

Action Required to Remain in Control of Patient Revenue

MACRA: MIPS AND APMs

The Medicare Access and CHIP Reauthorization Act (MACRA) of 2015 (MACRA) becomes effective **January 1, 2017**.

Keeping it simple, MACRA is intended to:

- Create a value over volume business model
- Replace the Sustainable Growth Rate (SGR) Formula
- Combine multiple quality programs into 1 - Merit-based Incentive Payment System (MIPS) Value Modifier (VM), Physician Quality Reporting System (PQRS), Meaningful Use (MU) programs
- Provide financial incentives for participation in Advanced Alternative Payment Models (APMs)

MACRA applies to any providers that bill **Medicare Part B**, and **requires** that these providers participate in either MIPS or an APM.

APMs currently include the following programs:

- Medicare Shared Savings Programs, Tracks 2 or 3
- Next Generation Accountable Care Organizations (ACOs)
- Comprehensive Primary Care Plus (CPC+)
- Comprehensive End Stage Renal Disease (Large Dialysis Organizations)

If a provider is not part of one of the APMs shown above, then he or she is going to be subject to Medicare payment adjustments in 2019 depending on how he or she scores under the MIPS program.

MIPS scoring is based upon the following four categories:

- Advancing Care Information (ACI)
- Clinical Practice Improvement Activities (CPIA)
- Quality
- Resource Use (Cost)

The ACI and CPIA categories will be scored based upon meeting certain predefined criteria, however, Quality and Cost will be measured based upon a providers' performance as compared to a peer group.

The differences in how these categories are scored is key since:

- MACRA is intended to be budget-neutral
- Potential bonuses to an individual provider are far greater than penalties: -4% to +22% in 2019, and -9% to +37% in 2022.

This implies that more providers will be penalized than will receive bonuses. Since the ACI and CPIA categories are controllable by a provider, maximizing scoring for these is crucial to avoiding a penalty. Proactive management of programs under the Quality and Cost categories should mitigate how a provider scores as compared to his or her peer group, and hopefully will improve the chances that a bonus will be earned.

Questions about MACRA and how to secure your bonus, contact Kelly at Whittle Advisors.