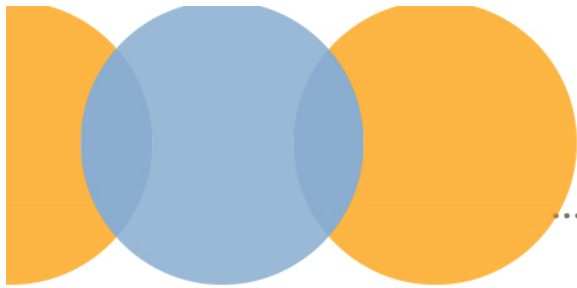


MACRA: THE FINAL RULE

Last updated 12/13/16



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Background

April 2015

MACRA (Medicare Access & CHIP Reauthorization Act) is signed into law to repeal the sustainable growth rate (SGR) which drastically cut payments to doctors while potentially limiting access for Medicare beneficiaries. Prior to MACRA, physicians had to lobby Congress and the President every year for a reprieve from SGR, which they always received, though not without a significant battle.



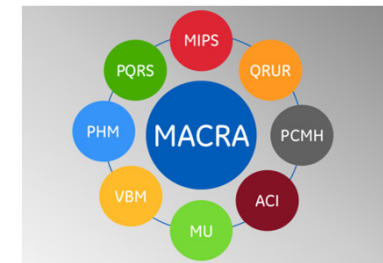
April 2016

CMS released the proposed MACRA rule establishing key parameters and framework for the Quality Payment Program (QPP) and invites public comments for feedback on finalizing the legislation.



October 2016

CMS releases the final rule program that rewards value and outcomes in one of two ways: APM and MIPS as well as 'Pick Your Pace' options to ease physicians into the new payment program while emphasizing that doing nothing is not an option.



November 2016

The final legislation is printed in the federal registrar. CMS communicates that more clarity is to come and public comments are welcome for finalizing future implementation, at the same time, re-emphasizing fee-for-value reimbursement is the future of healthcare.



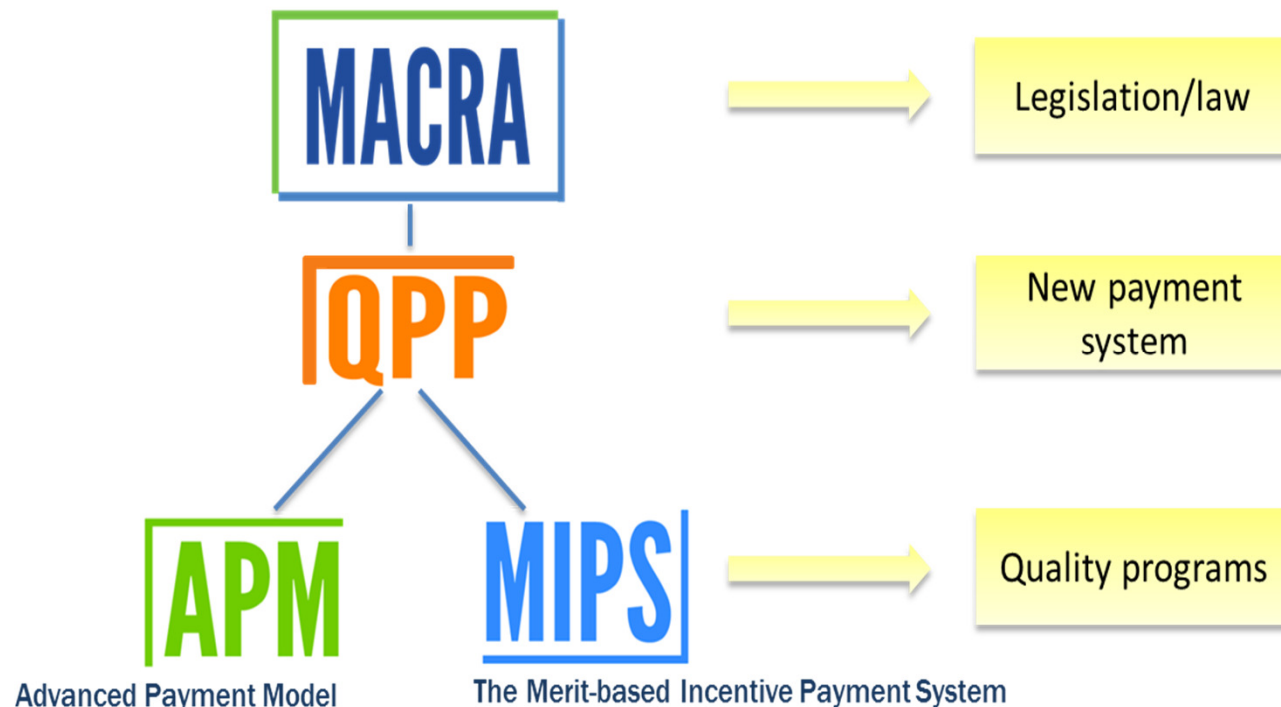
Quality Payment Program (QPP)



CMS has set out to demonstrate that MACRA will benefit all patients, not just Medicare beneficiaries by proving that investing in your practice's **infrastructure**, **technology** and **capabilities** will lead to **high quality, good outcomes and efficiency**, thus better serving all patients.

Physicians can choose how they want to participate in QPP based on practice size, specialty, location, or patient population.

The Quality Payment Program has two tracks you can choose: **APM** and **MIPS**

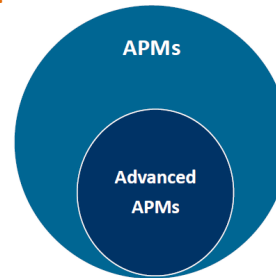


QPP: APM & aAPM Tracks

APM

Alternative Payment Models

A payment approach that provides added incentives to clinicians to provide high-quality and cost-efficient care. CMS is constantly developing new payment and service delivery models to encourage this mindset. **One of these models is the Medicare Shared Savings Program (MSSP).**



aAPMs are a subset of APMs

aAPM

Advanced Alternative Payment Models

For the 2017 performance year, the following are aAPMs. The provider must also take more than a nominal amount of risk in contracts:

Comprehensive End Stage Renal Disease Care Model (Two-Sided Risk Arrangements)	Comprehensive Primary Care Plus (CPC+)
Shared Savings Program Track 2	Shared Savings Program Track 3
Next Generation ACO Model	Oncology Care Model (Two-Sided Risk Arrangement)

Possible 2018 additional aAPM models

ACO Track 1+	Comprehensive Care for Joint Replacement (CJR) Payment Model (CEHRT)
New Voluntary Bundled Payment Model	Advancing Care Coordination through Episode Payment Models Track 1 (CEHRT)

QPP: MIPS Track

MIPS

Merit-Based Incentive Payment System





In MIPS, you can earn a payment adjustment based on evidence-based and practice-specific quality data. MIPS is the category that *most physicians* will fall into:

- ✓ Moves Medicare Part B clinicians to a performance-based payment system.
- ✓ Provides clinicians with flexibility to choose the activities and measures that are most meaningful to their practice.
- ✓ Reporting standards align with Advanced APMs wherever possible.

MACRA replaced three Medicare reporting programs with MIPS

PQRS
VBM
MU



 Quality 60%	 Improvement Activities 15%	 Advancing Care Information 25%	 Cost 0% Cost category payment adjustment starts in 2018
Replaces PQRS	New Category Like Medical Home	Replaces Meaningful Use (MU)	Replaces Value-Based Modifier (VBM)

MIPS for PY2017

Advancing Care Information 25%

Replaces EHR/MU

- ✓ Score based on health IT interoperability.
- ✓ To receive the base score, and any ACI points, clinicians must:
 - provide the *numerator/denominator* OR
 - *yes/no* for each required objective and measure for the base score
 otherwise, you will be *assigned a zero* in the ACI category.
- ✓ For 2017, there are 2 measure sets for reporting based on EHR edition. *See ACI handout (ACI.v1)*

Base Score = 4 measures; 50 points

Performance Score = 9 measures; Up to 90 points

Bonus Score = 2 measures; Up to 15 points

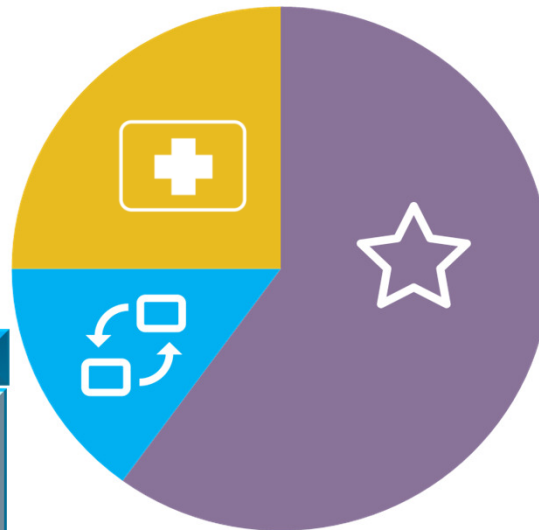
Max 100 points

Improvement Activities 15%

New category (like PCMH)

- ✓ Encompasses PCMH measures with over 90 options.
- ✓ Attest that you completed up to 4 improvement activities, and meet the 40 point requirement.
- ✓ If your practice has:
 - 15 or less clinicians:
 - High measures weighted at 40 points
 - Medium measures weighted at 20 points
 - More than 15 clinicians:
 - High measures weighted at 20 points
 - Medium measures weighted at 10 points

Scoring = 4 activities; max 40 points



Quality 60%

Replaces PQRS and quality from VBM

- ✓ Select 6 measures out of 200+ quality measures for a max 60 points.
- ✓ Measures range from 3 to 10 points. Can report just 1 measure in this category and can complete the bare minimum for MIPS and avoid negative payment adjustment.
- ✓ 1 measure must be an outcome measure & 1 measure must be cross-cutting
- ✓ Groups over 25 must use CMS' web interface and report 15 measures
- ✓ CMS also lists 25 specialty sets you can choose from

Scoring = 6 measures; max 60 points

Resource Use 0%

Replaces Value-Based Modifier

- ✓ Starts in 2018 (30% of PY of 2021)
- ✓ For 2017, CMS intends to calculate performance on certain cost measures and give feedback

No data submission required for 2017






QPP: MIPS APM Track



Memorial Hermann MSSP Track 1 physicians will qualify as a MIPS APM for PY 2017.

MIPS APMs are a subset of APMs for physicians who are part of MSSP. CMS created this subset to help reduce clinicians' reporting burden and set up the clinician for the future of aAPM (Advanced Alternative Payment Models) goals and objectives.

- ✓ One aggregate score will be calculated for the MSSP ACO entity.
- ✓ Each participating provider will receive that score.
- ✓ This score determines their 2019 payment adjustment.

CATEGORY	REPORTING REQUIREMENT	PERFORMANCE SCORE	WHO SUBMITS	WEIGHT
 Quality	 MSSP yearly required reporting. <i>No additional reporting necessary.</i>	MSSP yearly required reporting will generate the MSSP quality score AND the MIPS quality score.	ACO entity	50%
 IA	 Automatically assigned for MSSP participants. <i>No additional reporting necessary.</i>	A 100% score is automatically assigned if already in MSSP.	CMS assigned	20%
 ACI	Each ACO participant TIN submits data in this category per the MIPS reporting requirement. <i>See ACI handout.</i>	Data is reported at TIN level and then aggregated for an ACO weighted average.	Individual Provider	30%

'Pick Your Pace' options for MIPS



Due to overwhelming feedback on the initial proposed rule, on September 8, 2016, CMS announced "Pick Your Pace" which allows you to choose how you want to participate in the Quality Payment Program based on your practice size, specialty, location, or patient population.

The following is for MIPS PY 2017 ONLY:

'Pace' Option:	Reporting Requirement for this 'Pace':	Performance Category Requirement for this 'Pace':	Minimum Performance for this 'Pace'	Projected Payment Adjustment for this 'Pace'
<p>"Run" ≥ 70 points</p>	<p>Report for 90 or more consecutive days</p> <p>Aim to report a whole year, for better possibilities of higher \$ adjustment, but not mandatory</p>	<p>All 3 categories</p> <ul style="list-style-type: none"> · Quality, <u>and</u> · IA, <u>and</u> · ACI 	<p>Achieve Highest Points Possible:</p> <ul style="list-style-type: none"> · 6 Quality measures · IAs sufficient for full credit · ACI: "Base" plus "performance" measure(s); and bonus measures for additional points 	<p>Positive payment adjustment \$</p> <p>Possible exceptional performance incentives for achieving 70+ points</p>
<p>"Walk" 4 – 69 points</p>	<p>Minimum of 90 consecutive days</p>	<p>Any:</p> <ul style="list-style-type: none"> · Quality, <u>or</u> · IA, <u>or</u> · ACI 	<p>Any:</p> <ul style="list-style-type: none"> · ≥ 2 Quality measures <u>or</u> · ≥ 2 IAs <u>or</u> · ACI : minimum "Base" 4-5 measures & ≥ 1 "performance" measure(s) 	<p>Possible nominal positive \$ payment adjustment; the more you report the higher your potential points</p>
<p>"Crawl" ≤ 3 points</p>	<p>Can report less than 90 days</p>	<p>Any:</p> <ul style="list-style-type: none"> · Quality, <u>or</u> · IA, <u>or</u> · ACI 	<p>Any:</p> <ul style="list-style-type: none"> · One Quality measure <u>or</u> · One IA <u>or</u> · ACI: minimum "Base" 4-5 measures 	<p>Avoid penalty</p> <p>Neutral - no payment adjustment \$</p>

How to Prepare for Submitting Data to CMS



Conduct a general practice assessment to assess where you practice is:

- ❑ Is your EMR updated? Ask your EMR vendor about MACRA additions.
- ❑ Are you attesting for Meaningful Use? Stage 2 is exactly the same measures as ACI.
- ❑ Have you reported PQRS measures? If not, make sure your EMR is set updated to do so.
- ❑ Have you achieved NCQA certification? If so, check the expiration date. NCQA certified physicians already report on measures that overlap with MIPS.
- ❑ If you submitted quality data during the last calendar year, you should have access to your Quality and Resource Use Report (QRUR). This report will help you understand your performance in terms of cost and quality so you can prioritize potential areas for improvement.
- ❑ QPP starts **January 1, 2017** and must report data prior to **October 1, 2017**.
- ❑ No matter when you choose to report, it has to be submitted by **March 31, 2018**.

Individual reporting options for each category:

- Quality performance category:
 - Claims
 - QCDR
 - Qualified registry
 - EHR
 - administrative claims
- Advancing Care Information performance category:
 - Attestation
 - QCDR
 - Qualified registry
 - EHR
- Improvement Activities performance category:
 - Attestation
 - QCDR
 - Qualified registry
 - EHR

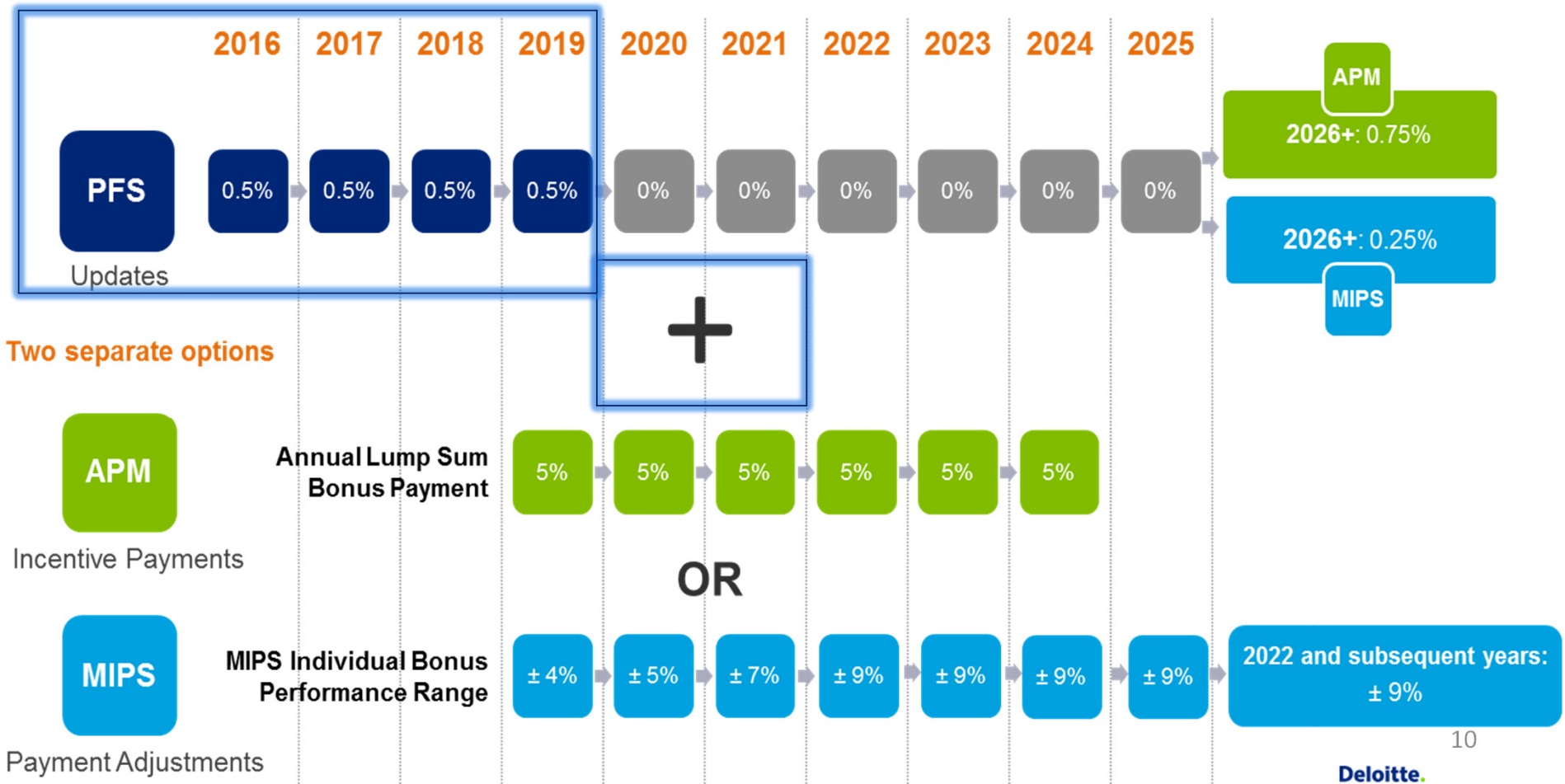
Group reporting options for each category:

- Quality performance category:
 - CMS web interface
 - QCDR
 - Qualified registry
 - EHR
 - administrative claims
- Advancing Care Information performance category:
AND
- Improvement Activities performance category:
 - Attestation
 - QCDR
 - Qualified registry
 - EHR
 - CWI

Reimbursement under QPP

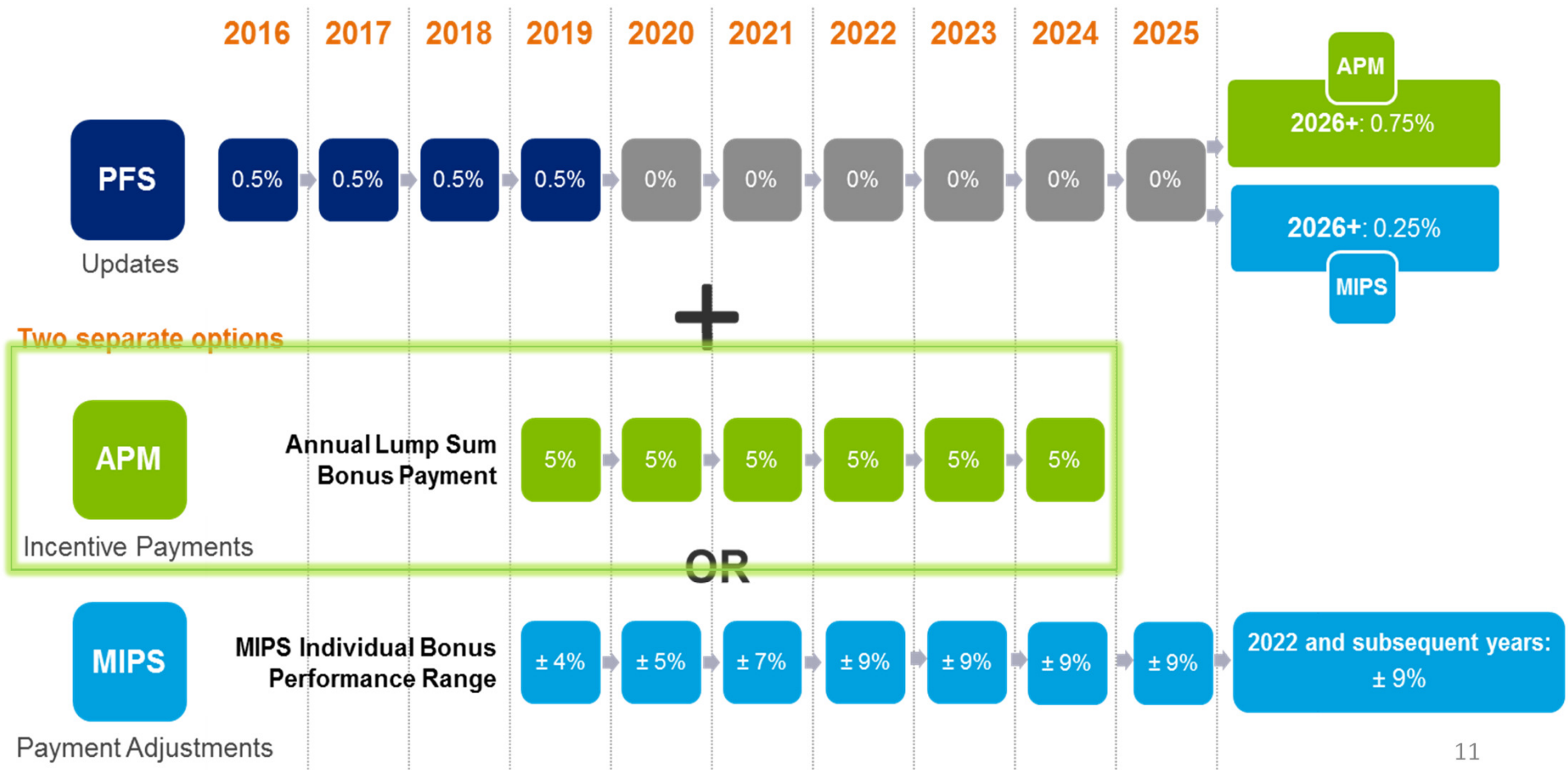
Although QPP creates separate paths for payments under the Medicare Physician Fee Schedule (PFS), these paths are **in addition to**, not in replacement of, the PFS.

MACRA replaced SGR with a schedule that will increase baseline Medicare Part B payments by **0.5% per year until 2019**.



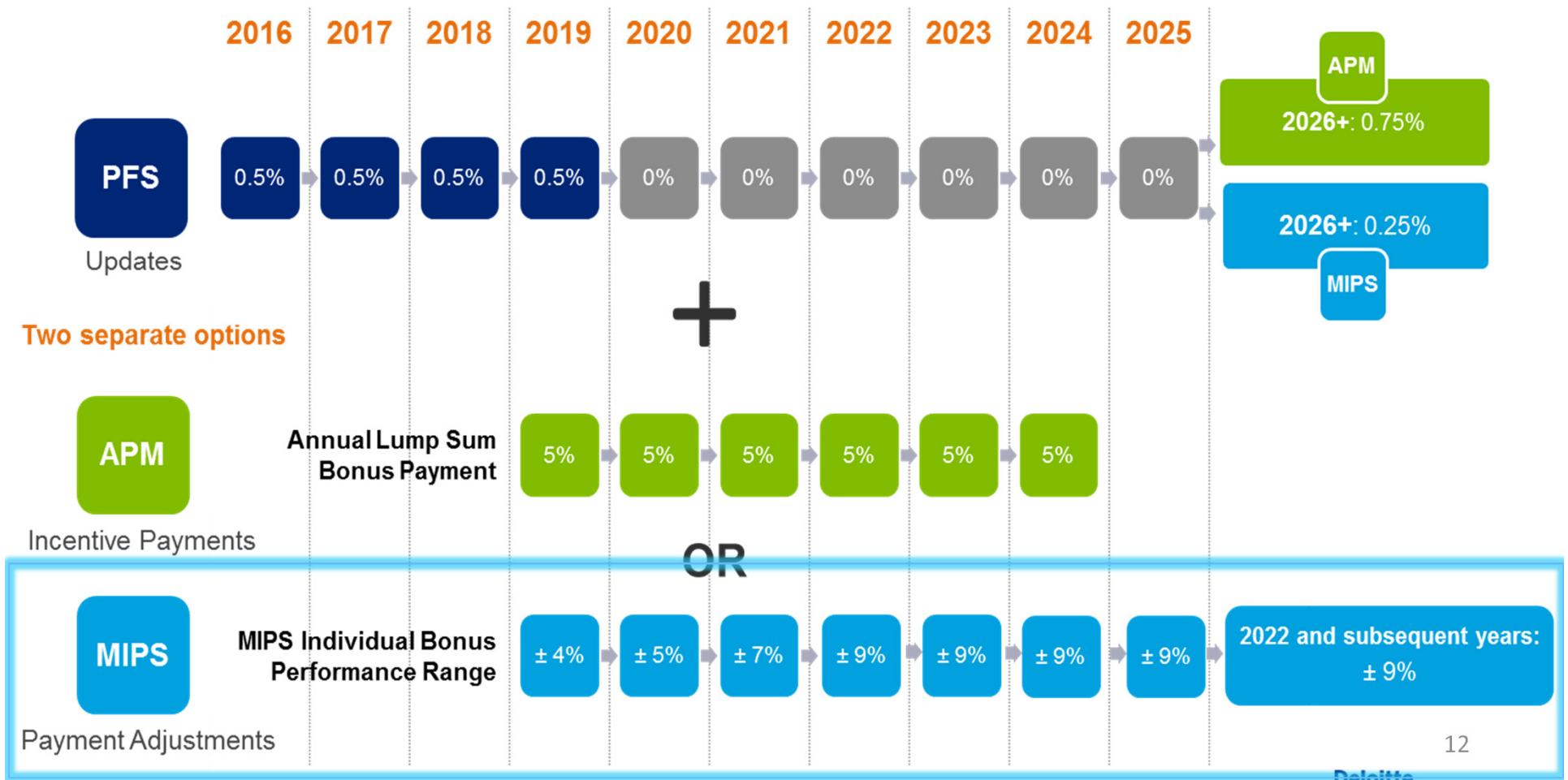
Reimbursement for APMs under QPP

In the APM track, providers starting in 2019 to 2024 can receive an additional lump sum incentive payment of 5% services under the Medicare PFS if they show that a significant part of their business comes from alternative payment models like accountable care organizations or patient-centered medical homes.



Reimbursement for MIPS under QPP

For MIPS, based on whether a provider scores above or below average, Medicare Part B payments will be adjusted the following year, positively or negatively, up to 4% in 2020 and up to 9% by 2022.



Reimbursement Example



Dr. Smith decides he isn't ready to participate and doesn't think he has time or resources to do the MACRA requirements.

His Medicare payments currently are \$100,000 and he will get the .5% standard increase, but he will lose 4% for not submitting data to CMS.

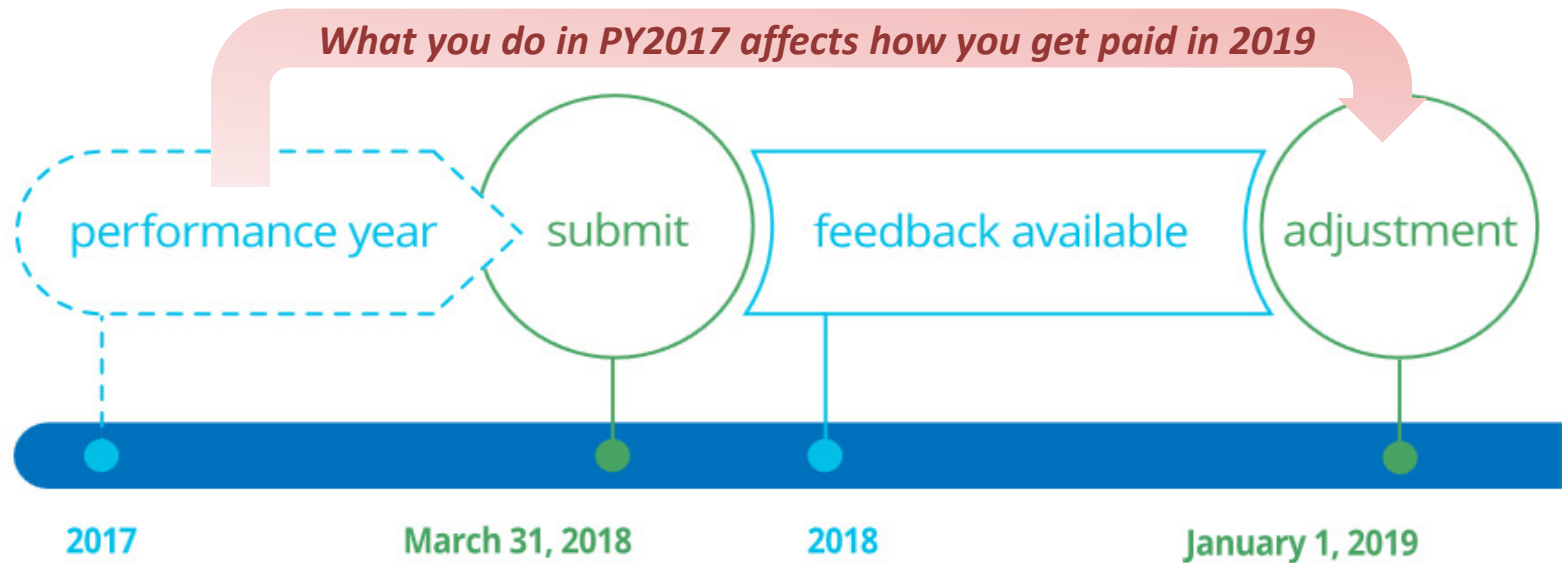
$$\mathbf{\$100,000 + \$500 - \$4,000 = \$96,500}$$

Dr. Brown decides she is going to submit data on all of the MIPS categories for the entire year, because she is confident her practice is already doing this.

Her Medicare payments will go up by .5% due to the standard increase and she will potentially get an additional 4% increase. Let's assume she gets the full 4%.

$$\mathbf{\$100,000 + \$500 + \$4,000 = \$104,500}$$

Timeline



Performance:

The first performance period opens January 1, 2017 and closes December 31, 2017. During 2017, record quality data and how you used technology to support your practice. If an Advanced APM fits your practice, then you can provide care during the year through that model.

Send in performance data:

To potentially earn a positive payment adjustment under MIPS, send in data about the care you provided and how your practice used technology in 2017 to MIPS by the deadline, March 31, 2018. In order to earn the 5% incentive payment for participating in an Advanced APM, just send quality data through your Advanced APM.

Feedback:

Medicare gives you feedback about your performance after you send your data.

Payment:

You may earn a positive MIPS payment adjustment beginning January 1, 2019 if you submit 2017 data by March 31, 2018. If you participate in an Advanced APM in 2017, then you may earn a 5% incentive payment in 2019.

Implications of MACRA for our private physicians



Solo and small practices will get hit the hardest under the new incentive payment system. Below are estimates that 'The Academy' released based on practice size.

Estimated percent of clinicians that could incur a **NEGATIVE (-)** MIPS Payment Adjustment (Year 1 only)

<u>Practice Size</u>	<u>Proposed Rule Estimates</u>	<u>Final Rule Estimates</u>
Solo	87%	20%
2-9 clinicians	69.9%	20%
10-24 clinicians	59.4%	16.3%
25-99 clinicians	44.9%	7.4%
100 + clinicians	18.3%	1.5%

Estimated percent of clinicians that could incur a **POSITIVE (+)** MIPS Payment Adjustment (Year 1 only)

<u>Practice Size</u>	<u>Proposed Rule Estimates</u>	<u>Final Rule Estimates</u>
Solo	12.9%	80%
2-9 clinicians	29.8%	80%
10-24 clinicians	40.3%	83.7%
25-99 clinicians	54.5%	92.6%
100 + clinicians	81.3%	98.5%



Support



Physicians > Physician Information > MACRA 101



CMS QPP website: <https://qpp.cms.gov/>



Email us: MHMDProviderRelations@MemorialHermann.org



Call us: Provider Relations: 713.338.6464

The logo features a central blue circle overlapping two orange circles on either side. The text 'MHMD' is centered in a serif font, with 'MH' in white and 'MD' in orange. Below it, 'MEMORIAL HERMANN Physician Network' is written in a smaller, white sans-serif font.

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