



The Office:

MACRA in a nutshell

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MUCH HAS BEEN WRITTEN over the past year about the Medicare Access and CHIP Reauthorization Act

of 2015 (MACRA), and its primary vehicle, the Merit-Based Incentive System (MIPS); but many small practices seem reluctant to take it seriously, despite the fact that it puts yet

another significant percentage of our Medicare reimbursements at risk.

Those much-publicized attempts to “repeal and replace” the Affordable Care Act earlier this year undoubtedly

ly contributed to the apathy; but the ACA is apparently here to stay, and the first MIPS “performance period” ends on Dec. 31, so now would be an excellent time to get up to speed. Herewith, the basics:

MACRA consolidates three existing quality reporting programs, all of which I have discussed in previous columns: the Physician Quality Reporting System (PQRS); the Value-Based Payment Modifier (VBM), and Meaningful Use (MU), and it adds a “new” program called Clinical Practice Improvement Activities (CPIA), which is actually just another iteration of Maintenance of Certification (MOC). While the new system won’t be implemented until 2019, performance reporting began in January, and your 2017 reporting will affect your 2019 reimbursements.

Each practice must choose between two payment tracks: either MIPS or one of the so-called Alternative Payment Models (APM). The MIPS track will use the four reporting programs just mentioned to compile a composite score between 0 and 100 each year for every practitioner, based on four performance metrics: quality measures listed in Qualified Clinical Data Registries (QCDRs), such as Approved Quality Improvement (AQI); total resources used by each practitioner, as measured by VBM; “improvement activities” (MOC); and MU, in some new, as-yet-undefined form. You can earn a bonus of 4% of reimbursement in 2019, rising to 5% in 2020, 7% in 2021, and 9% in 2022 – or you can be penalized those

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amounts (“negative adjustments”) if your performance doesn’t measure up.

The final MACRA regulations, issued last October, allow a more gradual MIPS implementation that should decrease the penalty burden for small practices, at least initially. For example, you can avoid a penalty in 2019 – but not qualify for a bonus – by reporting your performance in only one quality-of-care or practice-improvement category by the end of this year. A decrease in penalties, however, means a smaller pot for bonuses – and reprieves will be temporary.

The alternative, APM, is difficult to discuss, as very few models have been presented – or even defined – to date. Only Accountable Care Organizations (ACOs) have been introduced in any quantity, and most of those have failed miserably in real-world settings. The Episode of Care (EOC) model, which pays providers a fixed amount for all services rendered in a bundle (“episode”) of care, has been discussed at some length, but this remains untested and in the end may turn out to be just another variant of capitation.

So, which to choose? Long term, I strongly suggest that everyone prepare for the APM track as soon as APMs that are better and more efficient become available, as it appears that there will be more financial security there, with less risk of

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penalties; but you will probably need to start in the MIPS program, since most projections indicate that the great majority of practitioners, particularly those in smaller operations, will do so.

While some may be prompted to join a larger organization or network to decrease their risk of MIPS penalties and gain quicker access to the APM

track – which may well be one of the Center for Medicare & Medicaid Services’ surreptitious goals in introducing MACRA in the first place – there are steps that those individuals and small groups who choose to remain independent can take now to maximize their chances of landing on the bonus side of the MIPS ledger.

First, make sure your practice data are accurate on the Medicare Provider Enrollment, Chain, and Ownership System (PECOS) – where CMS will gather data for the VBM and Physician Feedback Reports. Study the quality benchmarks, and review your Quality Resource and Use Report (QRUR), which gathers information about each practice’s quality and performance rates for the VBM. (Both PECOS and QRUR can be downloaded at CMS.gov.)

If the alphabet soup above has your head swimming, join the club – you’re far from alone; but don’t be discouraged. CMS has indicated its willingness to make changes aimed at decreasing the administrative burden and, in its words, “making the transition to MACRA as simple and as flexible as possible.” #