



# MACRA Overview and RFI

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# Medicare Access and CHIP Reauthorization Act (MACRA)

- The Medicare Access and CHIP Reauthorization Act of 2015, or MACRA, will change how Medicare pays physicians. MACRA replaces the Sustainable Growth Rate (SGR) methodology, has caused physician payment uncertainty for more than a decade.
- MACRA is more predictable than SGR. It will increase the number of physicians participating in alternative payment models that encourage quality and efficiency. Physicians in high quality, efficient practices may benefit financially from MACRA.
- CMS is starting this year to develop proposals that implement MACRA's key elements.

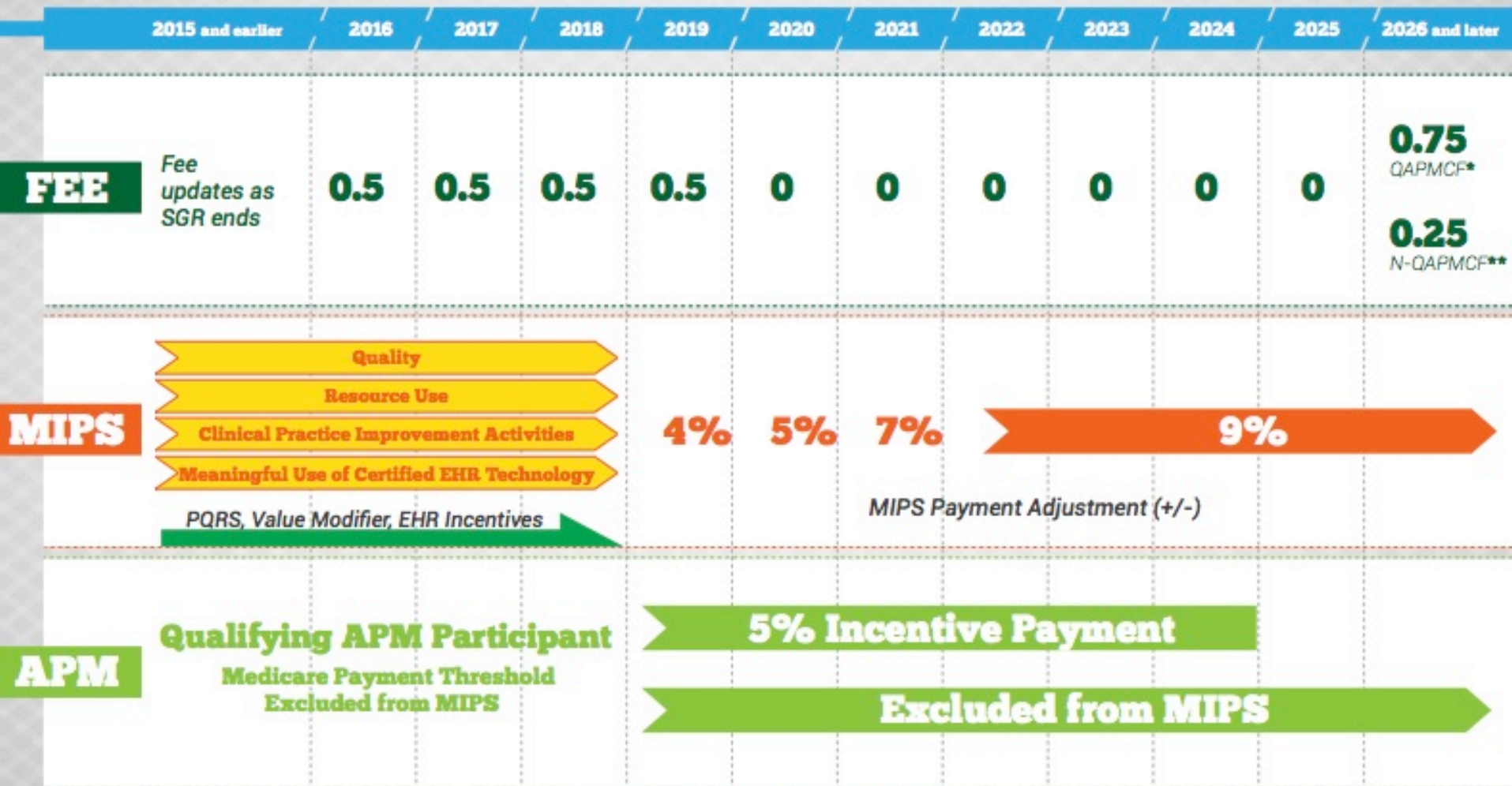
# New Methods of Payment

- Merit-based Incentive Payment System (MIPS) includes consolidated aspects of the Physician Quality Reporting System (PQRS), the Value-Based Payment Modifier (VM), and the Medicare Electronic Health Records (EHR) Incentive Program.
- Incentive payments for certain eligible professionals (EPs) who participate in Alternative Payment Models (APMs) and by encouraging the creation of physician-focused payment models (PFPMs).
- Higher update rate for “qualifying APM participants” beginning in 2026.

# Schedule and Paths for EPs

- EPs can participate in MIPS or meet requirements to be a qualifying APM participant (QP).
- EPs in MIPS can receive a positive, negative or neutral payment adjustment.
- EPs who are determined to be QPs for a year will be excluded from MIPS and receive a 5 percent lump sum incentive payment for that year.
- MIPS payment adjustments and APM incentive payments will begin in 2019.
- The APM incentive payment will be available from 2019 through 2024. Beginning in 2026, services furnished by QPs will receive a 0.75% fee schedule update, and all other services will receive a 0.25% fee schedule update.

# Timeline



\*Qualifying APM conversion factor

\*\*Non-qualifying APM conversion factor

# Merit-Based Incentive Payment System (MIPS)

- Merit-Based Incentive Payment System (MIPS) consolidates aspects of the PQRS, Physician Value-based Modifier and Medicare EHR Incentive Program with single composite performance score:
- Four Categories
  - Quality
  - Resource use
  - Clinical practice improvement activities, and
  - Meaningful use of certified EHR technology
- Payment adjustments based on composite performance score increasing from +/- 4% in 2019 to +/- 9% in 2022 and later\*
- Budget neutral unless an exception applies
- Additional funding for positive adjustments for exceptional performance (2019 – 2024)

\*Note that the upward adjustment may differ somewhat since it is scaled to achieve budget neutrality.

# MIPS Composite Performance Score:

- Performance assessment in four categories using weights established in the statute
- Weights may be adjusted if there are not sufficient measures and activities applicable for each type of EP, including assigning a scoring weight of 0 for a performance category.
- EHR weighting can be decreased and shifted to other categories if Secretary estimates the proportion of physicians who are meaningful EHR users is 75% or greater (statutory floor for EHR weight is 15%)
- **Performance threshold** will be established based on the mean or median of the composite performance scores during a prior period
- The composite performance score will range from 0 – 100
- The score will assess achievement & improvement (when data available)

# MIPS: Topics in RFI

In the RFI, CMS seeks public comment on questions related to the following topics:

- MIPS EP Identifier and Exclusions
- Virtual Groups
- Quality Performance Category
- Resource Use Performance Category
- Clinical Practice Improvement Activities Performance Category
- Meaningful Use of Certified EHR Technology Performance Category
- Other measures
- Development of Performance Standards
- Flexibility in Weighting Performance Categories
- MIPS Composite Performance Score and Performance Threshold
- Public Reporting
- Feedback Reports



# Meaningful Use of Certified EHR Technology Performance Category

- The Act specifies that the measures and activities for the meaningful use of certified EHR technology performance category under the MIPS are the requirements established under HITECH for determining whether an eligible professional is a meaningful EHR user of CEHRT.
  - 25 percent of the composite performance score under the MIPS must be determined based on performance in the meaningful use of certified EHR technology performance category.
  - gives the Secretary discretion to reduce the percentage weight for this performance category (but not below 15 percent) in any year in which the Secretary estimates that the proportion of eligible professionals who are meaningful EHR users is 75 percent or greater, resulting in an increase in the applicable percentage weights of the other performance categories.

# Meaningful Use of CEHRT RFI Questions

- Should the performance score for this category be based solely on full achievement of meaningful use ?
- Should CMS use a tiered methodology for determining levels of achievement in this performance category that would allow EPs to receive a higher or lower score based on their performance relative to the thresholds established in the Medicare EHR Incentive program's meaningful use objectives and measures?
  - How should such a methodology be developed?
  - Should scoring in this category be based on an EP's under- or over-performance relative to the required thresholds of the objectives and measures, or should the scoring methodology of this category be based on an EP's performance relative to the performance of his or her peers?
- What alternate methodologies should CMS consider for this performance category?
- How should hardship exemptions be treated?

# Alternative Payment Models (APMs)

- An eligible APM entity is an APM that:
  - **Requires participants to use certified EHR technology;**
  - Provides payment for covered professional services based on quality measures “comparable to” MIPS quality measures; AND
  - Either: Requires participants to bear financial risk for monetary losses under the APM that are in excess of a nominal amount; OR Is a medical home model expanded under section 1115A(c).
- A small minority of providers will qualify for the APM incentive payment in the early years

# Alternative Payment Models

## Continued

- Provides an incentive payment for participation in certain alternative payment models in 2019-2024 under two Options:
  - Medicare Thresholds:
    - Qualifying APM Participant: Exceeds Medicare payment thresholds – **Receives 5% Bonus**
    - Partially Qualifying APM Participant: Exceeds MIPS payment threshold, but is below Medicare payment thresholds – Participation in **MIPS is Optional**
  - All-Payer Thresholds
    - Qualifying APM Participant: Exceeds All-Payer *and* Medicare payment thresholds – **Receives 5% Bonus**
    - Partially Qualifying APM Participant: Exceeds MIPS threshold, but is below All-Payer *and* Medicare thresholds – Participation in **MIPS is Optional**

# APMs: Topics in RFI

In the RFI, CMS seeks public comment on questions related to the following topics:

- EAPM Entity Requirements
  - Quality Measures
  - Use of Certified EHR Technology
  - Nominal Financial Risk

# Development of Physician-Focused Payment Models (PFPM)

- A Technical Advisory Committee (TAC) will be named to allow stakeholders to propose PFPMs
- The TAC will review and provide recommendations to the Secretary based on criteria established through rulemaking
- HHS/CMS will review and prioritize recommendations against existing factors; Factors can be found here: <http://innovation.cms.gov/Files/x/rfi-websitepreamble.pdf>
- Accepted recommendations can take 12-24 months to go from concept to model
- Not all recommendations will be accepted
- CMS will continue to develop APMs

# Technical Assistance to Small Practices and Practices in Health Professional Shortage Areas

- The RFI also asks for public comment on technical assistance to MIPS EPs in small practices and practices in health professional shortage areas (HPSAs).
- The MACRA requires the Secretary to enter into contracts or agreements with appropriate entities , such as
  - quality improvement organizations, regional extension centers, or regional health collaboratives
- These entities will offer guidance and assistance to MIPS EPs with respect to the MIPS performance categories or in transitioning to the implementation of, and participation in, an APM.
  - practices of 15 or fewer
  - priority given to practices in rural areas, HPSAs, and medically underserved areas, and practices with low composite scores

# Resources and Additional Information

- September 2015 – **Request for Information (RFI)** posted
- October 2015 – **RFI Webinars** (Announcements forthcoming)
- **Health Care Payment Learning and Action Network (LAN)** was established to increase the adoption of value-based payments and alternative payment models through a learning collaborative . Sign up!  
<http://innovationgov.force.com/hcplan>
- March 2016 (anticipated) – CMS to publish **proposed rule**
- October 2016 (anticipated) – MIPS and APMs **final regulation** published