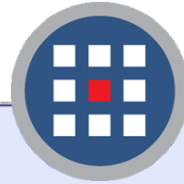


NEW HEALTH ANALYTICS



Overview of the  
Medicare Access & Chip Reauthorization Act  
**(MACRA)**  
& Merit-based Incentive Payment System  
**(MIPS)**

FINAL RULE PUBLISHED NOVEMBER 4, 2016

REPORTING BEGINS JANUARY 1, 2017

EFFECTIVE JANUARY 1, 2019

# Agenda



- **Background**
- **Overview of MACRA**
- **Parts of MACRA (MIPS & APMs)**
- **Timeline of Reimbursement Changes**
- **CMS Quality Measure Development Plan**

# Background



CMS timeline for Medicare payments tied to quality through alternative payment models:

- 30% by end of 2016
- 50% by end of 2018

*Method for linking payments to quality:*

**Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)**

# MACRA



Repeals and replaces the **Sustainable Growth Rate (SGR) formula**

Establishes **new Medicare payment & delivery models** for providers

Requires that physician-level performance & participation data be made **available for public reporting on Physician Compare website**

Allows CMS to leverage quality measure development to further the aims of the CMS Quality Strategy:

→ **Better Care, Smarter Spending, Healthier People**

# Parts of MACRA



MACRA allows healthcare providers to take part in one of two ways:

<b>Alternative Payment Models (APMs)</b>	<b>Merit-based Incentive Payment System (MIPS)</b>
<ul style="list-style-type: none"><li>• Bonus payments for participation in <b>eligible</b> models</li><li>• Quality measures comparable to MIPS</li><li>• MACRA does not change how APMs reward value</li><li>• Providers in a non-eligible model will be subject to MIPS</li></ul>	<ul style="list-style-type: none"><li>• Streamlines existing quality measure sets</li><li>• Evaluates provider performance using four component score</li><li>• Provider receives payment adjustments based on score starting 2019</li></ul>

# Alternative Payment Models (APMs)



APMs include **CMS Innovation Center Models, Medicare Shared Savings Program (MSSP), certain demonstration programs, etc.**

## Eligible APMs under MACRA law:

- Base payment on quality measures comparable to those under MIPS
- Require use of certified EHR technology
- Either bear more than nominal financial risk for monetary losses or be a medical home model



# Merit-based Incentive Payment System (MIPS)



Physician Quality  
Reporting Program  
(PQRS)

Value-Based  
Payment Modifier  
(VM)

EHR Incentive/  
Meaningful Use  
Program



**MACRA** streamlines these programs into

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

# MIPS Performance Score



- Evaluates each provider based on a composite performance score across four weighted categories:
  - 1. Quality**
  - 2. Resource Use**
  - 3. Clinical practice improvement activities**
  - 4. Meaningful use of certified EHR technology**
- Categories are weighted differently & may change over time, physician input considered



# MIPS Performance Score



- Resulting composite score, expressed as a percentage, is compared to set threshold
- Used to apply positive, negative, & neutral payment adjustments beginning in 2019

*Why start preparing now?*

**2017 will be the first performance period used in the MIPS adjustment calculations.**

# Exceptions to MIPS



Physicians and practitioners will not be subject to MIPS adjustments if they fall into one of three groups:



First year Medicare participants

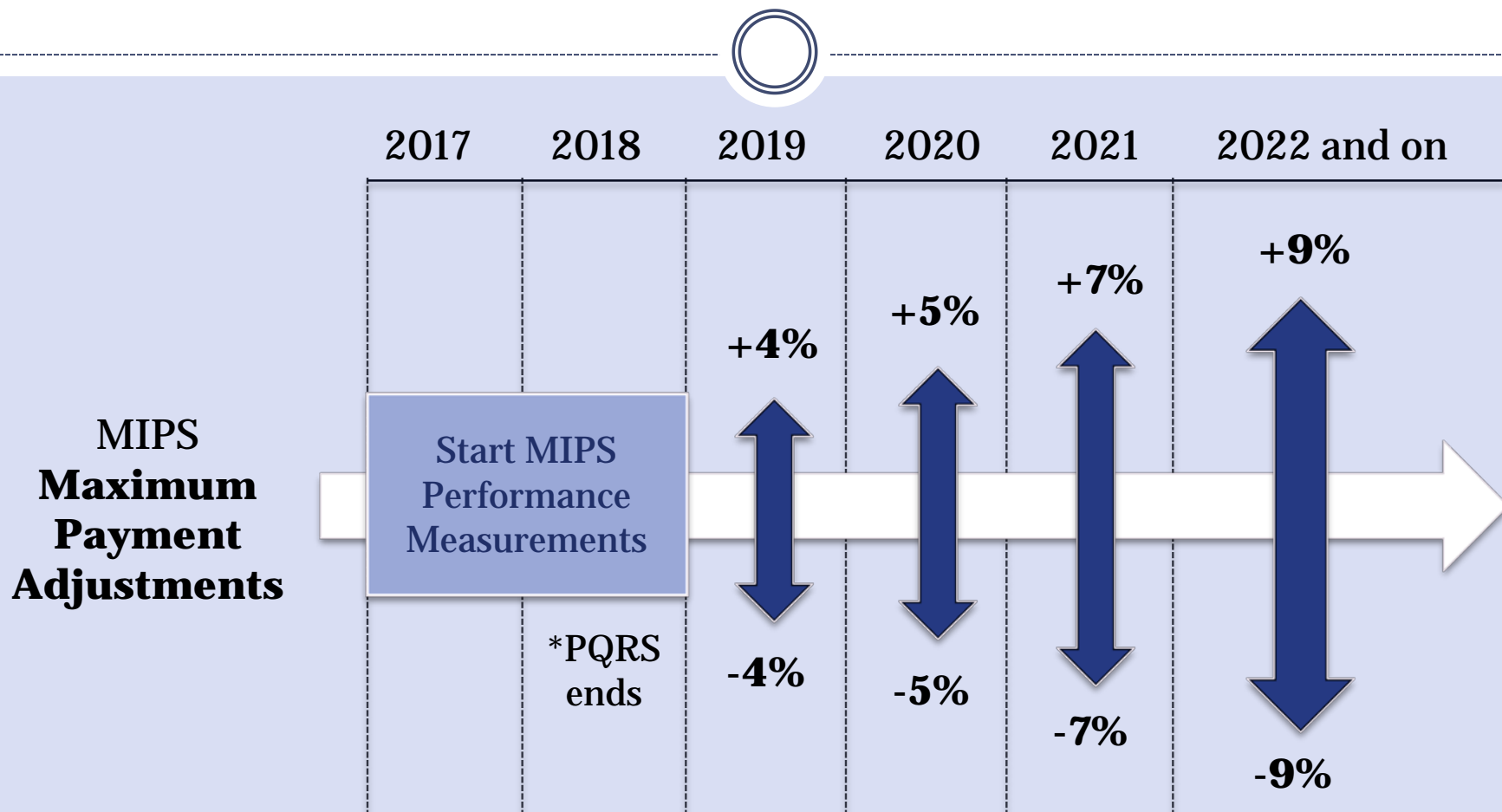


Participants in eligible APMs who qualify for the bonus payment



Fall below the low volume threshold

# Timeline: Payment Adjustments



**Note:** Eligible APMs are excluded from these MIPS adjustments, but remain eligible for 5% incentive payment through 2024.

# How will MACRA affect you?



Am I in an **APM**?

**Yes**

**No**

Am I in an **eligible** APM?

**Yes**

**No**

Do I have enough **payments or patients through** my eligible APM?

**Yes**

**No**

Is this my **first year** in Medicare OR am I below the **low-volume threshold**?

**Yes**

**No**

Not subject to **MIPS**

Subject to **MIPS**

## Qualifying APM Participant

- 5% lump sum **bonus payment** 2019-2024
- Higher **fee schedule updates** 2026+
- APM-specific **rewards**
- **Excluded** from MIPS

- Subject to **MIPS**
- **Favorable** MIPS scoring
- APM-specific **rewards**

*Bottom line: There are opportunities for financial incentives for participating in an APM, even if you don't become a QP.*

# CMS Quality Measure Development Plan



- Serves as a strategic framework in developing future clinician quality measures for MIPS and APMs
- Working to produce a patient-centered measure portfolio that:
  - Attempts to close critical measure gaps
  - Facilitates alignment across federal, state and private programs
  - Promotes efficient data collection
- Measures will hold individual clinicians and group practices accountable for care and promote shared accountability across multiple providers

# Development of New Measures



- Existing measures from PQRS, VM, and Meaningful Use will be starting point for MIPS and APM measures
- New measures will begin to address the current gaps:
  - Continuum of care for chronic conditions
  - Outcomes balanced with process measures
  - Patient experience, care coordination, and appropriate use
  - Applying to multiple providers (specialists, non-physician & non-patient-facing professionals)

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