

THE
**MEDICARE ACCESS &
CHIP REAUTHORIZATION ACT**
OF 2015

Path to Value



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



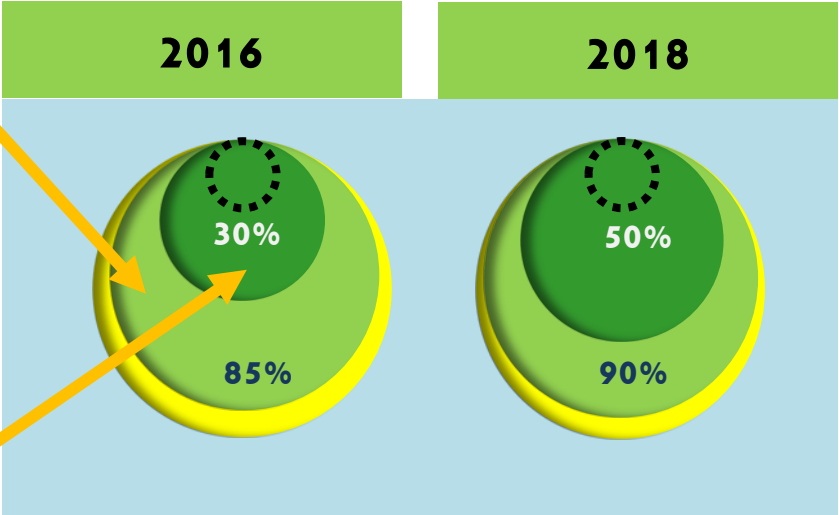
Invite **private sector payers** to match or exceed HHS goals

MACRA moves us closer to meeting these goals...

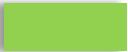
The new **Merit-based Incentive Payment System** helps to link **fee-for-service payments** to quality and value.

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



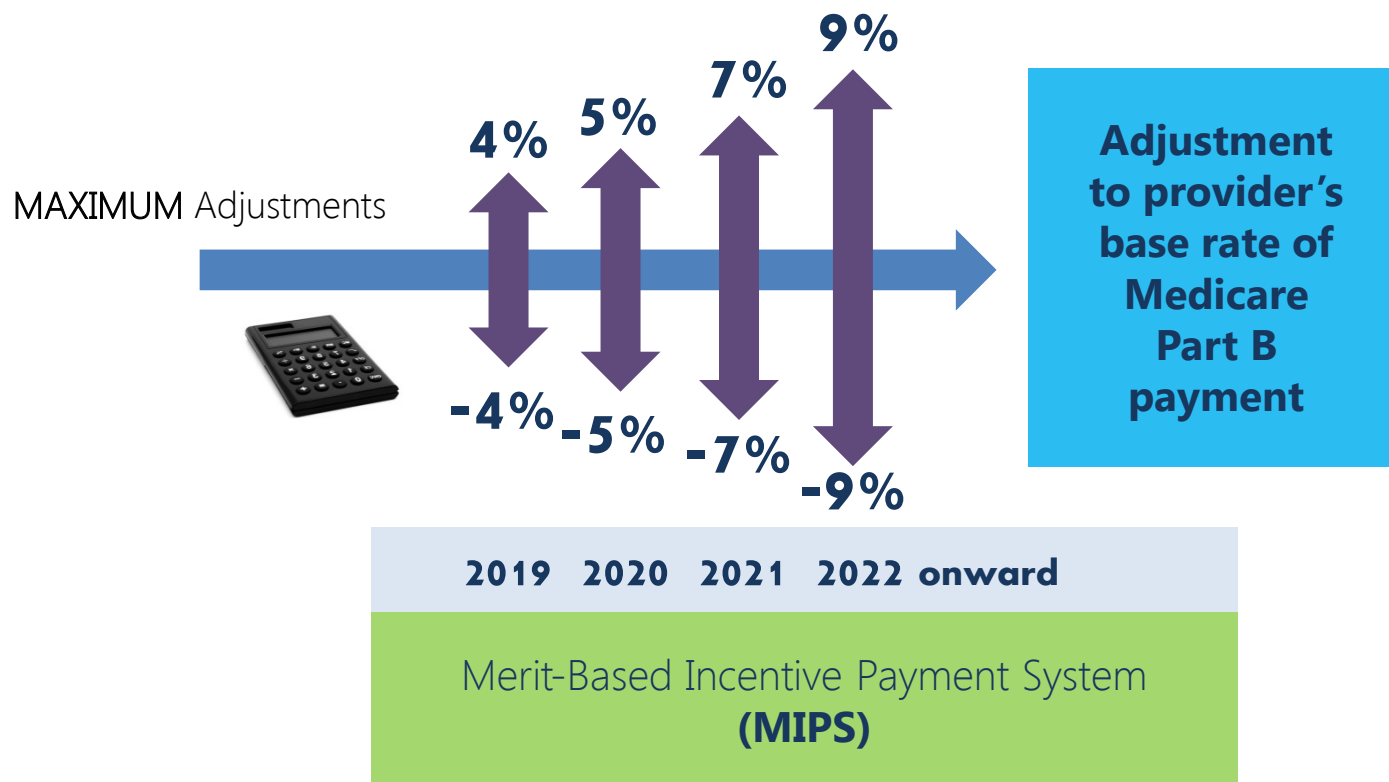
Meaningful
use of
certified EHR
technology



MIPS
Composite
Performance
Score

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.



Are there any exceptions to MIPS adjustments?

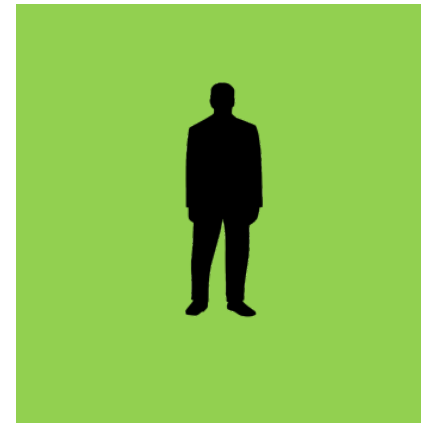
There are **3 groups** of physicians and practitioners who will NOT be subject to MIPS:



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

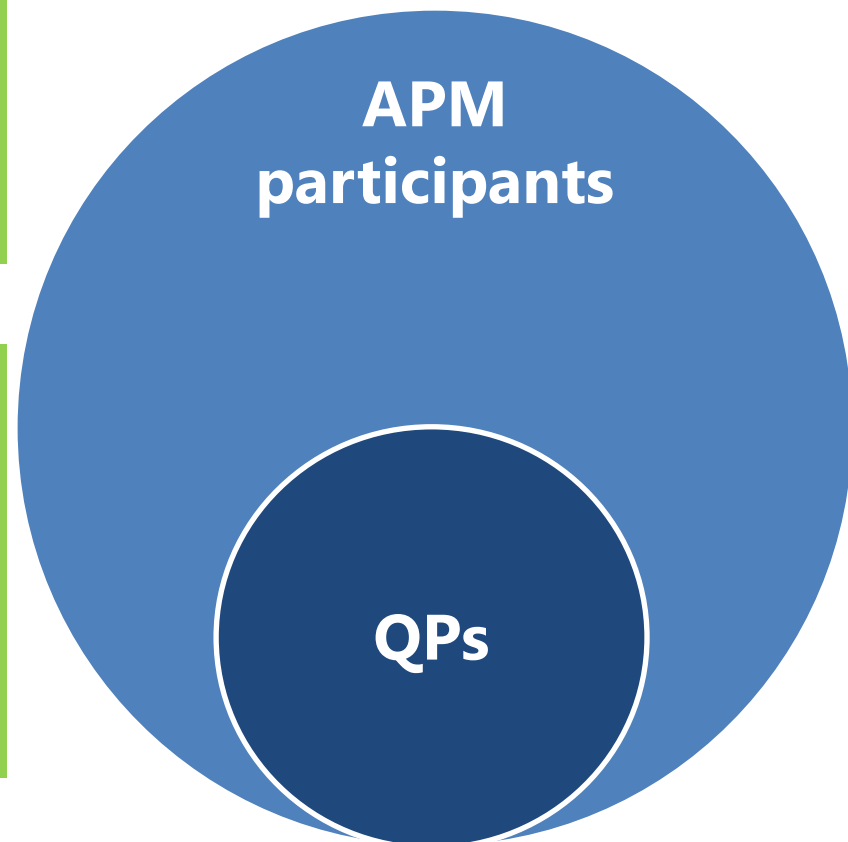
- MACRA **does not change how any particular APM rewards value**.
- APM participants who are not “QPs” will receive **favorable scoring under MIPS**.
- Only **some** of these APMs will be **eligible** APMs.

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



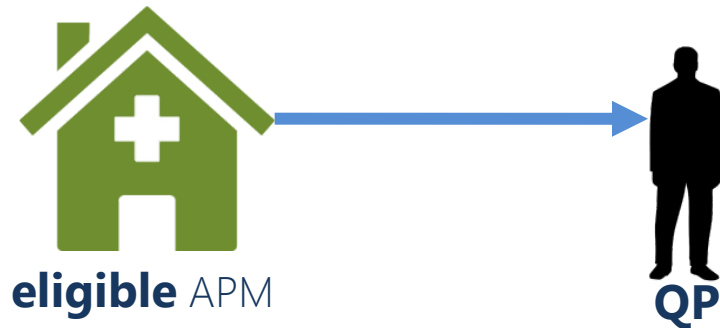
What is an **eligible APM**?



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**

+

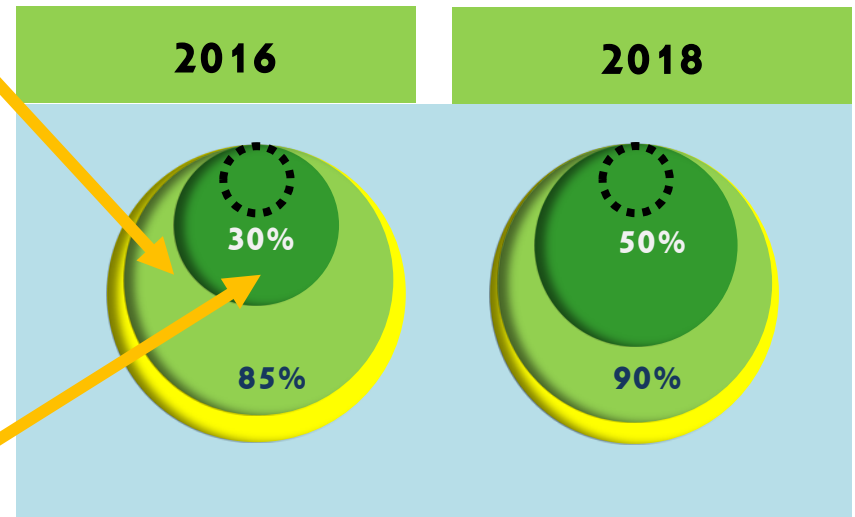
5% lump sum
bonus

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

How will MACRA affect me?

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**

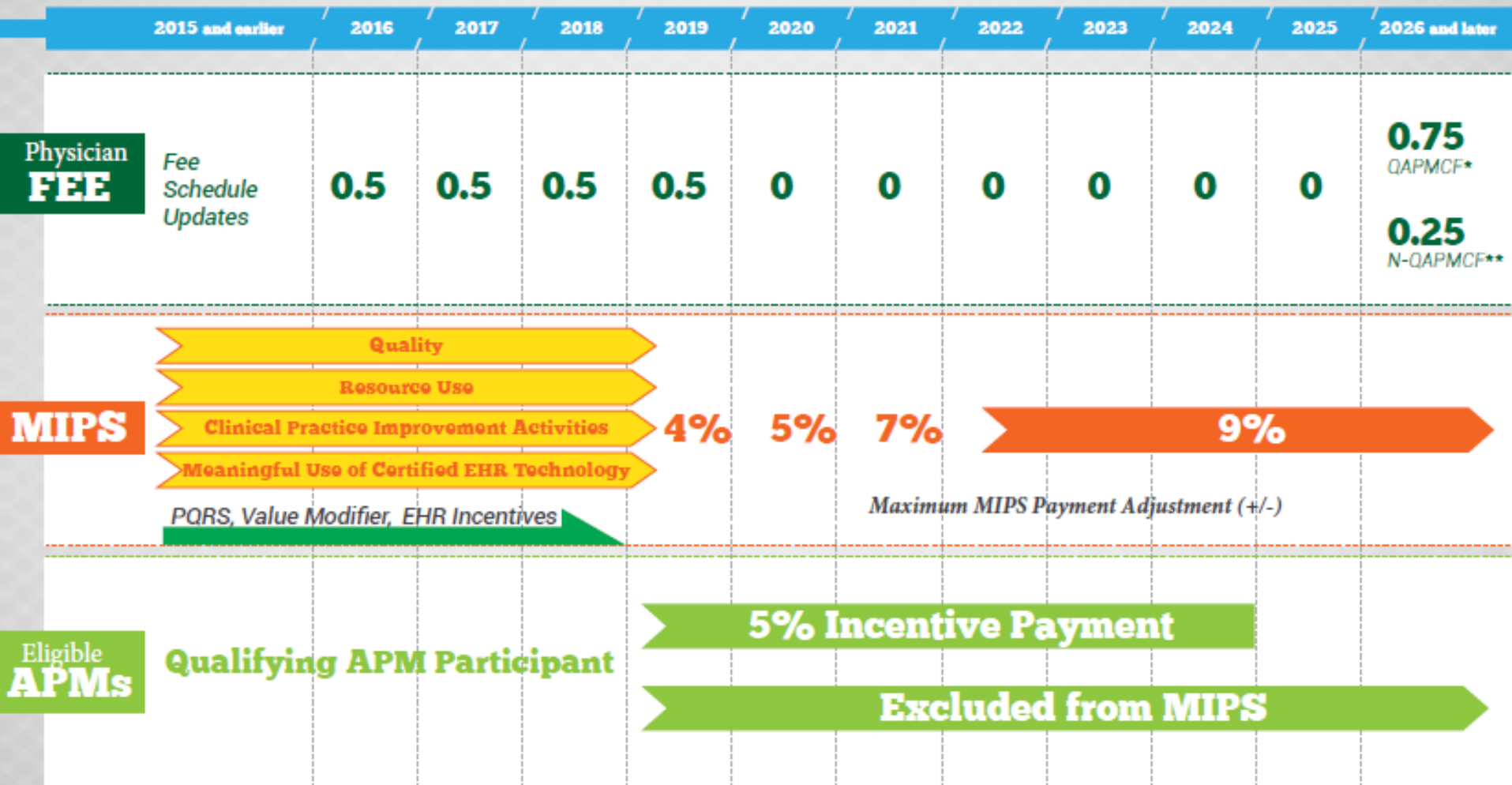
Qualifying APM Participant

- 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.*

Timeline



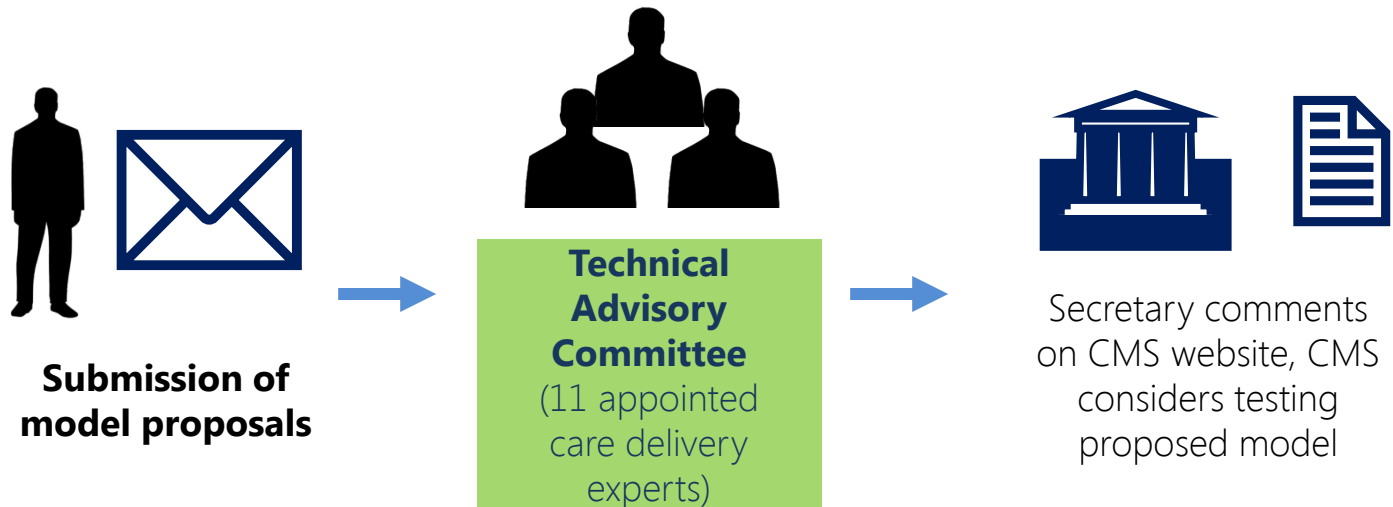
*Qualifying APM conversion factor

**Non-qualifying APM conversion factor

Independent PFPM Technical Advisory Committee

PFPM = Physician-Focused Payment Model

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



Submission of model proposals

Technical Advisory Committee
(11 appointed care delivery experts)

Secretary comments on CMS website, CMS considers testing proposed model

Review proposals, submit recommendations to HHS Secretary

What should I do to prepare for MACRA?

- Tell us your thoughts by responding to the Request for Information (RFI) by November 17: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2015-24906.pdf>
- Look for a proposed rule in spring 2016 and provide comments on the proposals.
- Final rule targeted for early fall 2016.

Questions? Comments?

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

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