MACRA RFI Posting
"RFI on Physician Payment Reform" (CMS-3321-NC)
External FAQ

General

Q: What is the MACRA?
A: On April 14, 2015, a large bipartisan majority in Congress passed the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). President Obama signed the MACRA into law on April 16, 2015. It repeals the Sustainable Growth Rate (SGR) formula, which linked Medicare annual payment updates for physicians and other professionals to prior year spending and gross domestic product (GDP) growth. MACRA contains scheduled Physician Fee Schedule (PFS) updates, a new Merit-Based Incentive Payment System (MIPS), a new Technical Advisory Committee for assessing Physician Focused Payment Model (PFPM) proposals, and incentive payments for participation in Alternative Payment Models (APMs).

Q: What section of the MACRA addresses the new methods of payment for eligible professionals (EPs)?
A: Section 101 repeals the Medicare SGR methodology for updates to the physician fee schedule (PFS) and implements scheduled PFS updates, including a higher update rate for "qualifying APM participants" beginning in 2026. Section 101 also adds the new MIPS for eligible professionals (EPs), sunsets payment adjustments under the current Physician Quality Reporting System (PQRS), the Value-Based Payment Modifier (VM), and the Medicare Electronic Health Records (EHR) Incentive Program, often referred to as the Meaningful Use (MU) program, and consolidates aspects of those programs into the new MIPS. Additionally, section 101 of the MACRA promotes the development of APMs by providing incentive payments for certain EPs who participate in APMs and by encouraging the creation of additional PFPMs. This section will be the subject of notice and comment rulemaking.

Q: What is the timeline for the MIPS program and incentive payments for participation in APMs?
A: MIPS payment adjustments and APM incentive payments will begin in 2019, based on performance or APM participation, respectively, in a prior performance period.

Q: What are the options for EPs under the MACRA?
A: EPs can participate in MIPS or meet requirements to be a qualifying APM participant. EPs in MIPS can receive a positive, downward, or neutral payment adjustment, starting at +/- 4 percent in 2019 and growing to +/- 9 percent in 2022 and later). EPs who are determined to be qualifying APM participants (QPs) for a given year will be excluded from MIPS and receive a 5 percent lump sum incentive payment for that year. The APM incentive payment will be

available from 2019 through 2024. Beginning in 2026, QPs will receive a 0.75 percent fee schedule update, and all other EPs will receive a 0.25 percent fee schedule update.

Q: How can I express my opinions on the MACRA to CMS?
A: CMS asked for comments in the most recent PFS NPRM. In addition, CMS is issuing an RFI (https://s3.amazonaws.com/public-inspection.federalregister.gov/2015-24906.pdf) to ask for stakeholder input regarding MIPS, APMs, and PFPMs. Following the RFI, CMS intends to implement the MACRA through future notice and comment rulemaking. CMS welcomes comment through all of these venues.

Merit-based Incentive Payment System (MIPS)

Q: What is MIPS?
A: MIPS promotes better care, healthier people, and smarter spending by evaluating EPs using a Composite Performance Score that incorporates EP performance on quality, resource use, clinical practice improvement activities, and meaningful use of certified electronic health records. Based on the Composite Performance Score, EPs may receive an upward payment adjustment, a downward payment adjustment, or no payment adjustment.

Q: How does MIPS under the MACRA relate to the Secretary's goals for tying payments to quality and value?
A: In January 2015, Secretary Burwell publicized her goals to improve our nation's health delivery system to better meet the needs and expectations of the people of America. One of those goals is to tie 85 percent of all traditional Medicare payments to quality or value by 2016 and 90 percent by 2018. MIPS helps to meet this goal by linking Medicare fee-for-service payments to quality and value.

Q: What are the payment adjustment amounts in the MIPS Program?
A: The maximum payment adjustment amount starts at 4 percent in 2019 and incrementally increases to 9 percent in 2022 and onward. The adjustments must be balanced and scaled in such a manner that the program is budget neutral. For 2019 to 2024, there will also be an additional payment adjustment given to the highest MIPS performers for exceptional performance.

Alternative Payment Models (APMs)

Q: What is an APM?
A: A Medicare APM is:

- A CMMI model under section 1115A (other than a Health Care Innovation Award);
- Medicare Shared Savings Program (MSSP);

- A demonstration under the Health Care Quality Demonstration Program; or

- A demonstration required by Federal law.

Q: What is an eligible alternative payment entity?
A: Eligible alternative payment entity means, with respect to a year, an entity that: (1) participates in an APM that requires participants to use certified EHR technology and provides for payment based on quality measures comparable to those in MIPS; and (2) either bears more than nominal financial risk for monetary losses under the APM or is a medical home expanded under CMS Innovation Center authority.

Q: How do APMs under the MACRA relate to the Administration's goals for tying payments to quality and value through APMs?
A: In January 2015, Secretary Burwell announced the Administration's goals to improve our nation's health delivery system that 30 percent of traditional Medicare payments would be tied to APMs by the end of 2016, and 50 percent of such payments would be tied to these models by the end of 2018.

The MACRA will encourage more EPs to participate in APMs and eligible alternative payment entities, both of which link quality and value to payment. The payment incentive for EPs who qualify as QPs will only be available through alternative payment entities, a subset of APMs, but it is a powerful incentive to increase participation in those entities. EPs in APMs who do not reach the qualifying APM participant standard will receive favorable scoring under certain MIPS categories.

Q: What is the incentive payment for qualifying APM participants?
A: A 5 percent lump sum payment based on the QP's estimated aggregate payment amounts for Part B covered professional services for the preceding year.

Q: How can EPs qualify for incentive payments for participation in APMs?
A: EPs must meet certain thresholds to be QPs and qualify for incentive payments. In 2019 and 2020, EPs must have 25 percent of their payments or patients through an eligible alternative payment entity. In 2021 and 2022, EPs must have 50 percent of their payments or patients through an eligible alternative payment entity, or through a combination of an eligible alternative payment entity and certain other payer arrangements. In 2023 and later, EPs must have 75 percent of their payments or patients through an eligible alternative payment entity or through a combination of an eligible alternative payment entity and certain other payer arrangements.

Q: What other payer arrangements count towards becoming a qualifying APM participant (QP)?
A: Beginning in 2021, EPs can also qualify as a QP based on thresholds for combined payments from Medicare and other payers. This is called the combination all-payer and Medicare payment

threshold option. Under this option, EPs must meet a minimum percentage (25 percent) of Medicare payments for covered professional services or patients through an eligible alternative payment entity and the overall threshold through other payer arrangements that have similar requirements to those for eligible alternative payment entities.

Q: What is a partial qualifying APM participant (partial QP)?
A: A partial QP is defined as an EP who does not meet the thresholds established for a qualifying APM participant but meets slightly reduced thresholds. Partial QPs do not receive the 5 percent APM incentive payment, but they can choose whether or not to participate in MIPS. If they choose not to report to MIPS, they will have no payment adjustment for that year.

Physician Focused Payment Modes (PFPMs)

Q: What is a PFPM?
A: A PFPM is a physician-focused payment model. PFPM is not defined under the MACRA.

Q: What are the responsibilities of stakeholders, the Physician-Focused Payment Model Technical Advisory Committee, and the Secretary related to PFPMs?
A: The MACRA establishes a process for stakeholders to propose PFPMs to a Technical Advisory Committee ("the Committee") that will review, comment on, and provide recommendations to the Secretary on proposed models. The Secretary will review the Committee's comments and recommendations on proposed PFPMs and post "a detailed response" to such comments and recommendations on the CMS website.

Q: What sort of information is CMS seeking with regard to PFPMs in the RFI?
A: Not later than November 1, 2016, the MACRA requires the Secretary to establish criteria for PFPMs, including models for specialist physicians, which could be used by the Committee for making comments and recommendations. The criteria can align with and complement the factors CMS currently utilizes to evaluate potential models.

Q: What factors do CMS currently use to determine whether to test a model?
A: The CMS Innovation Center has an established process for assessing proposals for new payment and service delivery models. This process includes weighing the proposal against a set of factors that can be found here: http://innovation.cms.gov/Files/x/rfi-websitepreamble.pdf.

Q: What happens to proposed PFPMs after they go through this process?
A: CMS will review recommendations from the Committee and may choose to test models that go through this process. However, CMS has no obligation under MACRA to test any models that are recommended by the Committee.

Q: How does the work of the Health Care Payment Learning and Action Network (LAN) relate to the work of the Physician-Focused Payment Model Technical Advisory Committee under MACRA?

A:

- The Committee is tasked with making recommendations to the Secretary; the LAN does not and is a voluntary learning collaborative.
- The Committee consists of 11 members appointed by the GAO; the LAN is much larger (thousands).
- Both the Committee and the LAN can provide technical assistance to stakeholders preparing proposals for PFPMs; only the Committee can provide submitters with direct guidance and feedback on whether their proposals meet review criteria.
- There are no government participants on the Committee; there are government participants on the LAN.