

What does it mean for you?

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



# **GUIDING QUESTIONS:**

- 1) What is MACRA?**
- 2) What does it address?**
- 3) How will clinicians be affected?**
- 4) Next steps and resources**





**What is “MACRA”?**

# What is “MACRA”?

MACRA stands for the **Medicare Access and CHIP Reauthorization Act of 2015**, bipartisan legislation signed into law on April 16, 2015.

What does it do?

- **Repeals** the Sustainable Growth Rate (SGR) Formula
- **Changes the way that Medicare pays clinicians** and establishes a new framework to reward clinicians for **value** over volume
- **Streamlines** multiple quality reporting programs into 1 new system (MIPS)
- **Provides bonus payments** for participation in **eligible alternative payment models (APMs)**





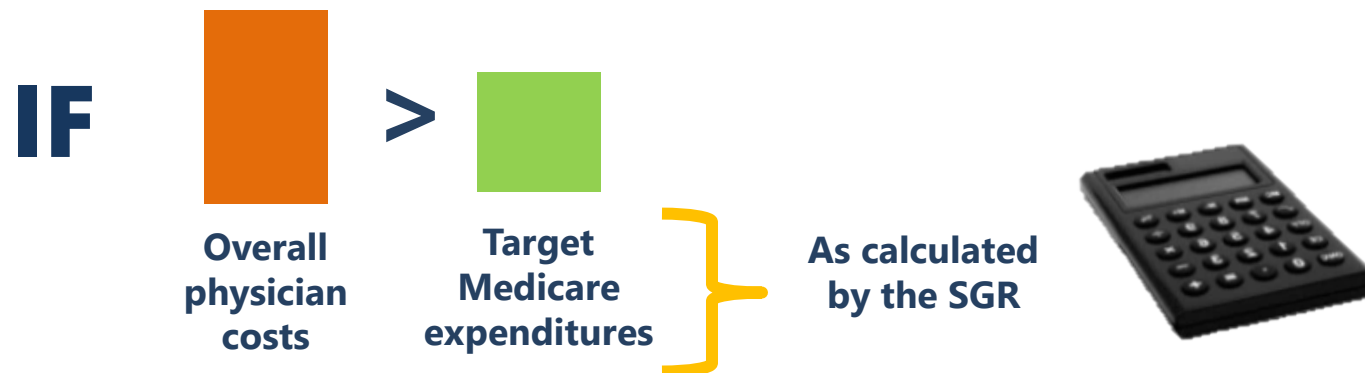
**What does MACRA address?**

# Medicare Payment Prior to MACRA

**Fee-for-service** (FFS) payment system, where clinicians are paid based on **volume** of services, not **value**.

## The Sustainable Growth Rate (SGR)

- Established in 1997 to **control the cost of Medicare payments** to physicians

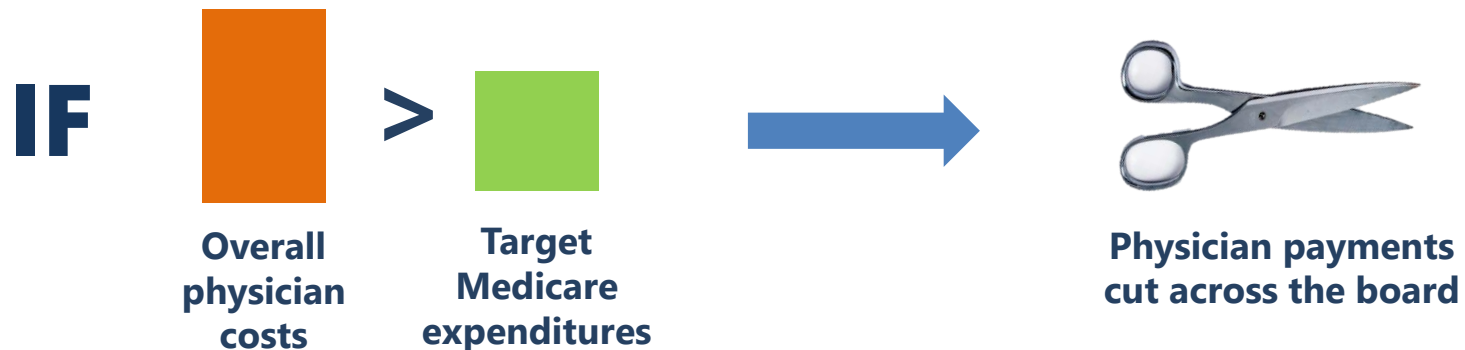


# Medicare Payment Prior to MACRA

**Fee-for-service** (FFS) payment system, where clinicians are paid based on **volume** of services, not **value**.

## The Sustainable Growth Rate (SGR)

- Established in 1997 to **control the cost of Medicare payments** to physicians



# Medicare Payment Prior to MACRA

**Fee-for-service** (FFS) payment system, where clinicians are paid based on **volume** of services, not **value**.

## The Sustainable Growth Rate (SGR)



Each year, Congress passed temporary **"doc fixes"** to avert cuts (no fix in 2015 would have meant a **21% cut** in Medicare payments to clinicians)

MACRA **replaces the SGR** with a **more predictable** payment method that **incentivizes value**.



# Medicare Reporting Prior to MACRA

Currently there are **multiple quality and value reporting programs** for Medicare clinicians:

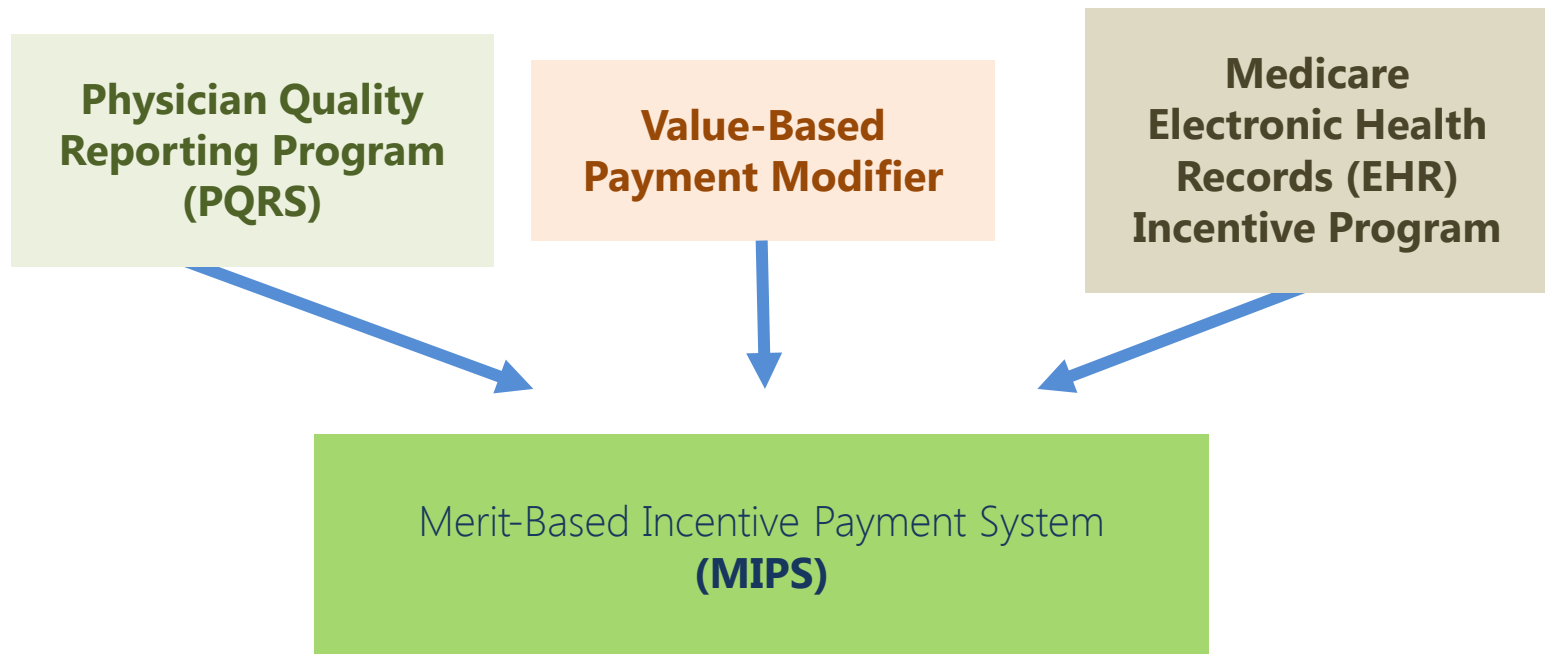
**Physician Quality  
Reporting Program  
(PQRS)**

**Value-Based  
Payment Modifier**

**Medicare  
Electronic Health  
Records (EHR)  
Incentive Program**

# Medicare Reporting Prior to MACRA

**MACRA streamlines** these programs into **MIPS**.



A person wearing a dark, pinstriped suit jacket is holding a large white rectangular sign in front of their face. The sign contains text in a bold, dark blue font. The background is a solid, bright yellow color. The person's hands are visible, holding the corners of the sign, and they are wearing rings on their fingers. The suit jacket has two buttons visible at the waist.

**Which clinicians does  
MACRA affect?  
(Will it affect me?)**

**Short answer:**  
**MACRA affects clinicians**  
**who participate in Medicare Part B.**



# MACRA affects Medicare Part B clinicians.

Affected clinicians are called **“eligible professionals” (EPs)** and will participate in MIPS. The types of **Medicare Part B** health care clinicians affected by MIPS may expand in the first 3 years of implementation.

Years 1 and 2



**Physicians, PAs, NPs, Clinical nurse specialists, Nurse anesthetists**

Years 3+



*Secretary may broaden EP group to include others such as*

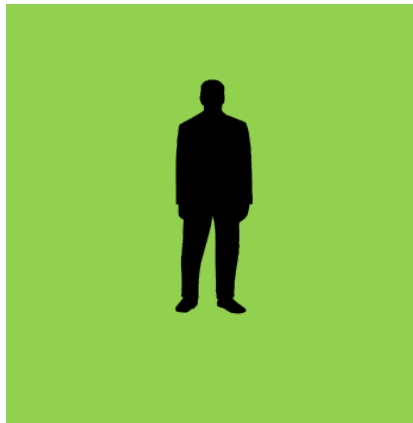
**Physical or occupational therapists, Speech-language pathologists, Audiologists, Nurse midwives, Clinical social workers, Clinical psychologists, Dietitians / Nutritional professionals**

# Are there any exceptions to participation in MIPS?

There are **3 groups** of clinicians who will NOT be subject to MIPS:



**FIRST** year of Medicare  
Part B participation

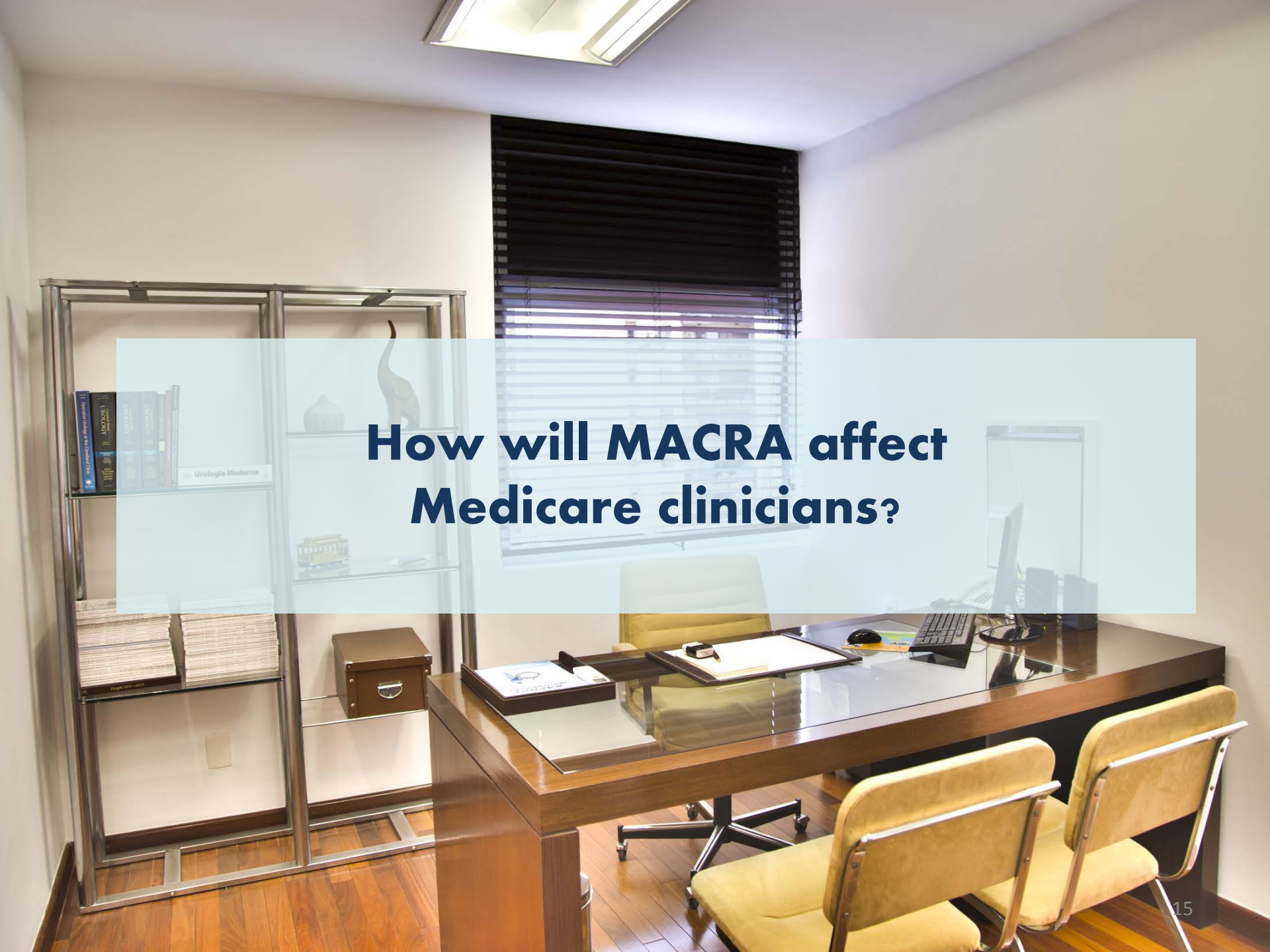


Below **low patient**  
**volume** threshold



Certain participants in  
**ELIGIBLE** Alternative  
Payment Models

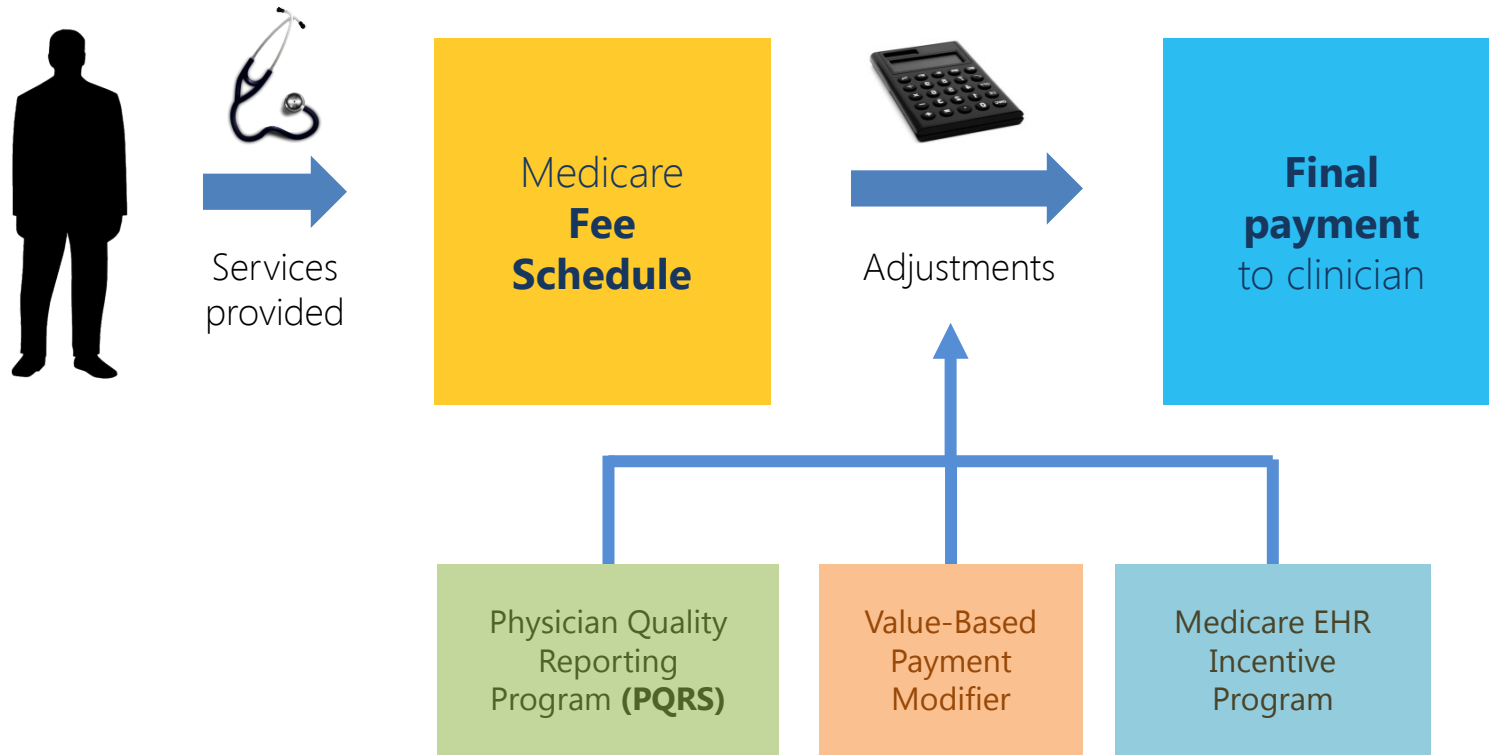
Note: MIPS **does not** apply to hospitals or facilities



# How will MACRA affect Medicare clinicians?

# MACRA changes how Medicare pays clinicians.

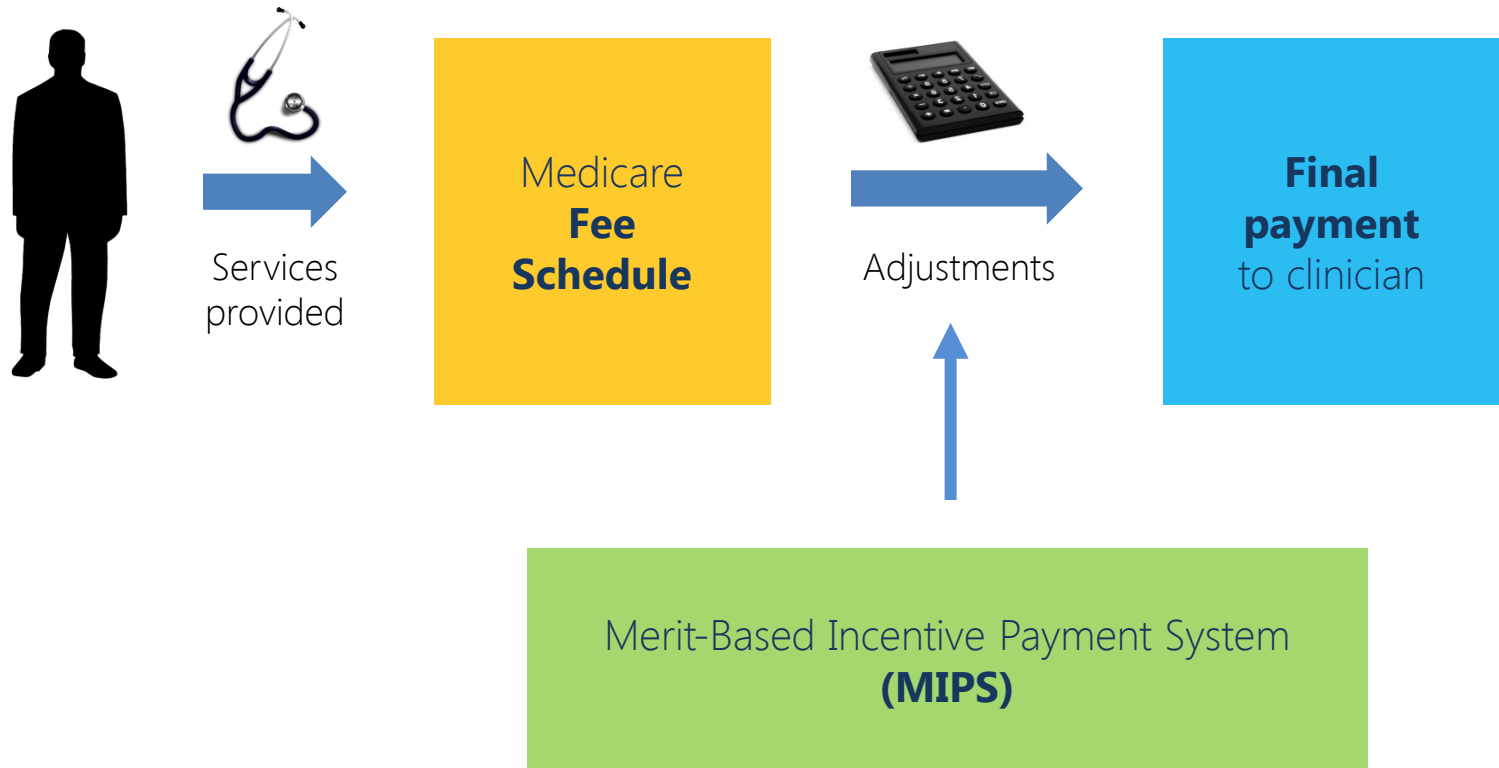
The **current** system:





# MACRA changes how Medicare pays clinicians.

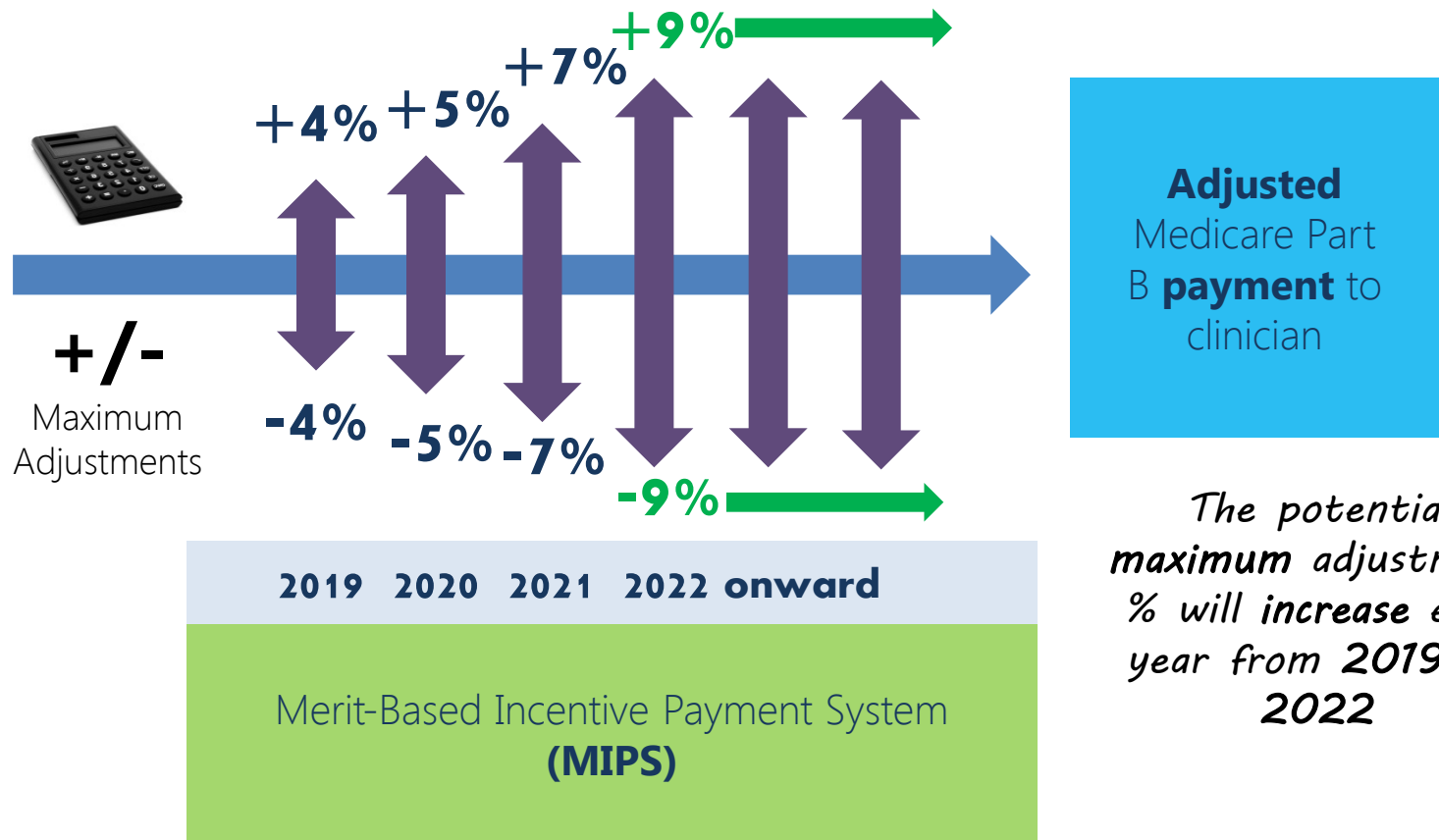
The system after **MACRA**:



*\*Or special lump sum bonuses through participation in eligible Alternative Payment Models*

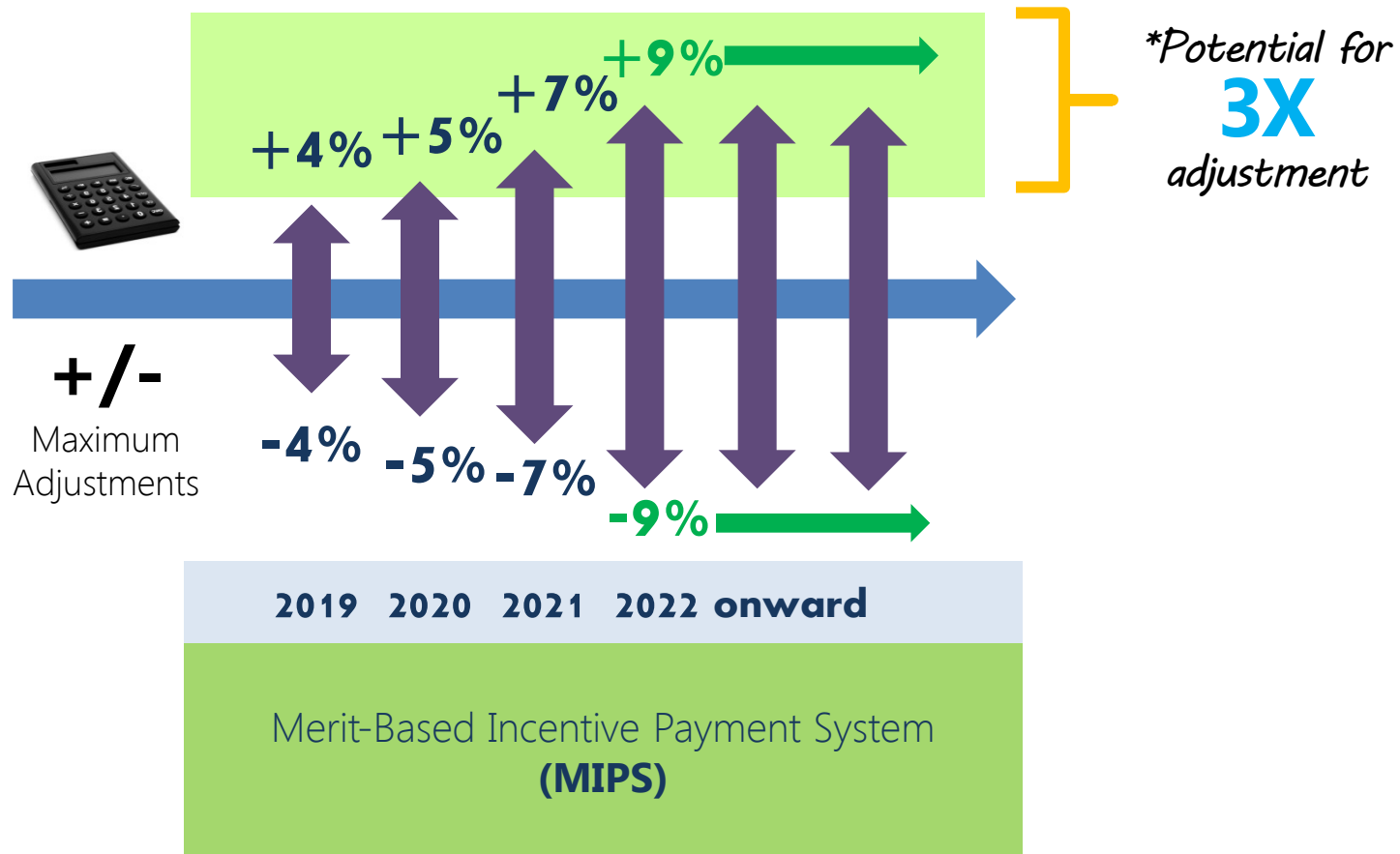
# How much can MIPS adjust payments?

Based on a composite performance score, clinicians will receive **+/- or neutral** adjustments **up to** the percentages below.



# How much can MIPS adjust payments?

**Note:** MIPS will be a **budget-neutral** program. Total upward and downward adjustments will be balanced so that the average change is 0%.



# What will determine my MIPS score?

The MIPS composite performance **score** will factor in performance in **4 weighted categories**:



Quality



Resource  
use



Clinical  
practice  
improvement  
activities



Use of  
certified EHR  
technology

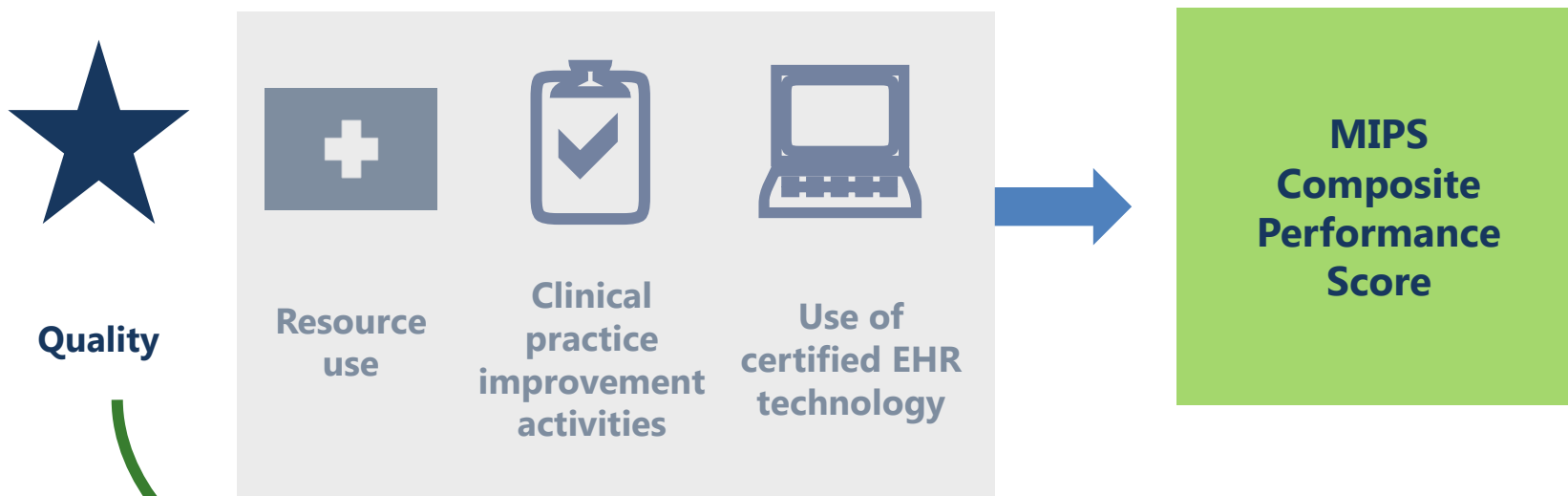


MIPS  
Composite  
Performance  
Score



# What will determine my MIPS score?

The MIPS composite performance **score** will factor in performance in **4 weighted categories**:

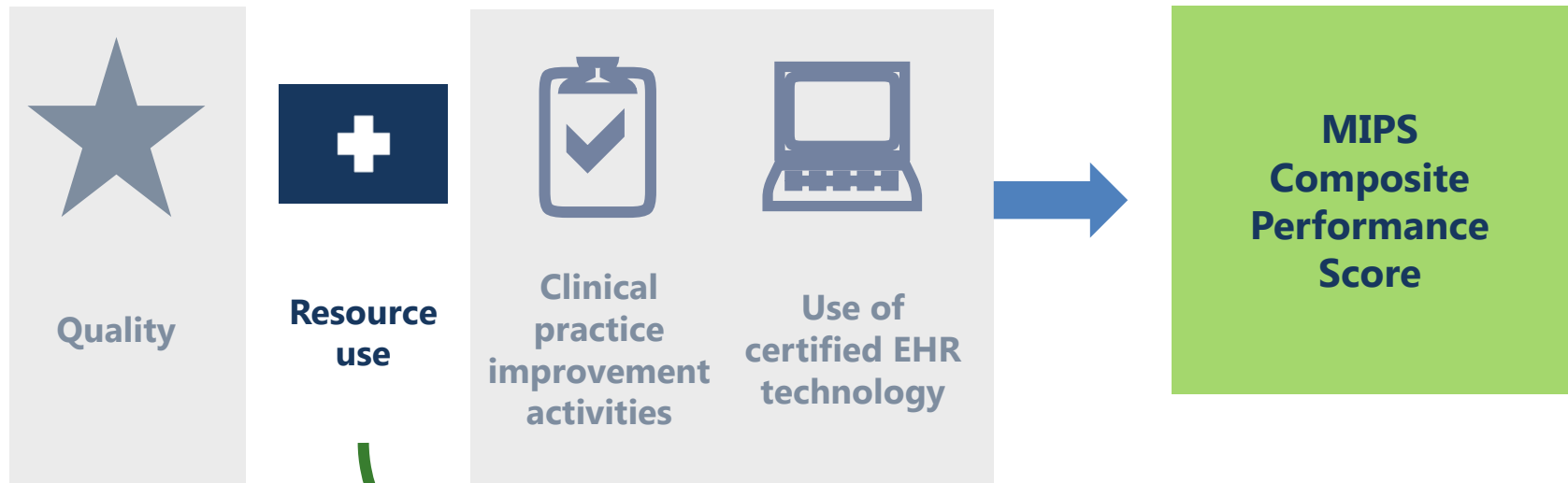


*\*Quality measures will be published in an **annual list***

*\*clinicians will be **able to choose** the measures on which they'll be evaluated*

# What will determine my MIPS score?

The MIPS composite performance **score** will factor in performance in **4 weighted categories**:

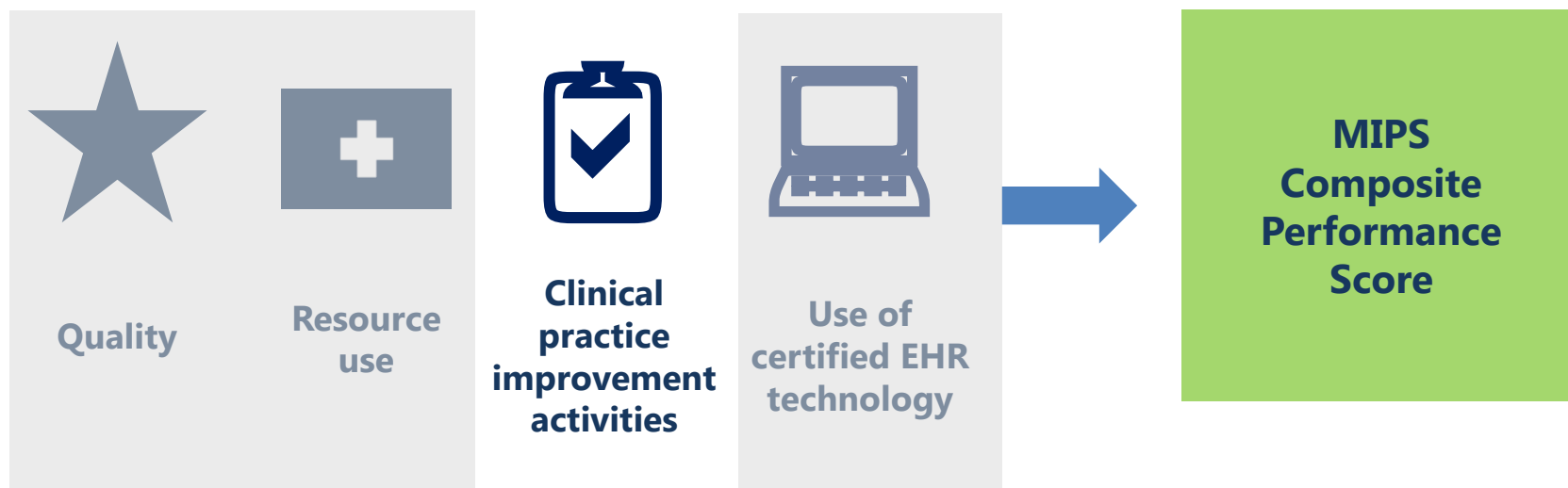


*\*Will compare resources used to treat similar **care episodes** and **clinical condition groups** across practices*

*\*Can be **risk-adjusted** to reflect external factors*

# What will determine my MIPS score?

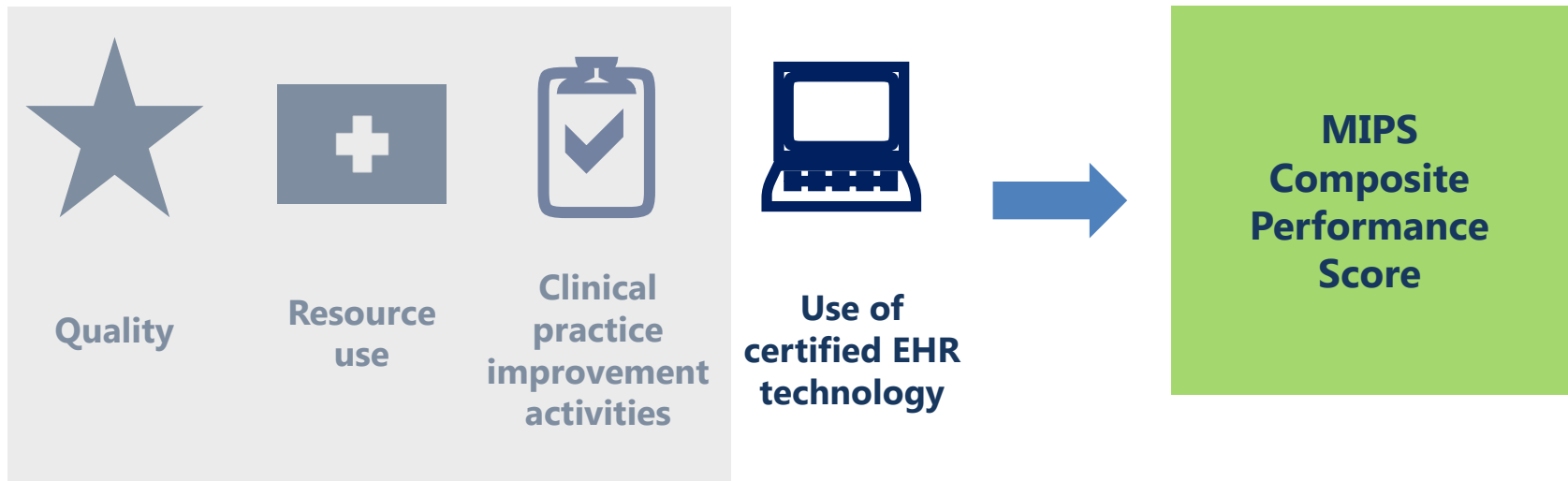
The MIPS composite performance **score** will factor in performance in **4 weighted categories**:



*\*Examples include care coordination, shared decision-making, safety checklists, expanding practice access*

# What will determine my MIPS score?

The MIPS composite performance **score** will factor in performance in **4 weighted categories**:



*\* % weight of this may decrease as more users adopt EHR*

# RECALL: Exceptions to Participation in MIPS

There are **3 groups** of clinicians who will NOT be subject to MIPS:



**FIRST** year of Medicare  
Part B participation



Below **low patient**  
**volume** threshold



Certain participants in  
**ELIGIBLE** Alternative  
Payment Models

Note: MIPS **does not** apply to hospitals or facilities

# RECALL: Exceptions to Participation in MIPS

There are **3 groups** of clinicians who will NOT be subject to MIPS:



**FIRST** year of Medicare  
Part B participation



Below **low patient**  
**volume** threshold



**Certain participants in**  
**ELIGIBLE** Alternative  
Payment Models

# What is a Medicare Alternative Payment Model (APM)?

APMs are **new approaches to paying** for medical care through Medicare that **incentivize quality and value**.

As defined by  
MACRA,  
**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



## “Eligible” APMs are the most advanced APMs.



As defined by MACRA, eligible APMs **must meet the following criteria:**

- ✓ **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

**Note: MACRA does NOT change how any particular APM rewards value. Instead, it creates extra incentives for APM participation.**

# MACRA provides **additional** rewards for participating in **APMs**.



Potential financial rewards

Not in APM

---

In APM

---

In **eligible** APM

---

# MACRA provides **additional** rewards for participating in **APMs**.



Potential financial rewards

**Not in APM**

**In APM**

**In **eligible** APM**

MIPS adjustments

# MACRA provides **additional** rewards for participating in **APMs**.



## Potential financial rewards

Not in APM

MIPS adjustments

In APM

MIPS adjustments

+

APM-specific  
rewards

In **eligible** APM

APM participation =  
**favorable scoring** in  
certain MIPS categories

# MACRA provides **additional** rewards for participating in **APMs**.



## Potential financial rewards

### Not in APM

MIPS adjustments

### In APM

MIPS adjustments

+

APM-specific  
rewards

### In **eligible** APM

APM-specific  
rewards

+

**5% lump sum  
bonus**

If you are a  
**qualifying APM  
participant (QP)**

# How do I become a **qualifying APM participant (QP)**?



*Bonus applies in 2019-2024; then will receive higher fee schedule update starting in 2026*



# What about private payer or Medicaid APMs? Can they help me qualify to be a QP?

Yes, starting in **2021**, participation in **some** of these APMs with other non-Medicare payers can **count toward** criteria to be a QP.

“Combination all-payer & Medicare threshold option”

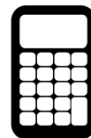
*IF the APMs meet criteria similar to those for eligible APMs run by CMS:*



**Certified  
EHR use**



**Quality  
Measures**



**Financial  
Risk**

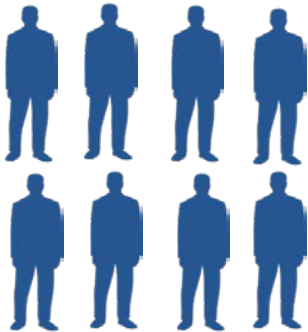
**Note: Most practitioners will be subject to MIPS.**

**Subject to MIPS**

**Not in APM**



**In non-eligible APM**



**In eligible APM, but not a QP**



**QP in eligible APM**



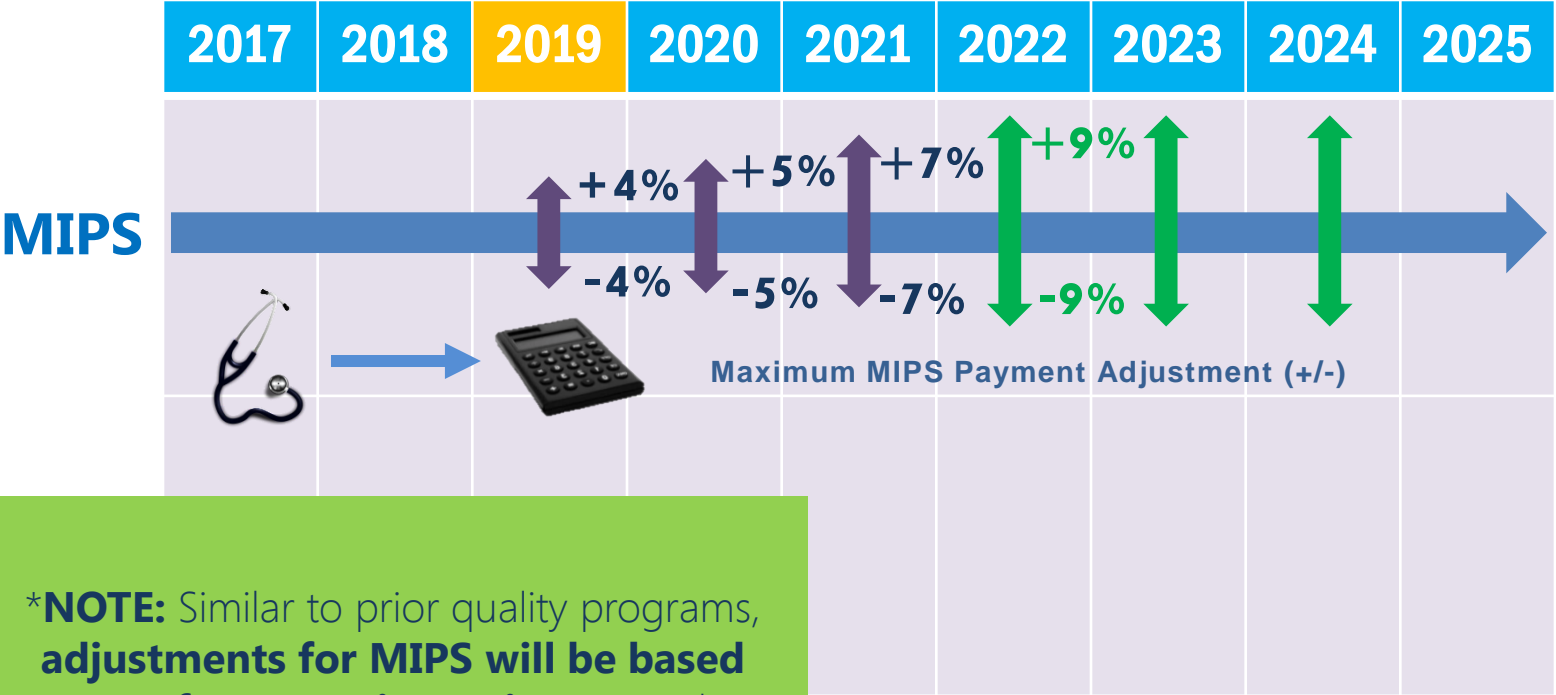
*Some people may be in eligible APMs and but not have enough payments or patients through the eligible APM to be a QP.*

*Note: Figure not to scale.*

A vintage brass alarm clock with two bells on top, resting on a wooden surface. The clock face is visible, showing numbers 1 through 12 and two smaller sub-dials. A semi-transparent green rectangular box is overlaid on the left side of the clock, containing the text.

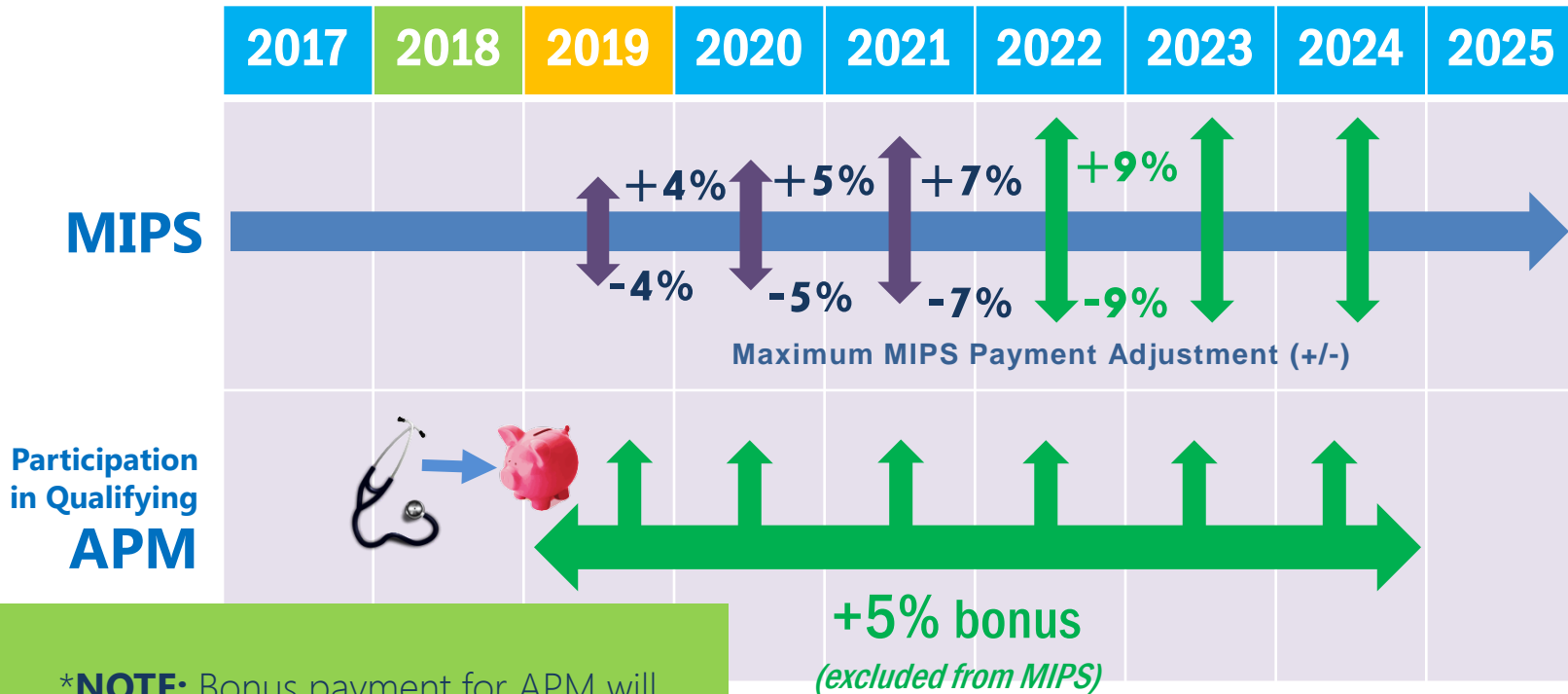
**When will these MACRA provisions  
take effect?**

# MIPS adjustments will begin in 2019.



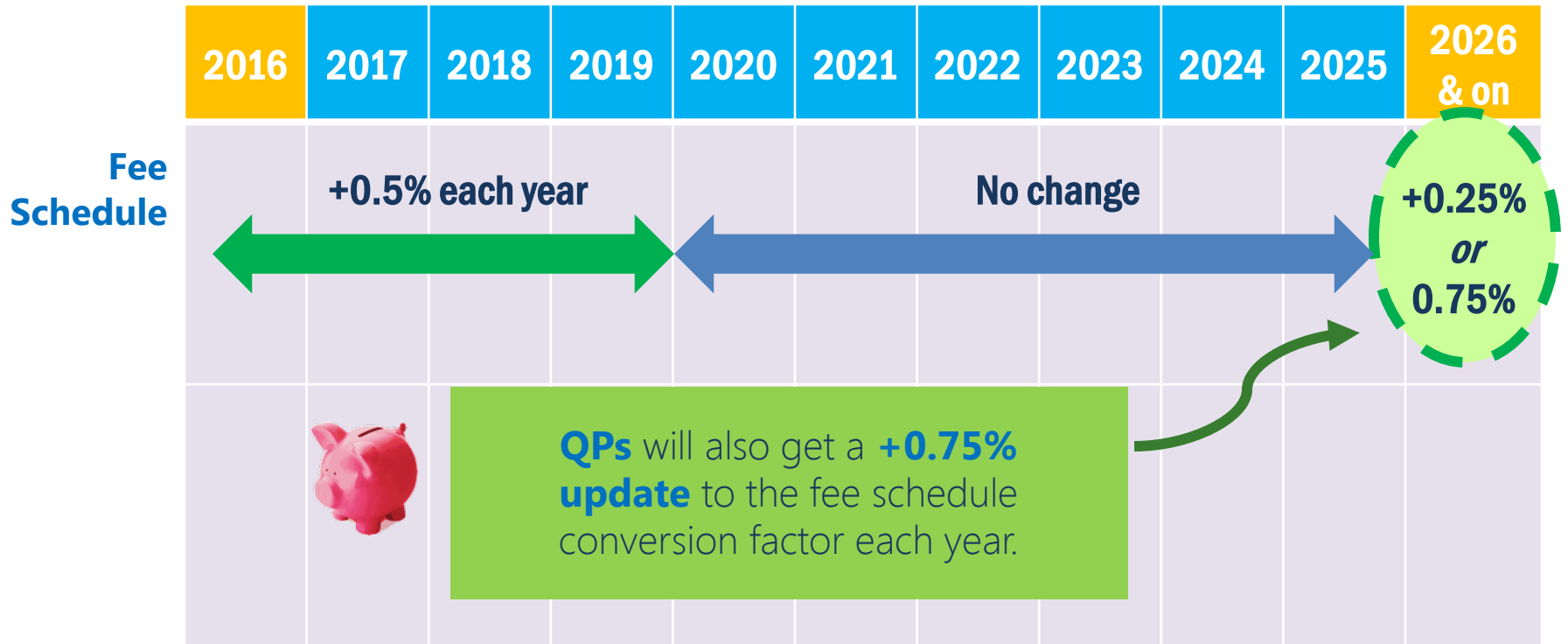
**\*NOTE:** Similar to prior quality programs, **adjustments for MIPS will be based on performance in a prior year.** The exact time (e.g. 1 yr. prior) will be determined in upcoming **rule-making.**

# Qualifying APM bonuses will also begin in 2019.



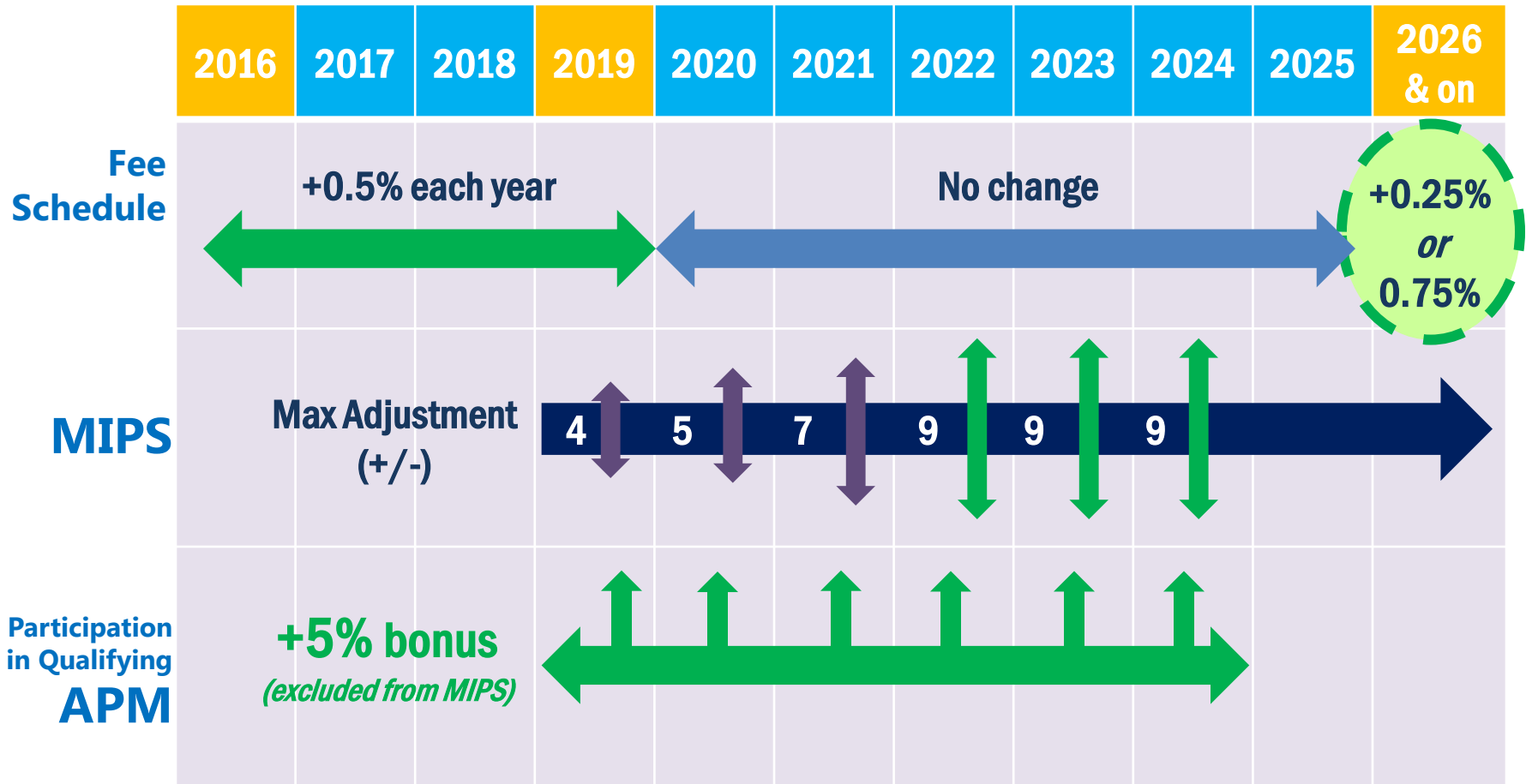
\*NOTE: Bonus payment for APM will be based on estimated **aggregate payment for the prior year**. E.g. bonus in 2019 will be based on payment for services in **2018**.

# Fee schedule updates begin in 2016.



Everyone else will get a +0.25% update.

# Putting it all together:





## TAKE-AWAY POINTS

- 1) MACRA **changes the way Medicare pays clinicians** and offers financial **incentives** for providing high **value** care.
- 2) Medicare **Part B clinicians** will participate in the **MIPS** program, unless they are in their 1<sup>st</sup> year of Part B participation, meet criteria for participation in certain **APMs**, or have a low volume of patients.
- 3) Payment adjustments and bonuses will begin in **2019**.
- 4) A **proposed rule** is targeted for spring 2016, with the **final rule** targeted for **fall 2016**.



**Other than payment adjustments, what else does MACRA change?**

# MACRA supports care delivery and promotes innovation.

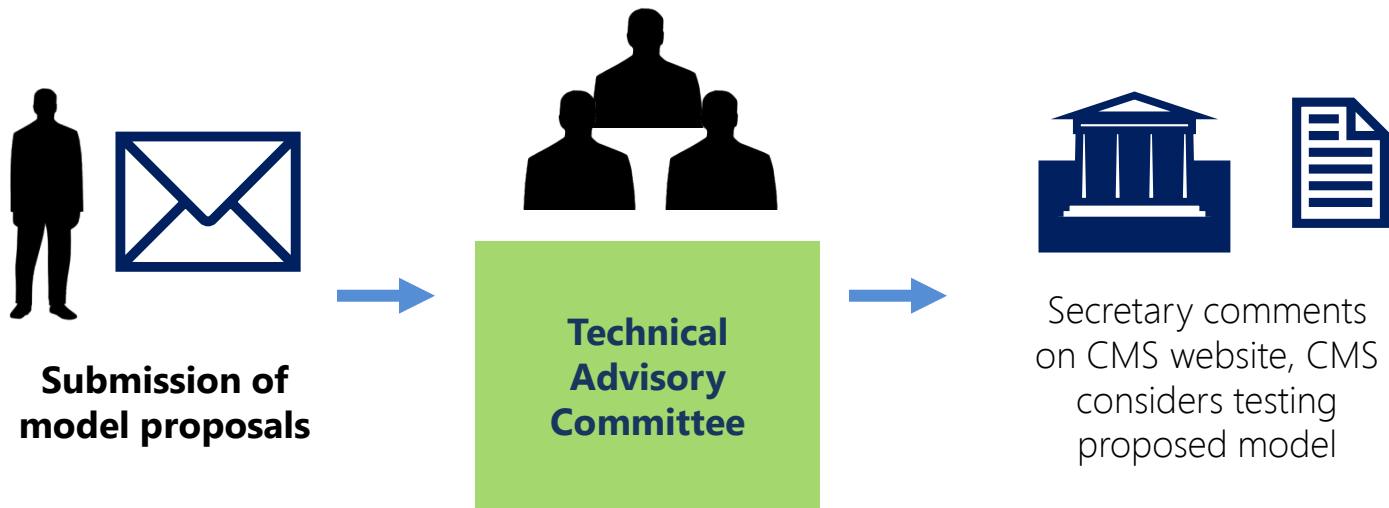
Several examples:

- 1 Allocates **\$20 million / yr.** from 2016-2020 to **small practices** to provide **technical assistance** regarding MIPS performance criteria or transitioning to an APM.
- 2 Creates an advisory committee to help promote development of **Physician-Focused Payment Models**

# Independent PFPM Technical Advisory Committee

PFPM = Physician-Focused Payment Model

Goal to encourage new **APM options** for Medicare clinicians




Submission of model proposals

Technical Advisory Committee

Secretary comments on CMS website, CMS considers testing proposed model

11 appointed care delivery experts that review proposals, submit recommendations to HHS Secretary




**The big picture: how does *MACRA* relate to broader health care delivery system reform?**

# 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 **Alternative Payment Models 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



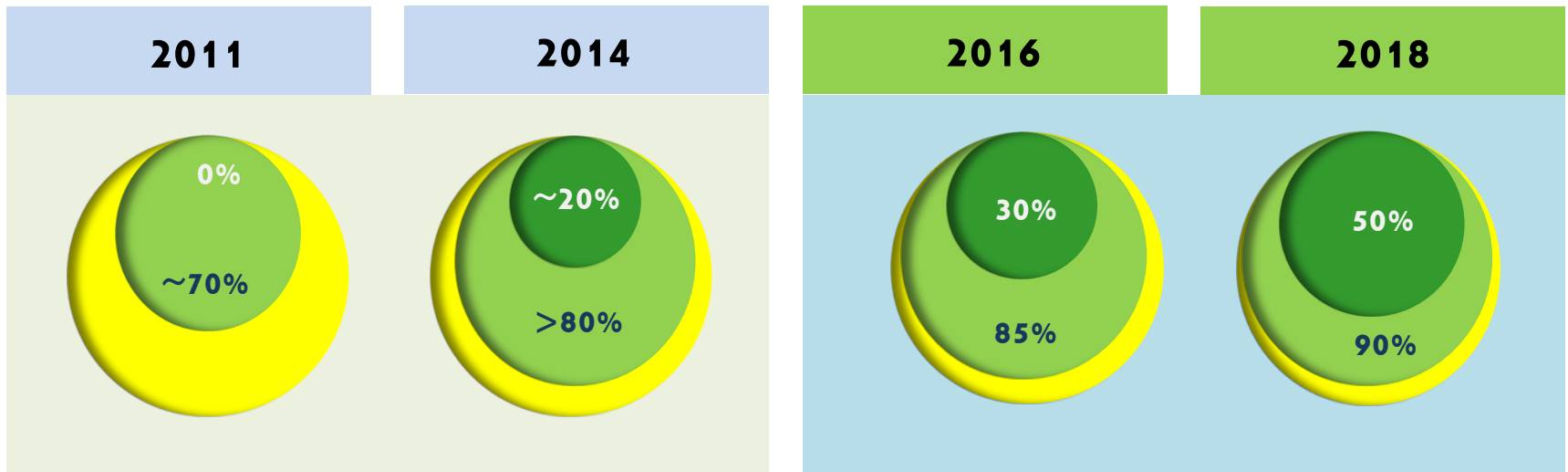
Invite **private sector payers** to match or exceed HHS goals






# Target % of Medicare payments tied to quality or value in 2016 and 2018

## Actual % (Pre-HHS Goal Announcement)

## New HHS Goals:



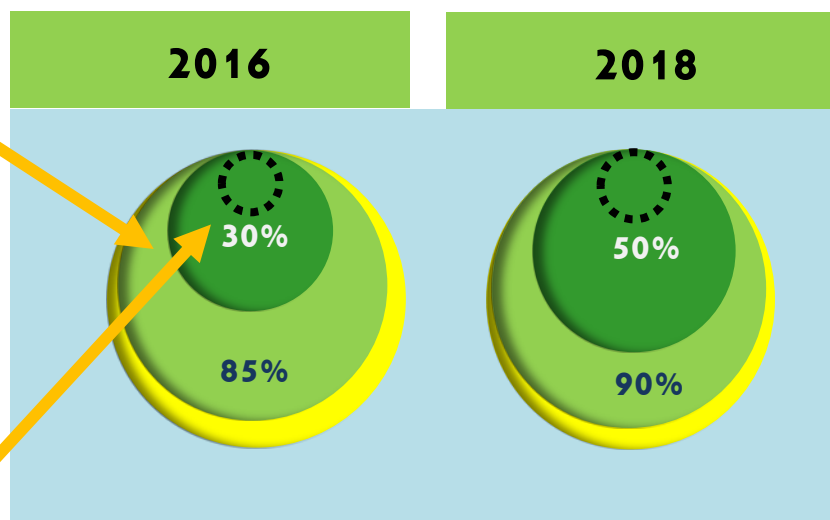
-  All Medicare fee-for-service (FFS) payments (Categories 1-4)
-  Medicare **FFS** payments **linked to quality and value** (Categories 2-4)
-  Medicare payments linked to quality and value **via APMs** (Categories 3-4)

# MACRA moves us closer to meeting these goals...

MIPS helps to link **fee-for-service payments** to quality and value.

The law also **incentivizes participation in 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** ("eligible APMs")



...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**



**Distributing  
Information**

...and toward transforming our health care system.

3 goals for our health care system:

**BETTER** care  
**SMARTER** spending  
**HEALTHIER** people



We look forward to **working together** to achieve these **shared goals**.

**Still have questions? Comments?**

**Tell us now via the **WebEx Chat** feature!**

**Visit *CMS.gov* to learn more.**



# APPENDIX

# What will determine my MIPS score?

The MIPS composite performance **score** will factor in performance in **4 weighted categories**:



	Quality	Resource use	Clinical practice improvement activities	Use of certified EHR technology
2019	50%	10%	15%	25%
2020	45%	15%	15%	25%
2021	30%	30%	15%	25%

*% weights for quality and resource use are scheduled to adjust each year until 2021*

# How do I become a **qualifying APM participant (QP)**?



**Eligible APM**



?

*25% in 2019 and 2020*

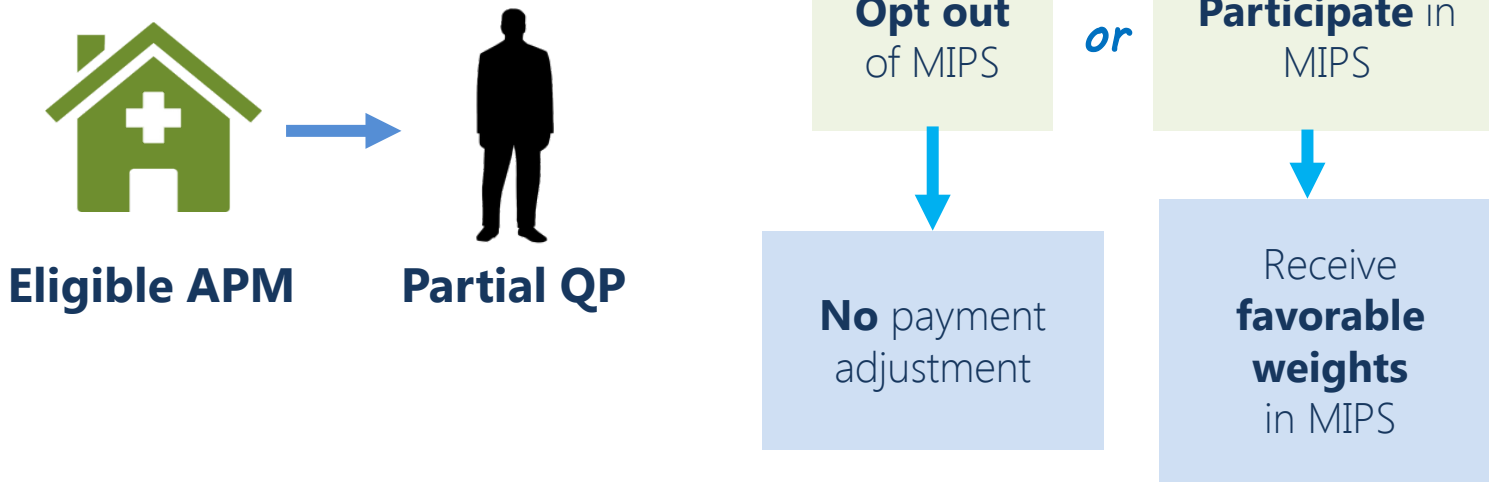
QPs must have a **certain %** of patients or payments through an **eligible APM**.

*What if I'm in an eligible APM but slightly below that percentage threshold?*

# What if I'm in an eligible APM but **don't quite meet the threshold to be a QP?**

*Ex: 20% in 2019 (Criteria defined in law)*

If you meet a **slightly reduced threshold** (% of patients or payments in an eligible APM), you are considered a **“partially qualified professional” (partial QP)** and can:



# What about private payer or Medicaid APMs? Can they help me qualify to be a QP?

Recall:

Yes, starting in **2021**, participation in **some** of these APMs with other non-Medicare payers can **count toward** criteria to be a QP.

“Combination all-payer & Medicare threshold option”

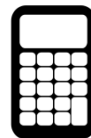
*IF the APMs meet criteria similar to those for eligible APMs run by CMS:*



**Certified  
EHR use**



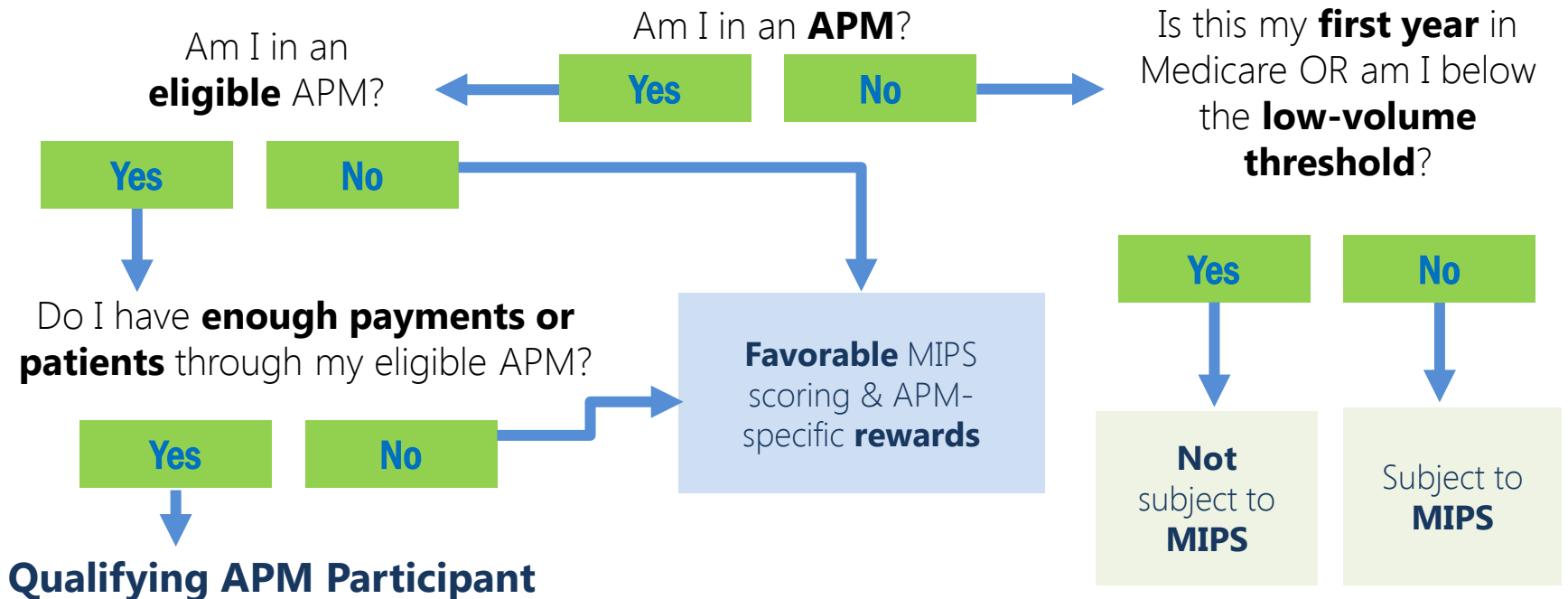
**Quality  
Measures**



**Financial  
Risk**



# How will MACRA affect me?



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



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