

# The Medicare Access and CHIP Reauthorization Act: What does it mean for me?



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*Centers for Medicare and Medicaid Services*

Presentation to the Scripps Mercy Physician Partners Medical Group

May 4<sup>th</sup>, 2016

# Disclaimer

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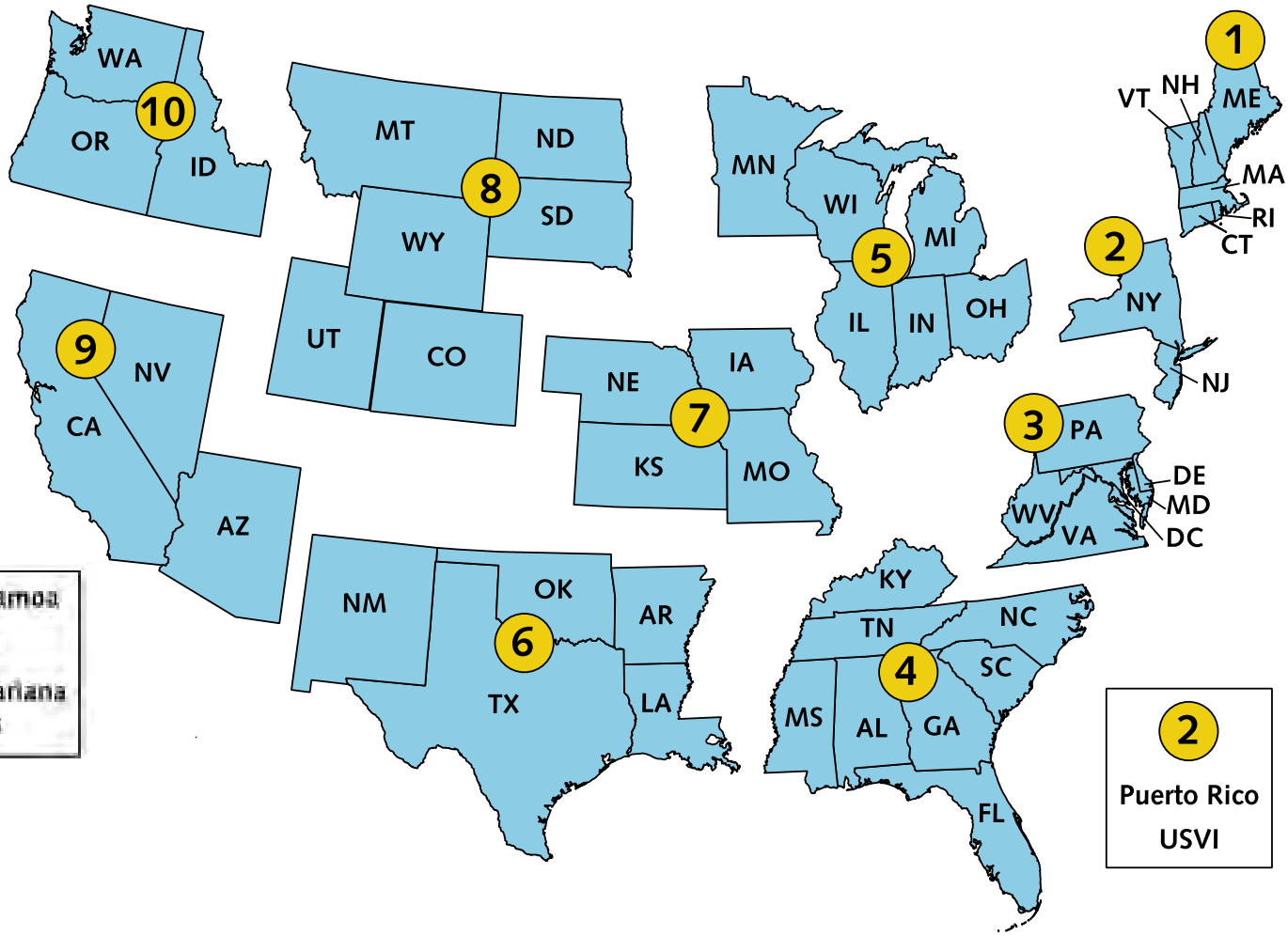
# Objectives

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- **CMS Priorities**
  - Continuous quality improvement to improve patient safety
  - Shifting from Volume to Value-Based payments
  - Measure alignment and streamlining
- **Health System Transformation: MACRA 2015**
  - Review of the Medicare Access and CHIP Reauthorization Act
  - The Quality Payment Program: MIPS vs APMs
- **What's next?**
  - Transforming Clinical Practice Initiative (TCPI)

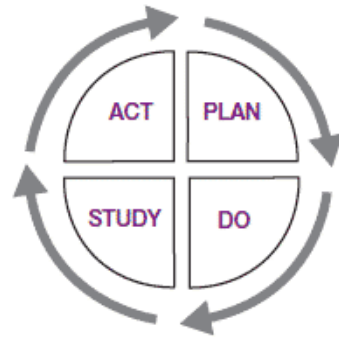
# CMS OFFICES

## 10 REGIONS AND 4 TERRITORIES



# Complications

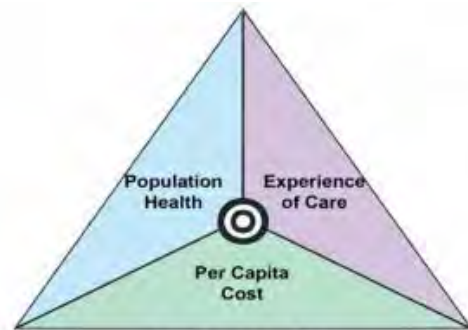
[ A SURGEON'S NOTES ON  
AN IMPERFECT SCIENCE ]



## The 'Must Do' List: Certain Patient Safety Rules Should Not Be Elective

Robert Wachter

August 20, 2015



IHI Triple Aim



# Better. Smarter. *Healthier.*

So we will continue to work across sectors and across the aisle for the goals we share: *better care, smarter spending, and healthier people.*

# Better Care, Smarter Spending, Healthier People

## Focus Areas

## Description

### Incentives

- Promote value-based payment systems
    - Test new alternative payment models
    - Increase linkage of Medicaid, Medicare FFS, and other payments to value
  - Bring proven payment models to scale
- 

### Care Delivery

- Encourage the integration and coordination of services
  - Improve population health
  - Promote patient engagement through shared decision making
- 

### Information

- Create transparency on cost and quality information
- Bring electronic health information to the point of care for meaningful use

# Measure Alignment Efforts

- CMS Draft Quality Measure Development Plan
  - Highlight known measurement gaps and develop strategy to address these
  - Promote harmonization and alignment across programs, care settings, and payers
  - Assist in prioritizing development and refinement of measures
  - Public Comment period closed March 1<sup>st</sup>, final report to be published in May
- Core Measures Sets released February 16<sup>th</sup>
  - ACOs, Patient Centered Medical Homes (PCMH), and Primary Care
  - Cardiology
  - Gastroenterology <https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/QualityMeasures/Core-Measures.html>
  - HIV and Hepatitis C
  - Medical Oncology
  - Obstetrics and Gynecology
  - Orthopedics
- CMS is already using measures from the each of the core sets
- Commercial health plans are rolling out the core measures as part of their contract cycle



# Key CMS Priorities in health system transformation

3 goals for our health care system:

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

Via a focus on 3 areas



Incentives



Care  
Delivery



Information  
Sharing

Affordable Care Act



MACRA

What does it mean for you?


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



# 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

# **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 ***advanced alternative payment models (APMs)***



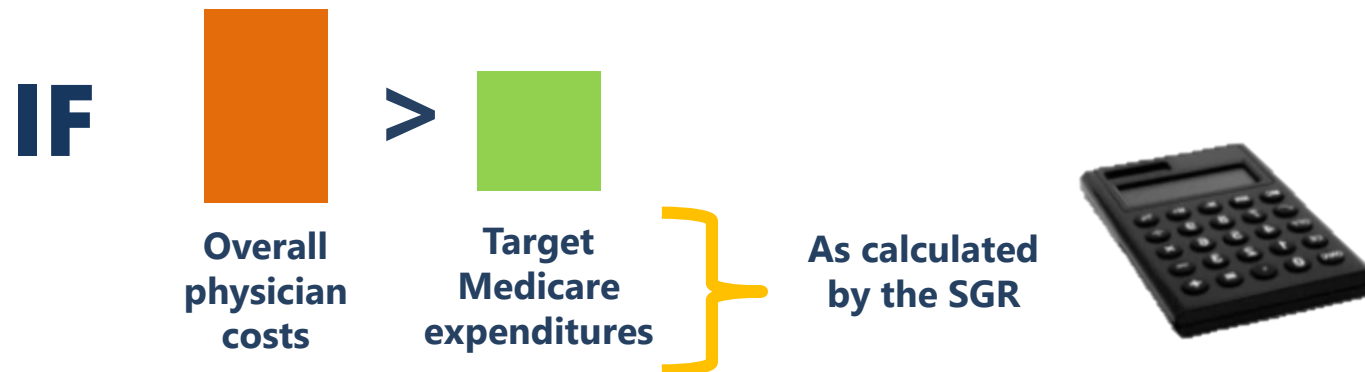
**What does MACRA address?**

# 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



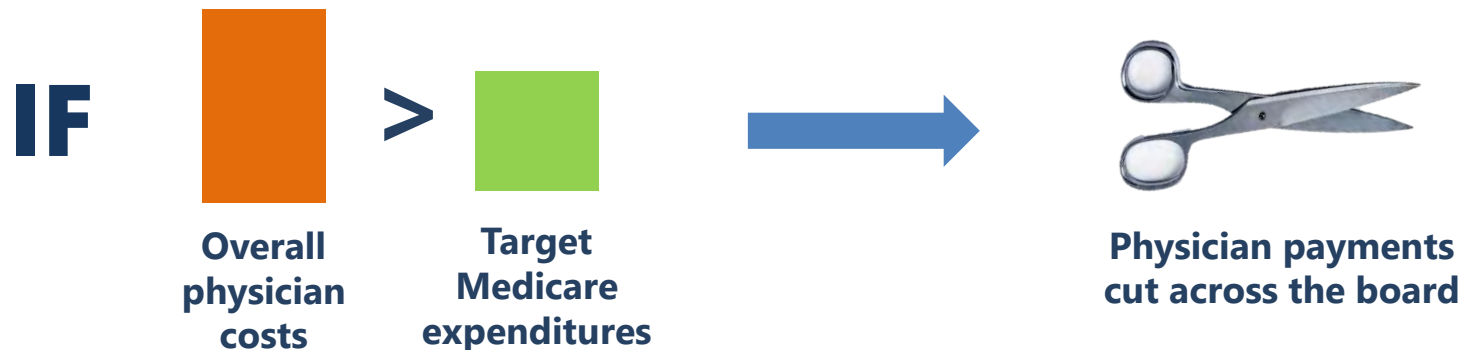


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# Medicare Payment Prior to MACRA

**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:

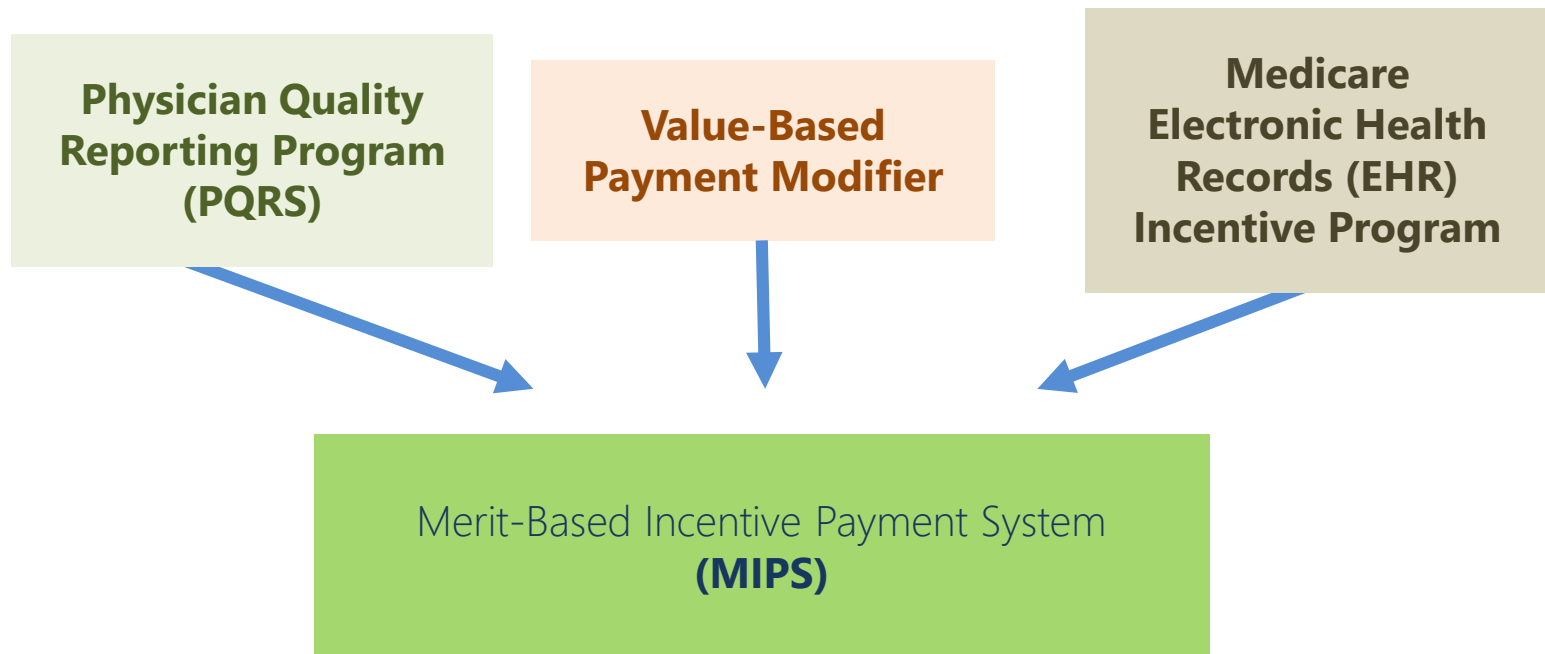
**Physician Quality  
Reporting Program  
(PQRS)**

**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 visible buttons.

**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.

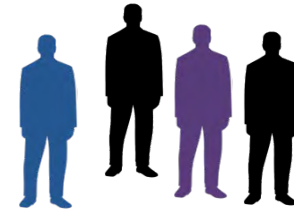
Affected clinicians are called “**eligible clinicians**” and will participate in MIPS.  
The types of **Medicare Part B** health care clinicians affected by MIPS may expand in the first 3 years of implementation.

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



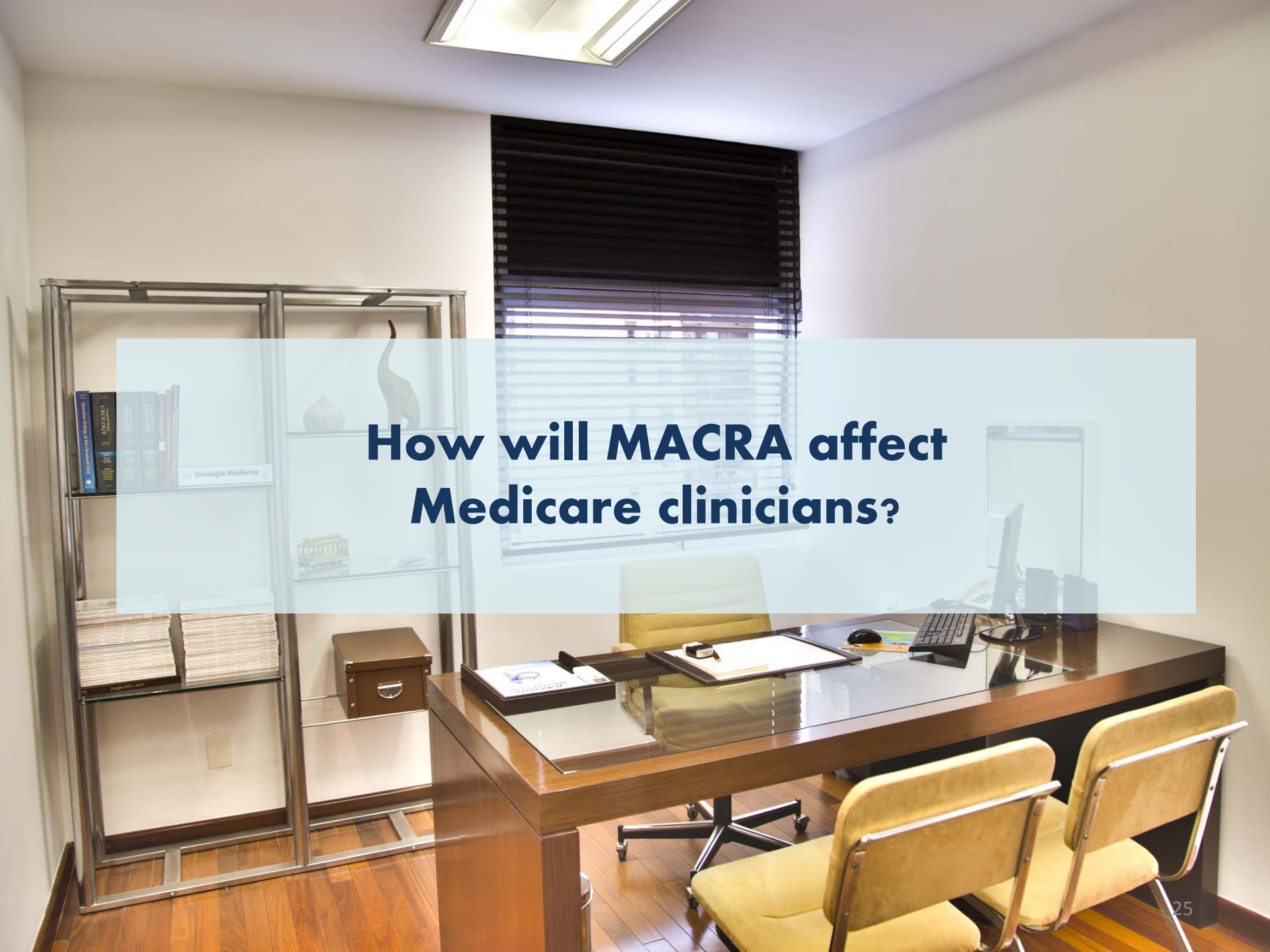
Below **low patient**  
**volume** threshold



Certain participants in  
**ADVANCED** Alternative  
Payment Models

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

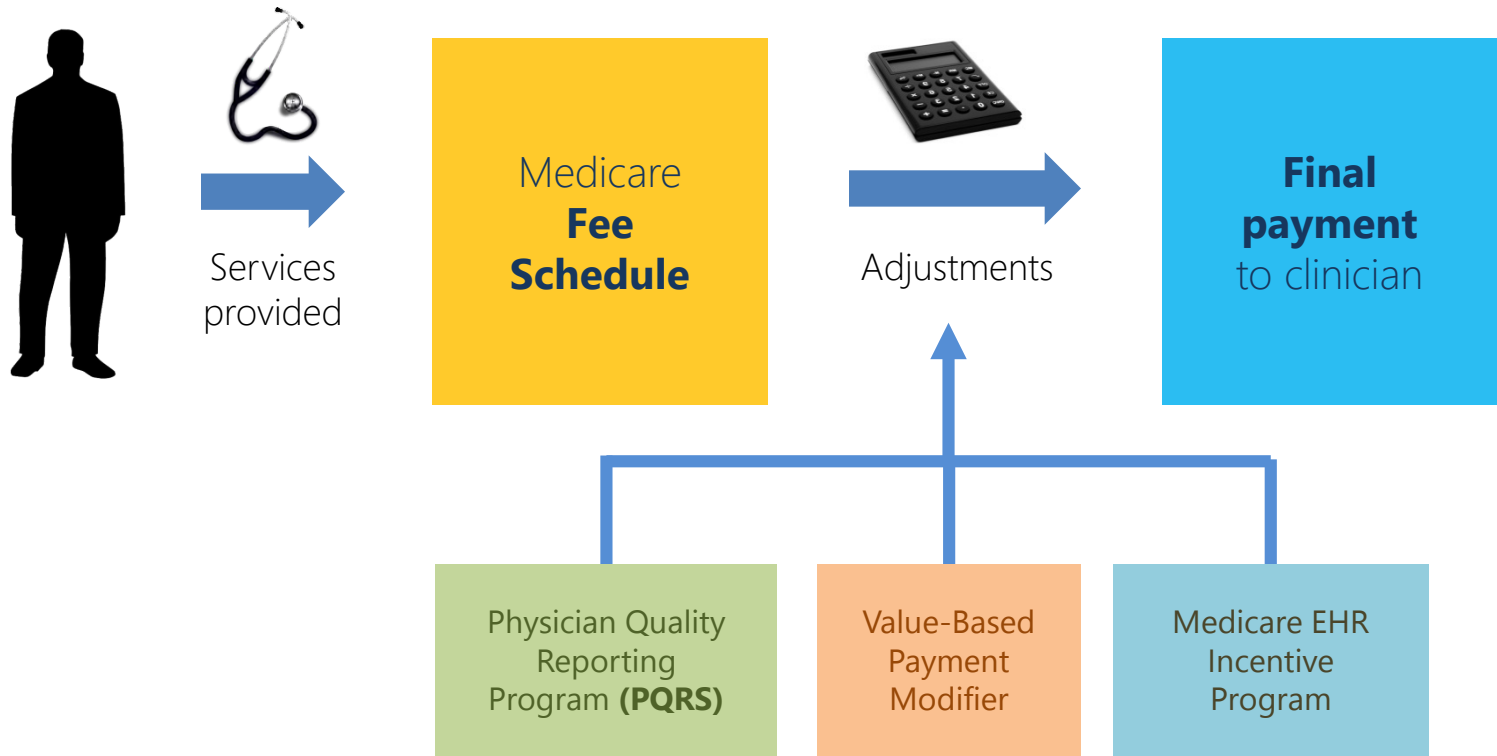




# How will MACRA affect Medicare clinicians?

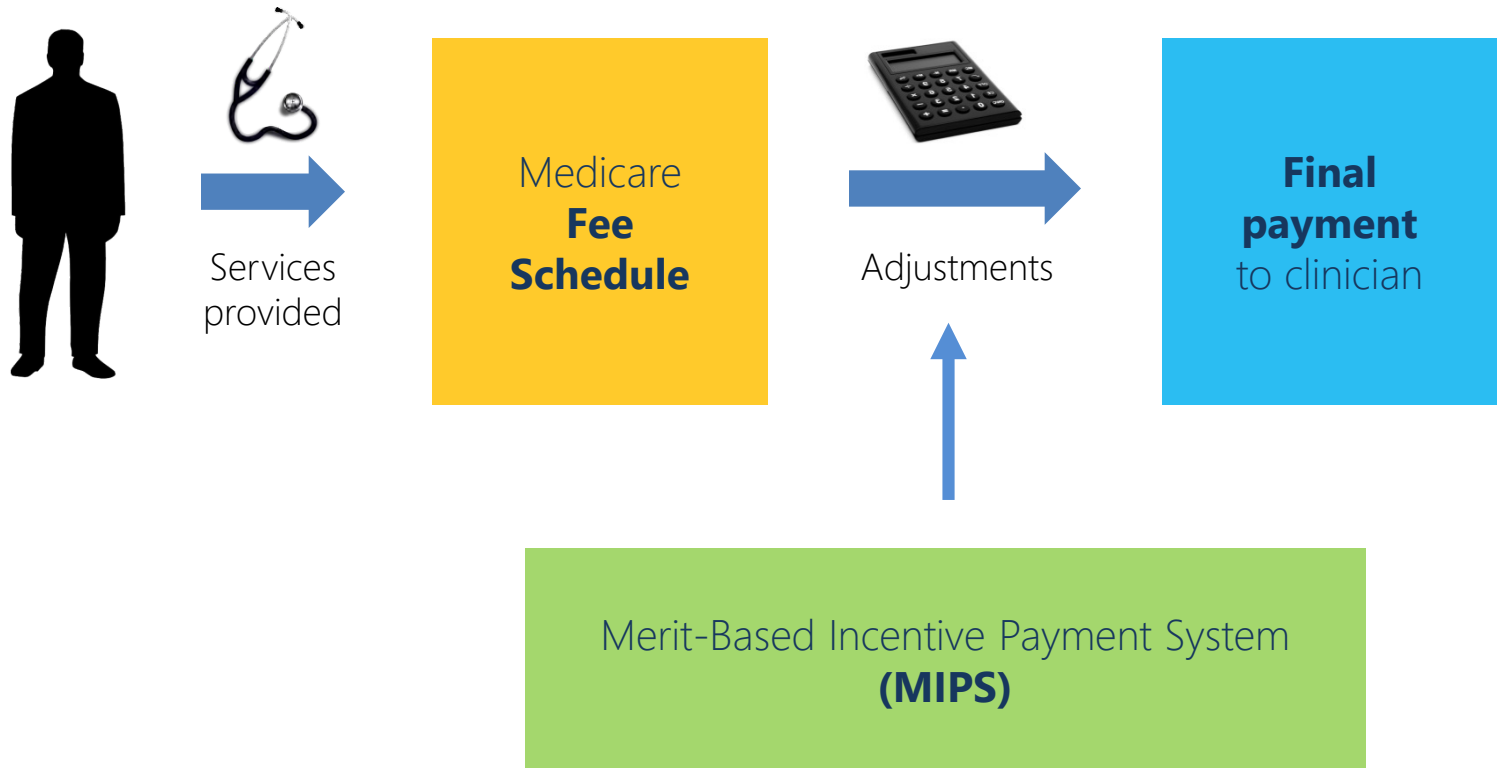
# MACRA changes how Medicare pays clinicians.

The **current** system:



# MACRA changes how Medicare pays clinicians.

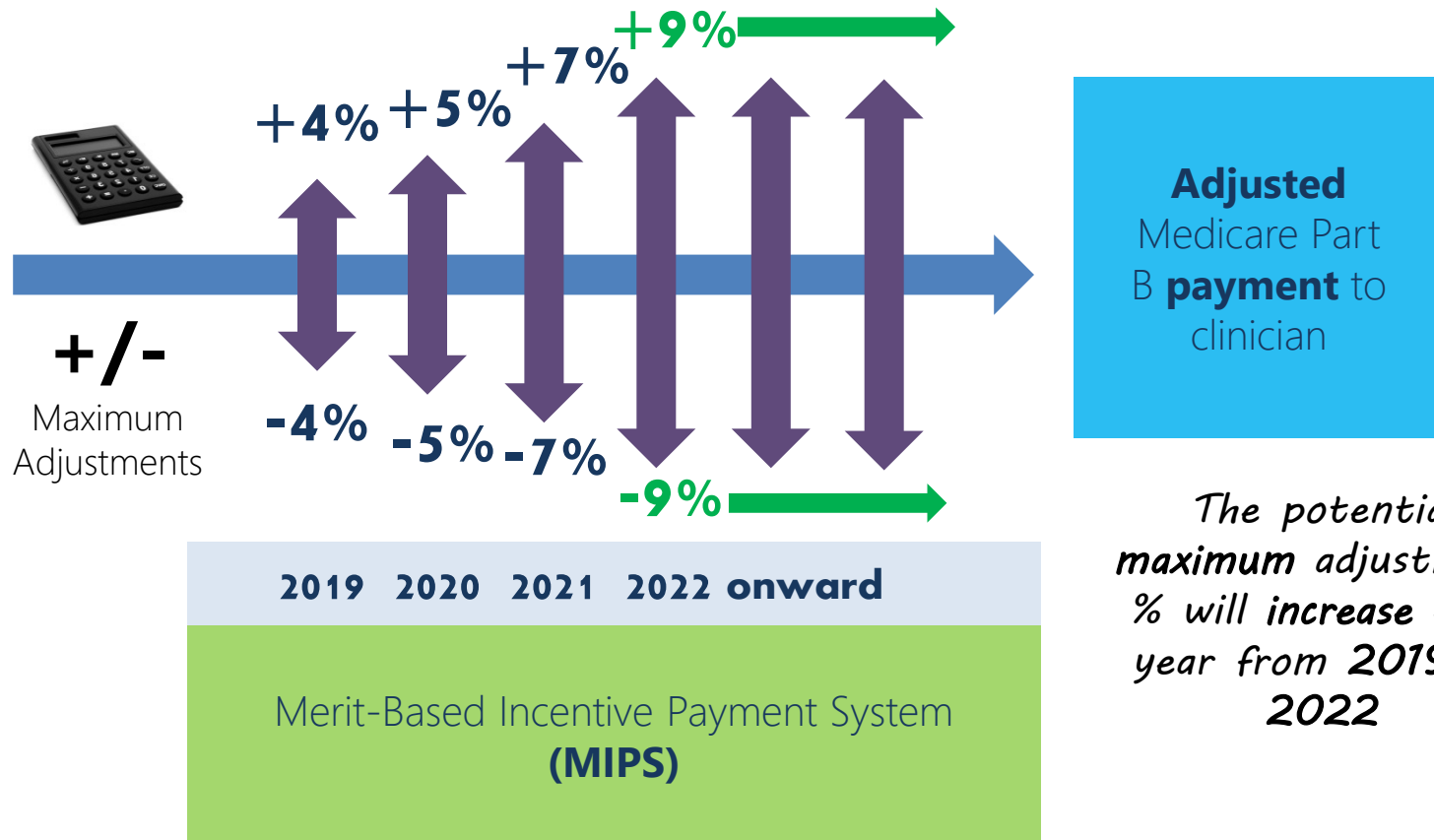
The system after **MACRA**:



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

# How much can MIPS adjust payments?

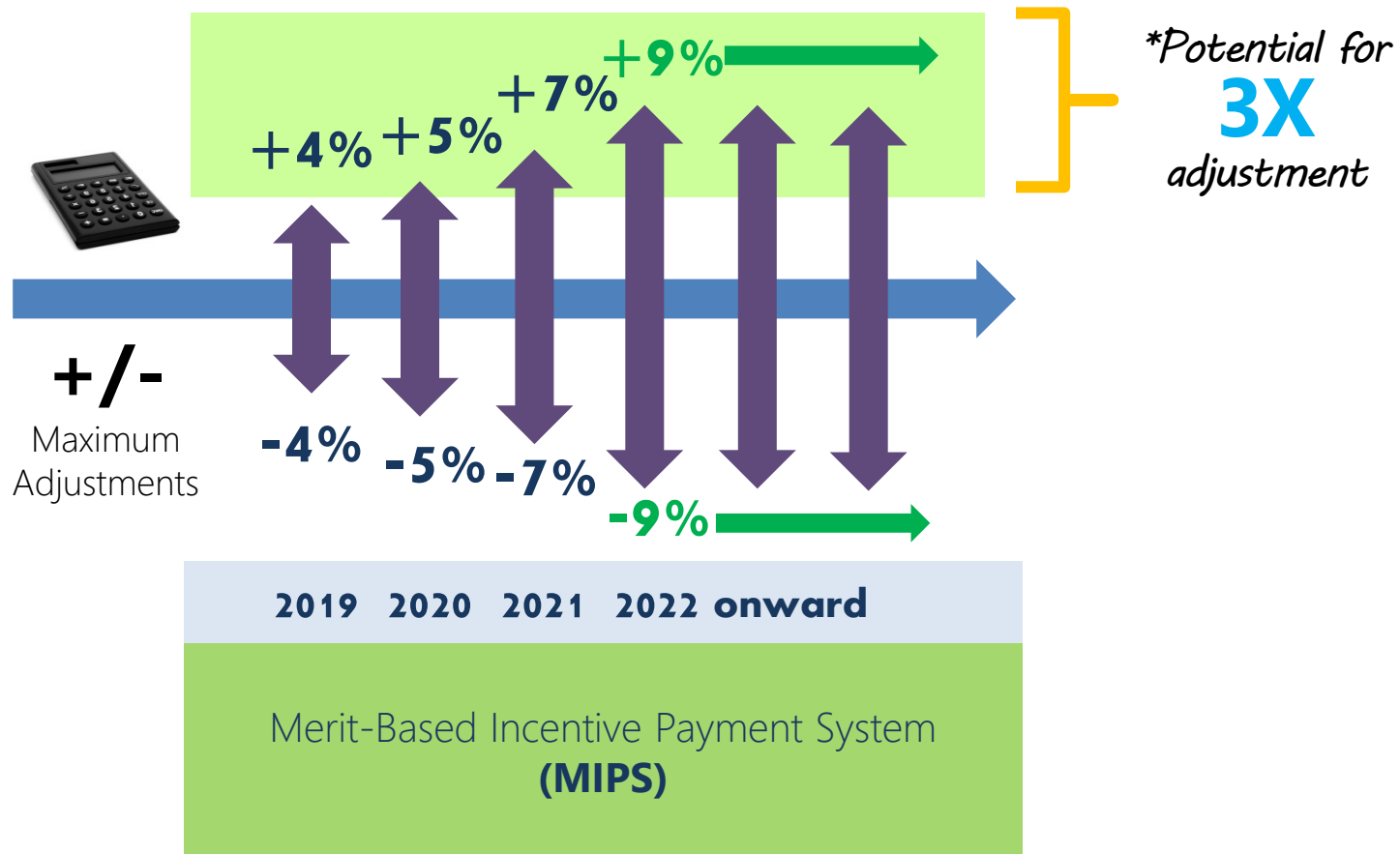
Based on a composite performance score, clinicians will receive **+/- or neutral** adjustments **up to** the percentages below.



*The potential maximum adjustment % will increase each year from 2019 to 2022*

# 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



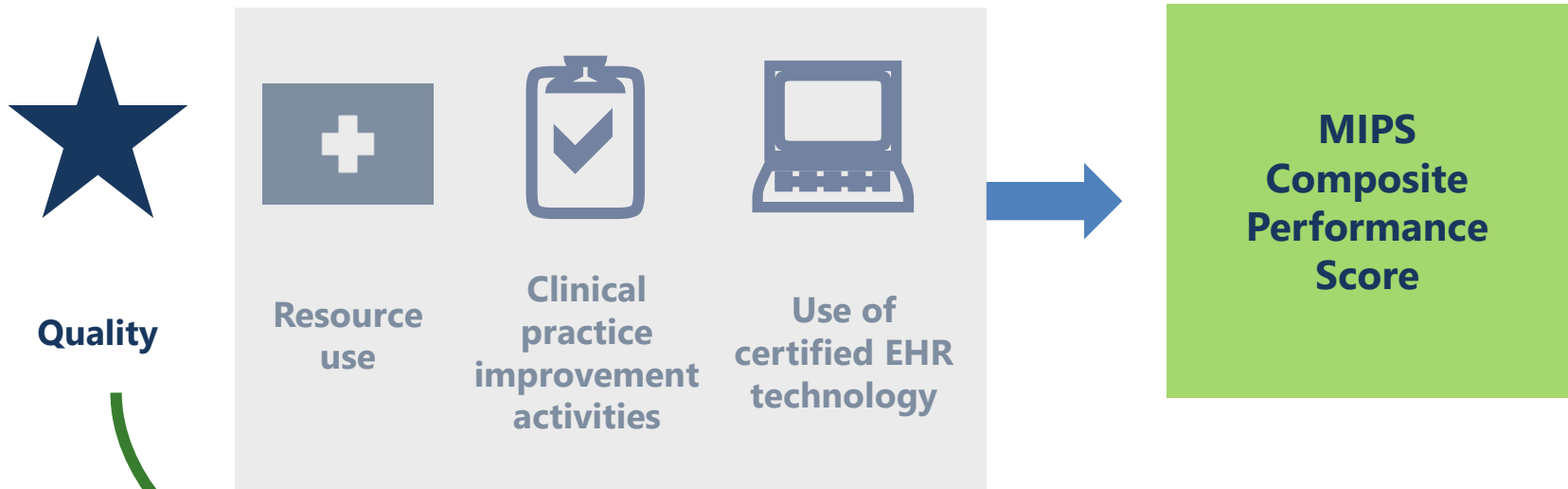
Use of  
certified EHR  
technology



MIPS  
Composite  
Performance  
Score

# What will determine my MIPS score?

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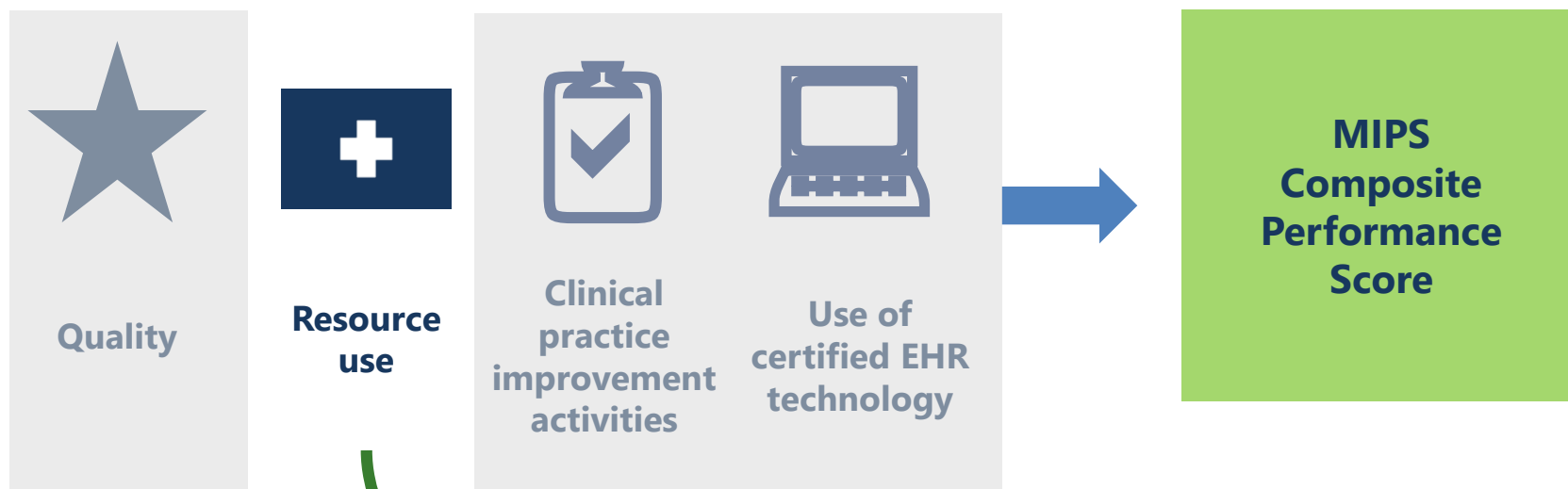


*\*Quality measures will be published in an **annual list***

*\*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**:



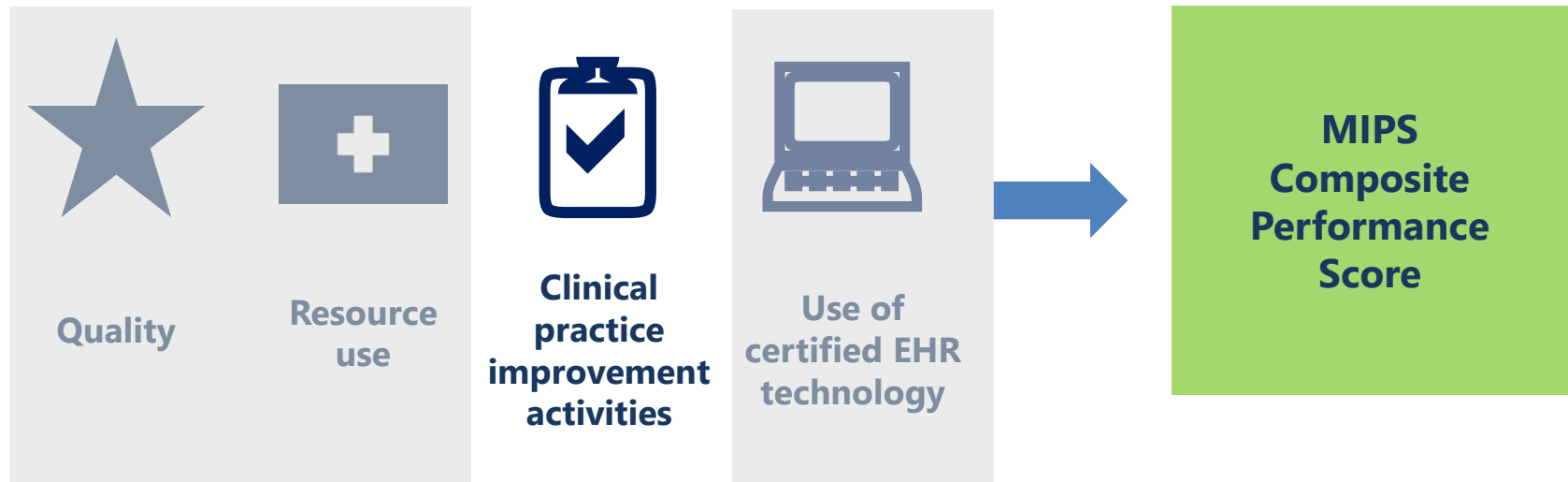
*\*Will compare resources used to treat similar **care episodes and clinical condition groups** across practices*

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



# What will determine my MIPS score?

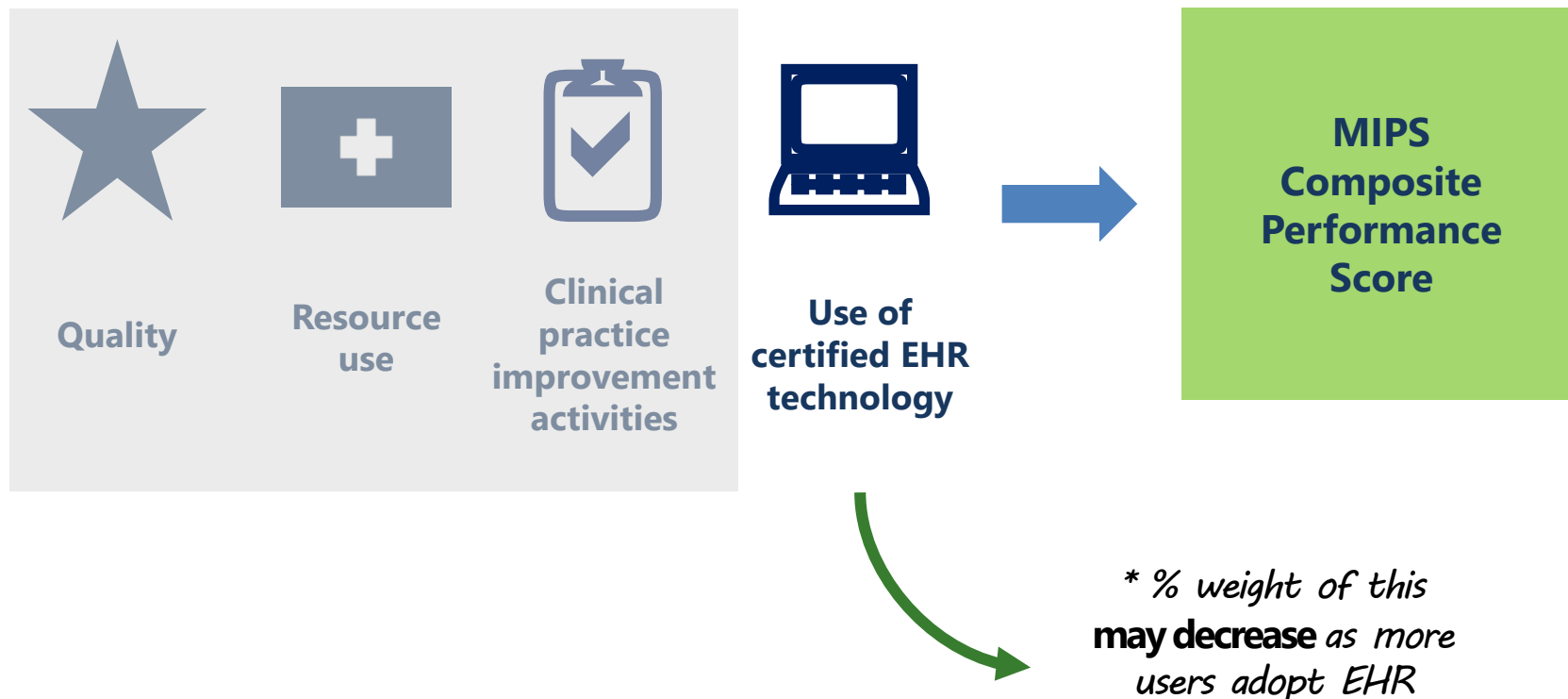
The MIPS composite performance **score** will factor in performance in **4 weighted categories**:



*\*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**:



# What will determine my MIPS score?

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



Year	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*

# 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  
**ADVANCED** Alternative  
Payment Models

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

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Below **low patient**  
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**ADVANCED** 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

## “Advanced” 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

MIPS adjustments

### In APM

MIPS adjustments

+

APM-specific  
rewards

### In **advanced** 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)**?

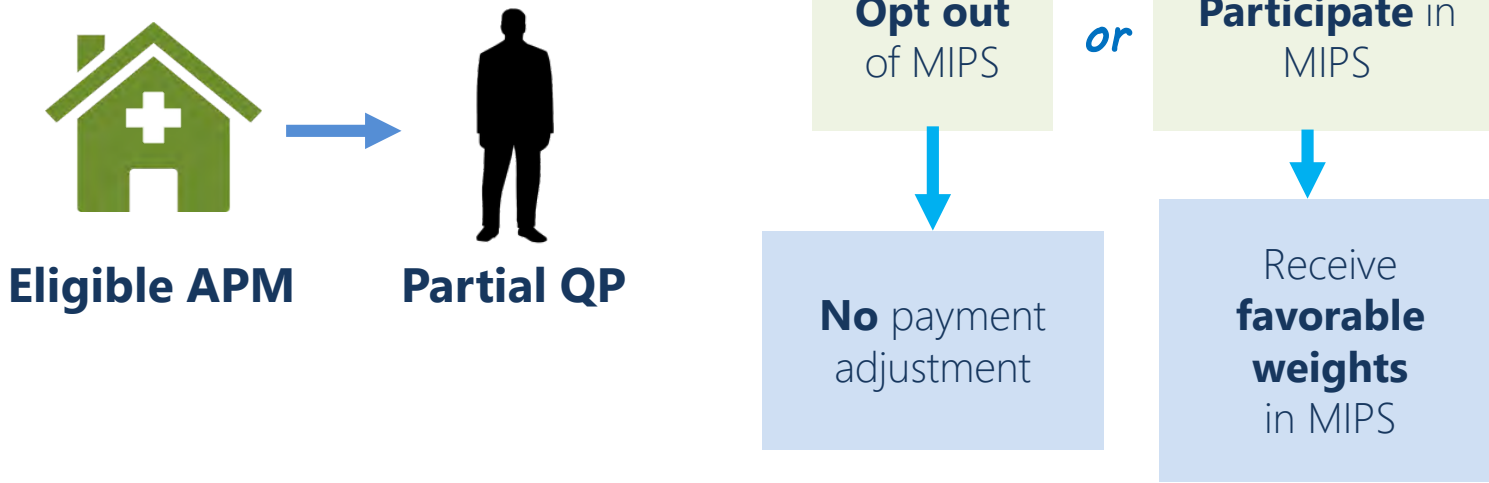


*Bonus applies in 2019-2024; then will receive higher fee schedule update starting in 2026*

# What if I'm in an advanced 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?

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”*

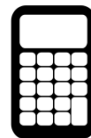
*IF the APMs meet criteria similar to those for eligible APMs run by CMS:*



**Certified  
EHR use**



**Quality  
Measures**

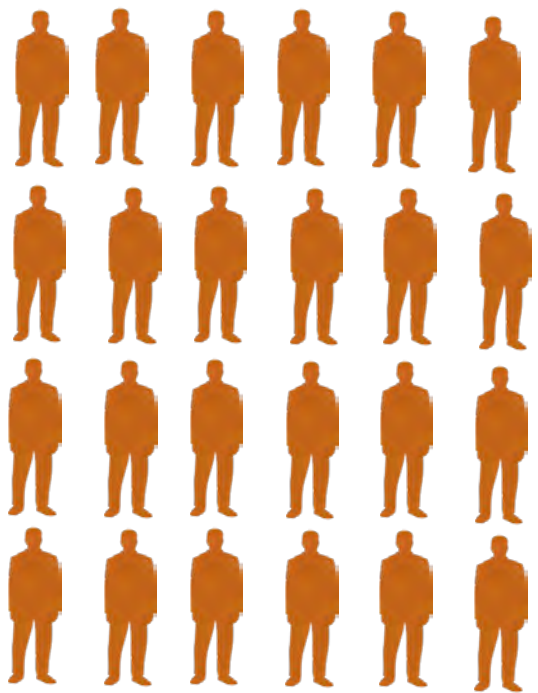


**Financial  
Risk**

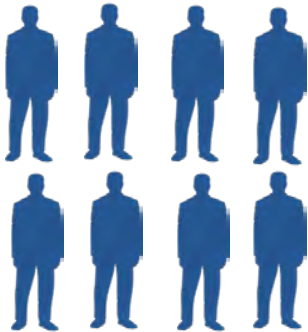
**Note: Most practitioners will be subject to MIPS.**

**Subject to MIPS**

**Not in APM**



**In non-advanced APM**



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



**QP in advanced APM**



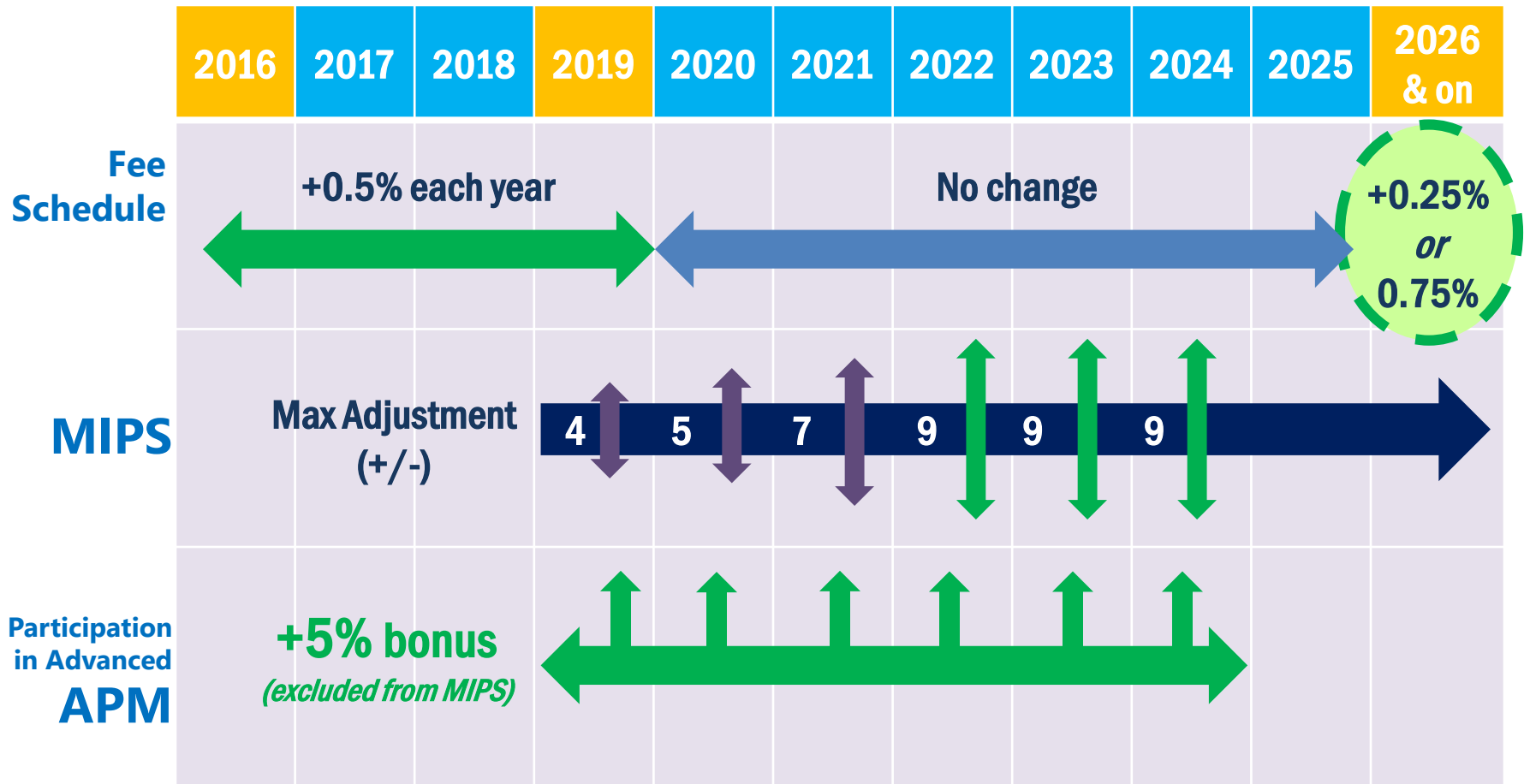
*Some people may be in eligible APMs and but not have enough payments or patients through the eligible APM to be a QP.*

*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 from 1 to 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?**

# 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, with the performance year proposed to start in 2017.**
- 4) A **proposed rule** has been released on April 27, with the **final rule** targeted for **fall 2016.**



# What should I do to prepare for MACRA?

- Look for future educational activities
- Review fact sheets and the proposed rule on these changes released April 27th and provide **comments** on the proposal (**until June 26**)  
<http://go.cms.gov/QualityPaymentProgram>
- Final rule targeted for early fall 2016
- Consider collaborating with one of the TCPI Practice Transformation Networks or Support and Alignment Networks.

# Transforming Clinical Practice Initiative



Support more than 140,000 clinicians in their practice transformation work



Improve health outcomes for millions of Medicare, Medicaid and CHIP beneficiaries and other patients



Reduce unnecessary hospitalizations for 5 million patients



Generate \$1 to \$4 billion in savings to the federal government and commercial payers



Sustain efficient care delivery by reducing unnecessary testing and procedures



Build the evidence base on practice transformation so that effective solutions can be scaled

# Practice Transformation Networks (PTNs) In Region 9

- Arizona Health-e Connection
- Children's Hospital of Orange County
- Local Initiative Health Authority of Los Angeles County
- Community Health Center Association of Connecticut, Inc.
- National Rural Accountable Care Consortium
- Pacific Business Group on Health
- VHA/UHC Alliance Newco, Inc.

# Support and Alignment Networks (SANs)

- American College of Emergency Physicians
- American College of Physicians
- HCD International, Inc.
- Patient Centered Primary Care Foundation
- The American Board of Family Medicine, Inc.
- Network for Regional Healthcare Improvement
- American College of Radiology
- American Psychiatric Association
- American Medical Association
- National Nursing Centers Consortium

# 6 Key Benefits to Participating Clinicians

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1. Optimize health outcomes for your patients
2. Promote connectedness of care for your patients
3. Learn from high performers how to effectively engage patients and families in care planning
4. More time spent caring for your patients
5. Stronger alignment with new and emerging federal policies
6. Opportunity to be a part of the national leadership in practice transformation efforts

<http://www.healthcarecommunities.org/CommunityNews/TCPI.aspx>

# References & Further Reading

Health Care Payment Learning and Action Network

<http://innovationgov.force.com/hcplan>

CMS Innovation Center

<https://innovation.cms.gov/>

CMS Draft Quality Measures Development Plan

<https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/MACRA-MIPS-and-APMs/Draft-CMS-Quality-Measure-Development-Plan-MDP.pdf>

MACRA: Medicare Access and CHIP Reauthorization Act of 2015

<https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/MACRA-MIPS-and-APMs/MACRA-MIPS-and-APMs.html>

CMS Health Equity Plan

[https://www.cms.gov/About-CMS/Agency-Information/OMH/OMH\\_Dwnld-CMS\\_EquityPlanforMedicare\\_090615.pdf](https://www.cms.gov/About-CMS/Agency-Information/OMH/OMH_Dwnld-CMS_EquityPlanforMedicare_090615.pdf)

Contact information for the Transforming Clinical Practice Initiative

<http://www.healthcarecommunities.org/CommunityNews/TCPI.aspx>

# Questions?

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