MACRA vs MIPS

Steven L. Phillips, MD
Medical Director, Sanford Center for Aging
Professor, Clinical Internal Medicine
While payments affected beginning in 2019, decisions start even earlier – initial performance period is 2017 for assignment to MIPS or “advanced” APMS.

Participation in APMs not available to all docs:
- CMS estimates only between 31,000 – 90,000 doctors will be assigned to advanced APMs in 2019 which means 90 percent or more of doctors will be in MIPS.
What is MACRA?

• Medicare Access and CHIP Reauthorization Act of 2015 (MACRA), repealed and replaced Medicare’s Sustainable Growth Rate (SGR) formula.

• MACRA changes the way Medicare incorporates quality and cost efficiency measures into physician/clinician payments.

• MACRA incentivizes physicians to participate in alternative payment models.
The Background Which Led to MACRA

• The year to year SGR approach to review and address the rates for Medicare payments to physicians was not working.
• The anticipated 25% payment cut for physician services was not acceptable.
• The payment to physicians (SGR fix) was an opportunity to link payment to improved quality of care.
• MACRA shifted the focus from “volume to value,” heightening physician incentives to make treatment decisions considering quality and resource use.
The Basics of MACRA and the Key Concepts of Alternate Physician Payment

- MACRA provides two paths in 2019 – both focus on paying for value instead of volume:
  1. Incentive payments and higher rate payments for clinicians who participate in eligible Alternative Payment Models (APM’s) than for others.
  2. Merit-Based Incentive Payment System (MIPS) for clinicians not meeting APM criteria.

- 5% bonus each year if physicians derive a specified minimum amount of income from services furnished in APM entities.

- Scoring system based on quality measures and utilization measures.
- 2019 Bonus or Penalty will be based on 2017 performance.
- We are six months away from this.
Under MIPS, APM participants guaranteed to receive at least a half credit score for Clinical Practice Improvement Activity Category

* Qualifying Participant (QPs)
Merit-Based Incentive Payment System (MIPS)

• This is a new program in the Medicare fee-for-service payment system.
• This program consolidates 3 existing programs into a single program, and adds a 4th:
  • Meaningful Use.
  • The Physician Quality Reporting System.
  • The Value-Based Payment Modifier

• **2017 performance data will be used for 2019 payment adjustment.**
  • CMS proposes to use claims processed up to 90 days after the end of the performance period.

• Physicians can participate as individuals or as a group: defined by Taxpayer ID number.
Who is eligible for the Merit-Based Payment System (MIPS)?

MIPS eligible clinicians:
• All physicians.
• Physician assistants.
• Nurse practitioners.
• Clinical nurse specialists.
• Certified registered nurse anesthetists.
• Groups that include such clinicians.

Practitioners excluded from MIPS:
• Newly Medicare-enrolled eligible clinicians.
• Certain participants in Advanced APMs.
• Low-volume threshold clinicians*.

*Less than $10,000 in Medicare charges and 100 or less Medicare patients in one year.
The Four Components of MIPS

(10 percent of total score in year 1; replaces the cost component of the Value Modifier Program, also known as Resource Use)

(25 percent of total score in year 1; replaces the Medicare EHR Incentive Program for physicians, also known as “Meaningful Use”)

(50 percent of total score in year 1; replaces the Physician Quality Reporting System and the quality component of the Value Modifier Program)

(15 percent of total score in year 1)

The Impact of the Proposed Rule

• CMS estimates that overall, most MIPS physicians (54%) will have positive adjustment.

• Hardest hit specialties include chiropractors, dentistry, podiatry, psychiatry, and plastic surgeons.

• Likelihood of positive adjustment increases with practice size.

<table>
<thead>
<tr>
<th>Practice Size</th>
<th>Eligible Clinicians (ECs)</th>
<th>Percent with Negative Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solo</td>
<td>102,788</td>
<td>87%</td>
</tr>
<tr>
<td>2 - 9 ECs</td>
<td>123,695</td>
<td>70%</td>
</tr>
<tr>
<td>10 – 24 ECs</td>
<td>81,207</td>
<td>59%</td>
</tr>
<tr>
<td>25 – 99 ECs</td>
<td>147,976</td>
<td>45%</td>
</tr>
<tr>
<td>100+ ECs</td>
<td>305,676</td>
<td>18%</td>
</tr>
</tbody>
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The Key Themes of How MIPS Works

Individual physician composite score of 0-100.

- Clinical Quality: 50%
- Resource use: 10%
- Meaningful use of certified electronic health record technology: 25%
- Clinical practice improvement activities: 15%

Physicians whose score is >= above the threshold will receive a maximum positive payment adjustment of +4% on each claim for the following year. Additional bonus is possible for exceptional performance.

Physicians who score at the threshold composite score will receive no payment adjustment.

Physicians whose composite score is below the threshold will receive a maximum negative adjustment of -4% on each claim for the following year.
Components of MIPS – Quality

Key Points:
• Clinicians would choose to report six measures.
• This category gives clinicians reporting options to choose from to accommodate differences in specialty and practices.

(50 percent of total score in year 1; replaces the Physician Quality Reporting System and the quality component of the Value Modifier Program)
(10 percent of total score in year 1; replaces the cost component of the Value Modifier Program, also known as Resource Use)

- Score would be based on Medicare claims.
- No reporting requirements for clinicians.
- More than 40 episode-specific measures to account for differences among specialties.
Components of MIPS – Clinical Practice Improvement Activities

Key Points:

• Clinicians would be rewarded for clinical practice improvement activities such as activities focused on care coordination, beneficiary engagement, and patient safety.

• Clinicians may select activities that match their practices’ goals from a list of more than 90 options.

(15 percent of total score in year 1)
Key Points:

• Clinicians would choose to report customizable measures that reflect how they use EHR technology in their day-to-day practice.

• A particular emphasis is on interoperability and information exchange.

• This category would not require an all-or-nothing EHR measurement or quarterly reporting.

(25 percent of total score in year 1)
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

If yes, I am a Qualifying APM Participant:
- 5% lump sum bonus payment 2019-2024
- Higher fee schedule updates 2026+
- APM-specific rewards
- Excluded from MIPS

If no, I am subject to MIPS:
- Subject to MIPS
- Favorable MIPS scoring
- APM-specific rewards

Is this my first year in Medicare OR am I below the low-volume threshold?
- Yes
- No

Not subject to MIPS
- Subject to MIPS
Steven L. Phillips, MD

slphillips@unr.edu

775-690-9267