

MEDICARE ACCESS & CHIP REAUTHORIZATION ACT

OF 2015

**Maine Hospital Association
Critical Access Hospital CEOs**



MACRA is part of a broader push towards value and quality

In January 2015, the Department of Health and Human Services announced **new goals for value-based payments and APMs in Medicare**

Medicare Fee-for-Service

GOAL 1: **30%** 

Medicare payments are tied to quality or value through **alternative payment models (categories 3-4)** by the end of 2016, and 50% by the end of 2018

GOAL 2: **85%** 

Medicare fee-for-service payments are **tied to quality or value (categories 2-4)** by the end of 2016, and 90% by the end of 2018



STAKEHOLDERS:

Consumers | Businesses
Payers | Providers
State Partners



Set **internal goals** for HHS



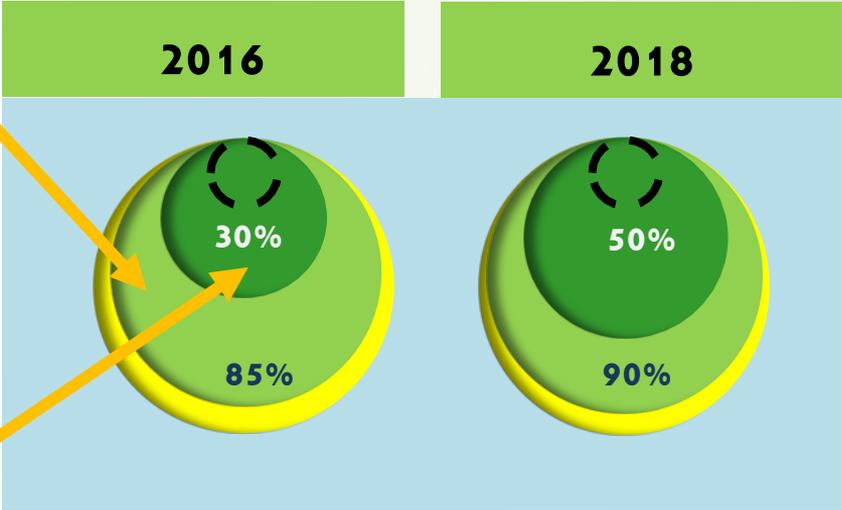
Invite **private sector payers** to match or exceed HHS goals

MACRA moves us closer to meeting these goals...

The new **Merit-based Incentive Payment System** helps to link **fee-for-service payments** to quality and value.

The law also provides incentives for **participation in Alternative Payment Models** in general and bonus payments to those in the most highly advanced APMs

New HHS Goals:



All Medicare fee-for-service (FFS) payments (Categories 1-4)



Medicare **FFS** payments **linked to quality and value** (Categories 2-4)



Medicare payments linked to quality and value **via APMs** (Categories 3-4)



Medicare Payments to those in the most highly advanced APMs under MACRA

...and toward transforming our health care system.

3 goals for our health care system:

BETTER care
SMARTER spending
HEALTHIER people

Via a focus on **3 areas**



Incentives



**Care
Delivery**



**Information
Sharing**

What is “MACRA”?

The **Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)** is a bipartisan legislation signed into law on April 16, 2015.

What does Title I of MACRA do?

- **Repeals** the Sustainable Growth Rate (SGR) Formula
- **Changes the way that Medicare** rewards clinicians for **value** over volume
- **Streamlines** multiple quality programs under the new **Merit-Based Incentive Payments System (MIPS)**
- Provides **bonus payments** for participation in **eligible alternative payment models (APMs)**

MACRA Goals

Through MACRA, HHS aims to:

- Offer **multiple pathways** with varying levels of risk and reward for providers to tie more of their payments to value.
- Over time, **expand the opportunities** for a broad range of providers to participate in APMs.
- **Minimize additional reporting burdens** for APM participants.
- **Promote understanding** of each physician's or practitioner's status with respect to MIPS and/or APMs.
- Support **multi-payer initiatives** and the development of APMs in Medicaid, Medicare Advantage, and other payer arrangements.

MIPS changes how Medicare links performance to payment

There are currently multiple individual **quality and value** programs for Medicare physicians and practitioners:

Physician Quality Reporting Program (**PQRS**)

Value-Based Payment Modifier

Medicare EHR Incentive Program

MACRA streamlines those programs into **MIPS**:

Merit-Based Incentive Payment System (**MIPS**)

How will physicians and practitioners be scored under MIPS?

A single MIPS **composite performance score** will factor in performance in **4 weighted performance categories**:



Quality



Resource
use



Clinical
practice
improvement
activities

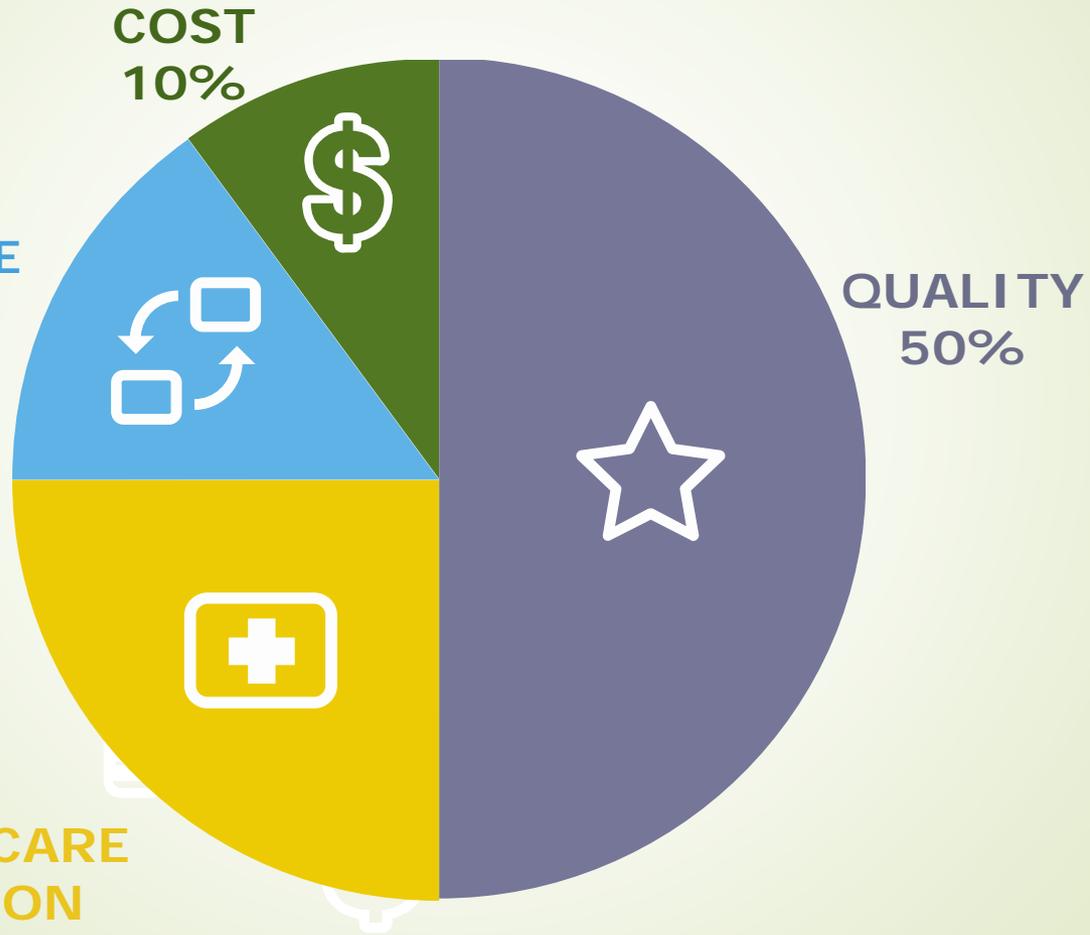


Meaningful
use of
certified EHR
technology



**MIPS
Composite
Performance
Score**

Year 1 Performance Category Weights for MIPS

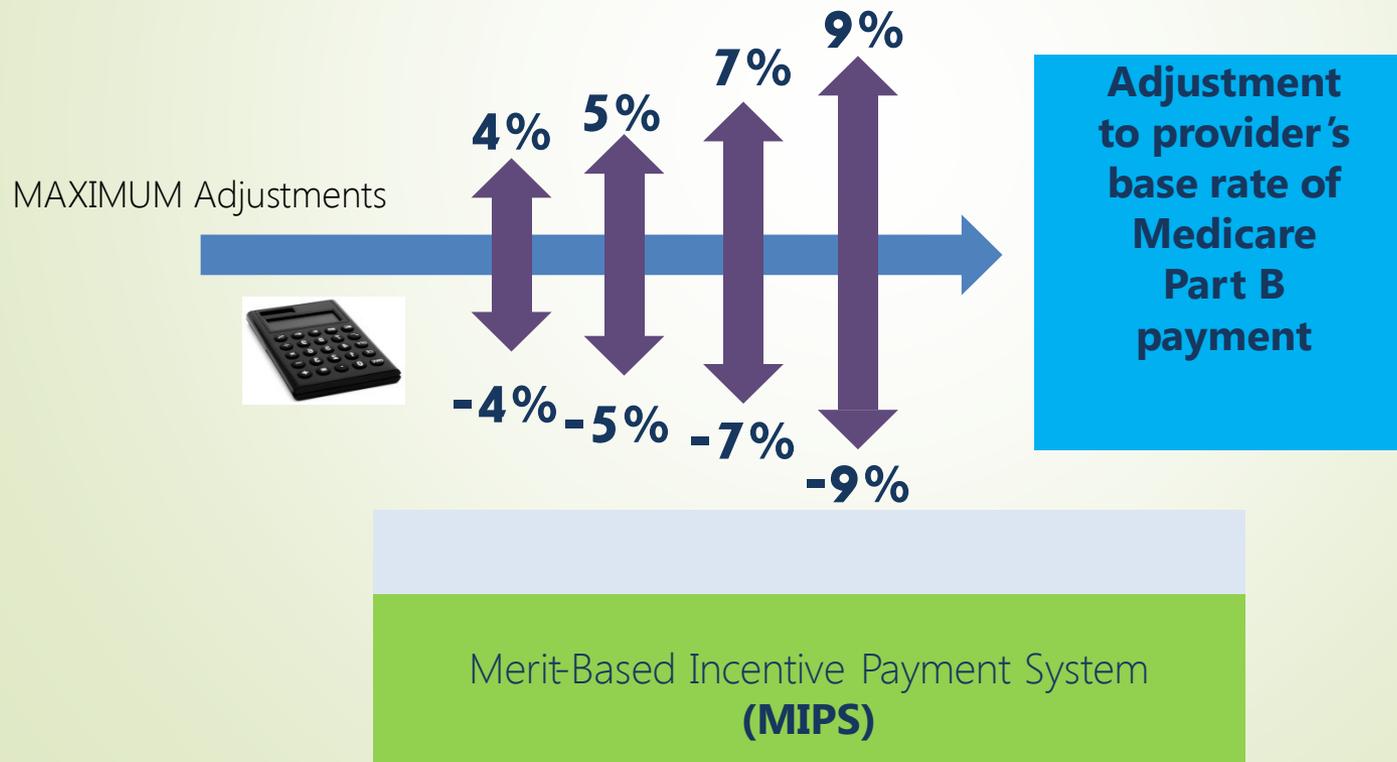


**CLINICAL PRACTICE
IMPROVEMENT
ACTIVITIES**
15%

**ADVANCING CARE
INFORMATION**
25%

How much can MIPS adjust payments?

- Based on the MIPS **composite performance score**, physicians and practitioners will receive positive, negative, or neutral adjustments up to the percentages below.
- MIPS adjustments are **budget neutral**. A **scaling factor** may be applied to upward adjustments to make total upward and downward adjustments equal.



MACRA Affects Medicare Part B Clinicians

Affected clinicians are called **“eligible professionals” (EPs)** and will participate in MIPS. The types of **Medicare Part B** health care clinicians affected by MIPS may expand in the first 3 years of implementation.

Years 1 and 2



Physicians, PAs, NPs,
Clinical nurse
specialists, Nurse
anesthetists

Years 3+

Secretary may
broaden EP
group to
include others
such as



Physical or occupational
therapists, Speech-language
pathologists, Audiologists,
Nurse midwives, Clinical
social workers, Clinical
psychologists, Dietitians/
Nutritional professionals



Quality Payment Program and CAHs

- ▶ Method I: MIPS adjustment would apply to payments made for items and services billed by MIPS eligible clinicians under the PFS
 - ▶ Would not apply to the facility payment to the CAH
- ▶ Method II: For clinicians who have not assigned their billing rights to the CAH, the MIPS adjustment would apply in the same manner as for MIPS eligible clinicians who bill for items and services in Method I CAHs.
- ▶ Method II: For clinicians who have assigned their billing rights to the CAHs, those professional services would constitute “covered professional services” because they are furnished by an eligible clinician and payment is “based on” the PFS
 - ▶ MIPS payment adjustment would apply

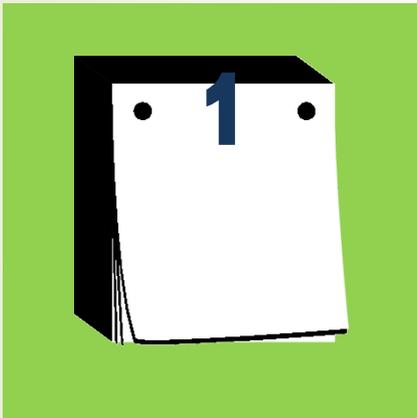


Quality Payment Program and RHCs & FQHCs

- ▶ If a MIPS eligible clinician furnishes items and services in an RHC and/or FQHC and the RHC and/or FQHC bills for those items and services under the RHC's or FQHC's all-inclusive payment methodology, the MIPS adjustment would not apply to the facility payment to the RHC or FQHC itself
 - ▶ These eligible clinicians have the option to voluntarily report on applicable measures and activities for MIPS
 - ▶ Would not be subject to MIPS adjustments
- ▶ If a MIPS eligible clinician furnishes other items and services in an RHC and/or FQHC and bills for those items and services under the PFS, the MIPS adjustment would apply to payments made for items and services

Are there any exceptions to MIPS adjustments?

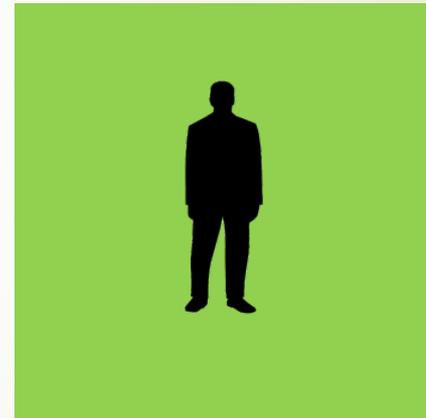
There are **3 groups** of physicians and practitioners who will NOT be subject to MIPS:



FIRST year of Medicare participation



Participants in **eligible** Alternative Payment Models who **qualify** for the **bonus** payment



Below **low volume** threshold

Note: MIPS **does not** apply to hospitals or facilities

Alternative Payment Models (APMs)

APMs are **new approaches to paying** for medical care through Medicare that **incentivize quality and value**.

According to MACRA law, APMs include:

- ✓ **CMS Innovation Center model**
(under section 1115A, other than a Health Care Innovation Award)
- ✓ **MSSP** (Medicare Shared Savings Program)
- ✓ **Demonstration** under the Health Care Quality Demonstration Program
- ✓ **Demonstration** required by Federal Law

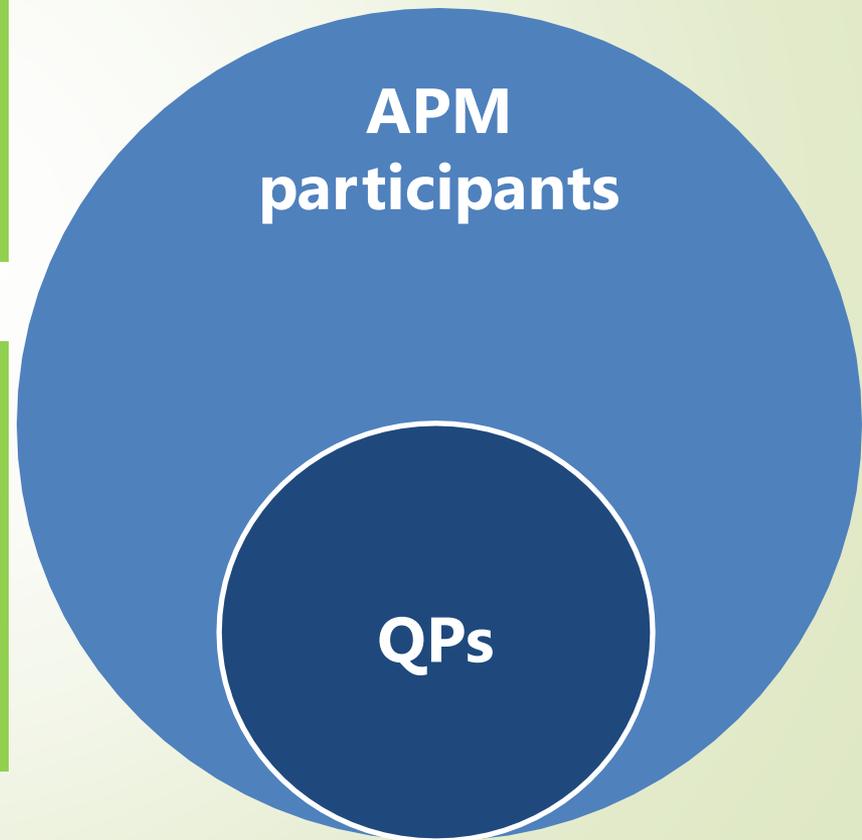
- MACRA **does not change how any particular APM rewards value**.
- APM participants who are not “QPs” will receive **favorable scoring under MIPS**.
- Only **some** of these APMs will be **eligible** APMs.

How does MACRA provide additional rewards for participation in APMs?

Most physicians and practitioners who participate in APMs will be subject to MIPS and will receive **favorable scoring** under the MIPS clinical practice improvement activities performance category.

Those who participate in **the most advanced** APMs may be determined to be **qualifying APM participants (“QPs”)**. As a result, QPs:

1. Are **not subject** to MIPS
2. Receive 5% lump sum **bonus payments** for years 2019-2024
3. Receive a **higher fee schedule update** for 2026 and onward



What is an **eligible** APM?



Eligible APMs are the **most advanced** APMs that meet the following criteria according to the MACRA law:

- ✓ **Base payment on quality** measures comparable to those in MIPS
- ✓ Require use of certified **EHR** technology
- ✓ Either (1) bear more than nominal **financial risk** for monetary losses **OR** (2) be a **medical home model expanded** under CMMI authority

How do I become a **qualifying** APM participant (QP)?



QPs are physicians and practitioners who have a certain **% of their patients or payments** through an **eligible** APM.

Beginning in 2021, this threshold % may be reached through a **combination** of Medicare and other **non-Medicare payer arrangements**, such as private payers and Medicaid.

QPs:

1. Are **not subject** to MIPS
2. Receive 5% lump sum **bonus payments** for years 2019-2024
3. Receive a **higher fee schedule update** for 2026 and onward

Potential value-based financial rewards

- APMs—and eligible APMs in particular—offer greater **potential risks and rewards** than MIPS.
- **In addition** to those potential rewards, MACRA provides a bonus payment to providers committed to operating under the most advanced APMs.

MIPS only

MIPS adjustments

APMs

**APM-specific
rewards**

+

MIPS adjustments

eligible APMs

**eligible
APM-
specific
rewards**

+

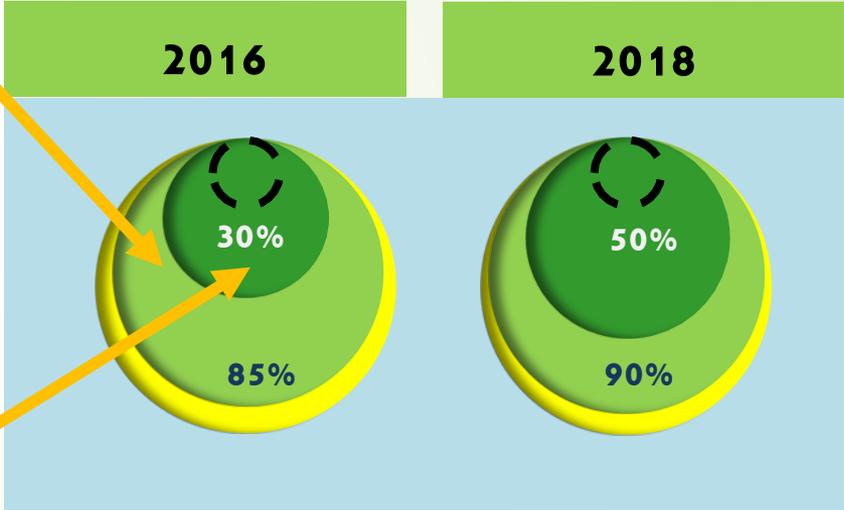
5% lump sum
bonus

Recall: How MACRA get us closer to meeting HHS payment reform goals

The Merit-based Incentive Payment System helps to link **fee-for-service payments** to quality and value.

The law also provides incentives for **participation in Alternative Payment Models** via the bonus payment for Qualifying APM Participants (QPs) and favorable scoring in MIPS for APM participants who are not QPs.

New HHS Goals:



All Medicare fee-for-service (FFS) payments (Categories 1-4)



Medicare **FFS** payments **linked to quality and value** (Categories 2-4)

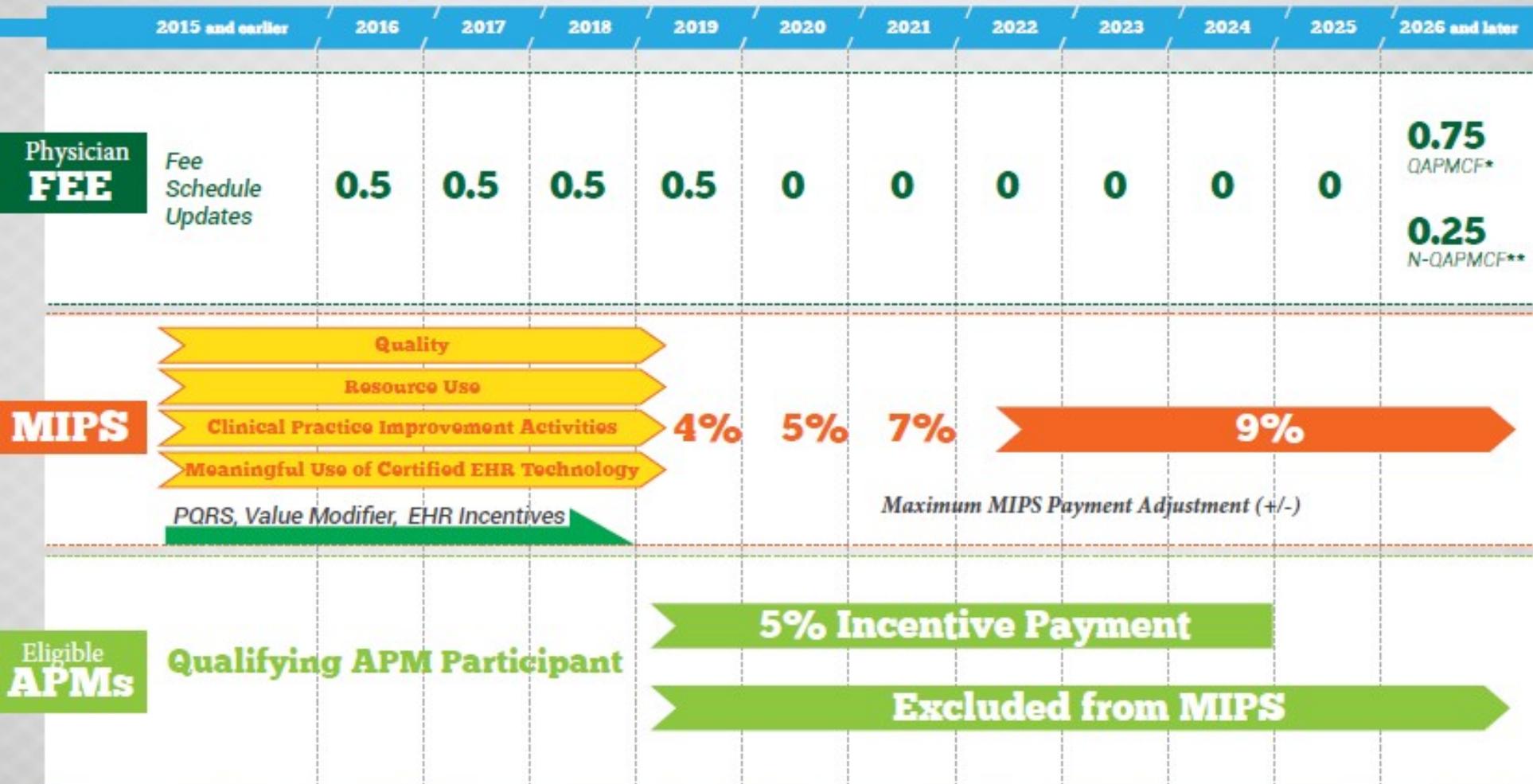


Medicare payments linked to quality and value **via APMs** (Categories 3-4)



Medicare payments to QPs in eligible APMs under MACRA

Timeline



*Qualifying APM conversion factor

**Non-qualifying APM conversion factor

MACRA Technical Assistance

Helping MIPS-eligible Clinicians in 2016-2020

- » MACRA provides for technical assistance to small practices and practices in health professional shortage areas
- » The Secretary shall enter into contracts or agreements with appropriate entities
 - E.g.: quality improvement organizations, regional extension centers or regional health collaboratives
- » Offer guidance and assistance to MIPS eligible professionals in practices of 15 or fewer professionals
 - Priority given to such practices located in rural areas, health professional shortage areas, and medically underserved areas, and practices with low composite scores
- » Focus on the performance categories and how to transition to the implementation of and participation in an alternative payment model

Technical Assistance Implementation Plan



- ▶ CMS, ONC and HRSA are working together to ensure the greatest reach with the available funding through a procurement that will allow QIOs, RECs and RHCs to partner together and emphasize each others strengths
- ▶ Awardees will be determined using a Value Equation that factors in number of clinical practices reached and outcomes proposed

NPRM: Seeking Comments on Rural Specific Items

- ▶ We seek comments on the feasibility of these clinicians voluntarily reporting to MIPS
- ▶ We seek comments on whether anything voluntarily reported should get posted on Physician Compare
- ▶ We make proposals on how these clinicians count toward becoming a Qualifying APM Participant
- ▶ We discuss how these payments are not used in determining the advanced APM bonus

Independent PFPM Technical Advisory Committee

PFPM = Physician-Focused Payment Model

Encourage new **APM options** for Medicare physicians and practitioners.





How to Submit Comments

- ▶ The proposed rule includes proposed changes not reviewed in this presentation. We will not consider feedback during the call as formal comments on the rule. See the proposed rule for information on submitting these comments by the close of the 60-day comment period on June 27, 2016. When commenting refer to file code CMS-5517-P.

- ▶ Instructions for submitting comments can be found in the proposed rule; FAX transmissions will not be accepted. You must officially submit your comments in one of the following ways: electronically through
 - ▶ [Regulations.gov](http://www.regulations.gov)
 - ▶ by regular mail
 - ▶ by express or overnight mail
 - ▶ by hand or courier

- ▶ For additional information, please go to:
<http://go.cms.gov/QualityPaymentProgram>

Questions

- **For further information about MACRA MIPS/APMs and the Request for Information go to:**

- <http://go.cms.gov/1LHY4Fg>

- Andy Finnegan
- CMS RO1
- 207-865-9310