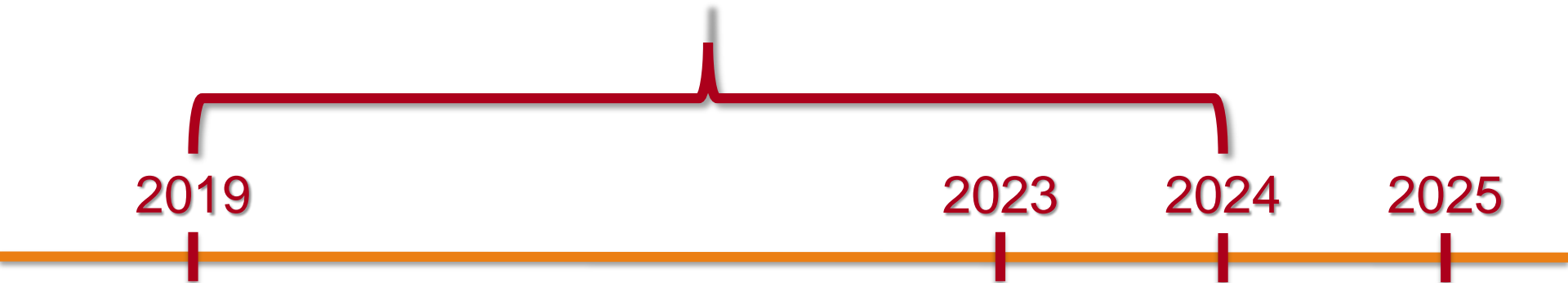
2023

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?

David Kennedy

207.541.2209

[dkennedy@berrydunn.com](mailto:dkennedy@berrydunn.com)

