

Medicare Access and CHIP Reauthorization Act (MACRA) Preview- Module 1

Module one of our presentation will give a brief overview of the Medicare Access and CHIP Reauthorization Act, or MACRA.

The Medicare Access and CHIP Reauthorization Act, or MACRA, was passed by Congress on March 26, 2015, and signed into law by President Obama on April 16, 2015. MACRA makes three important changes to how Medicare pays those who give care to Medicare beneficiaries. These changes include: Ending the Sustainable Growth Rate (SGR) formula for determining Medicare payments for health care providers' services. Making a new framework for rewarding health care providers for giving better care not just more care. Combining our existing quality reporting programs into one new system.

To that end, the separate payment adjustments that are currently assessed under PQRS, the value modifier and the electronic health record meaningful use program will all sunset as of December 31, 2018. On January 1, 2019, incentive payments for the newly created merit based incentive payment system, or MIPS, as well as the alternative payment models, or APMs, will begin. Medicare eligible professionals will be able to elect to take the MIPS track or the APM track in order to maximize these incentives. For those participating in the MIPS program, your payment adjustment could be positive, neutral or negative, while an EP electing to participate in an APM could receive an upward payment adjustment of 5 percent for up to 6 years if the criteria for that APM are met.

For those EPs who elect to participate in the MIPS program, the incentives would apply to either individual EPs, groups of EPs, or virtual groups. For the first two years of MIPS, 2019 and 2020, the Medicare EPs that have been identified by the legislation as MIPS eligible are physicians, physician assistants, nurse practitioners, clinical nurse specialists and certified registered nurse anesthetists as individuals, as well as groups that include these practitioners. Starting in 2021, the law gives the Secretary discretion to add more eligible provider types. Any EP who is participating in a qualifying APM is excluded from MIPS, while those EPs who have been deemed as a partial qualifying APM participant will have a choice of either being exempt from MIPS or receiving the MIPS Adjustment. The MACRA also allows for certain low volume thresholds as well. Beginning in 2019, EPs participating in the MIPS will be eligible for positive or negative Medicare payment adjustments that start at 4 percent and gradually increase to 9 percent for 2022. EPs will receive a composite score that will range from 0 to 100 and will measure performance in four different categories: quality measures, resource use, clinical improvement activities and meaningful use of certified electronic health record technology. The weight of each category starting in 2019 and going beyond 2022 is shown in the table on this slide. EPs who score at the threshold will receive no payment adjustment; those whose composite score is above the performance threshold will receive a positive payment adjustment on each claim for the following year, while those whose composite score is below the performance threshold will receive a negative payment adjustment on each claim for the following year. And per the MACRA legislation, these adjustments must be budget neutral.

Physicians with high composite scores will be eligible for a positive payment adjustment that is up to three times the baseline positive payment adjustment for a given year. For example, the baseline positive payment adjustment for 2019 will be 4 percent, so high performers will be eligible for a positive payment adjustment of up to 12 percent. For 2019 through 2024, an additional positive payment

adjustment of up to 10 percent will be available to exceptional performers. Beginning in 2026, all physicians participating in the MIPS will be eligible for a 0.25 percent increase in their payments each year.

If you are eligible and choose to participate in a qualifying APM, you will receive a 5 percent lump sum bonus on your Medicare payments for 2019 through 2024. Beginning in 2026, you will qualify for a 0.75 percent increase in your payments each year.

MACRA defines any of the following as an alternative payment model: An innovative payment model expanded under the Center for Medicare & Medicaid Innovation (CMMI), including Comprehensive Primary Care (CPC) initiative participants but not Health Care Innovation Award recipients, a Medicare Shared Savings Program accountable care organization (ACO), Medicare Health Care Quality Demonstration Program or Medicare Acute Care Episode Demonstration Program, or another demonstration program required by federal law. An APM must require participants to meet all of the following criteria: Uses quality measures comparable to measures under the MIPS; Uses certified electronic health record (EHR) technology; bears more than nominal financial risk; is a medical home expanded under the CMMI. For more information on the Medicare Access and CHIP Reauthorization Act, and on the Merit based Incentive Payment System and Alternative Payment Models specifically, please go to the website listed on this slide. The MACRA Path to Value presentation is also available or viewing. That concludes Module one of the Medicare Quality Reporting Programs presentation for 2016.

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