

# Medicare Quality Payment Program Overview (MACRA=QPP)

IPPS

November 2016



# MACRA: New vs. Reorganized

## New

Bonus opportunities (APMs & MIPS)

Greater support for physicians that want to pursue new models

CPIA requirement

## Re-organized

PQRS, MU and VBM

Penalties reduced in absolute terms & through partial credit

Reduce net administrative burdens

Greater flexibility for physicians

Low score in one area can be made up by high score in other components

No more double jeopardy for failing PQRS (trigger VBM failure)

# 2019 (first year) penalty risks compared

Prior Law	2019 adjustments
PQRS	-2%
MU	-5%
VBM	-4% or more*
<b>Total penalty risk</b>	<b>-11% or more*</b>
Bonus potential (VBM only)	Unknown (budget neutral)*

\*VBM was in effect for 3 years before MACRA passed, and penalty risk was increased in each of these years; there were no ceilings or floors on penalties and bonuses, only a budget neutrality requirement.

MIPS factors	2019 scoring
Quality measurement	60% of score
Advancing Care Info.	25% of score
Resource use	0% of score
Improvement Activities	15% of score
<b>Total penalty risk</b>	<b>Max of -4%</b>
Bonus potential	Max of 4%, plus potential 10% for high performers

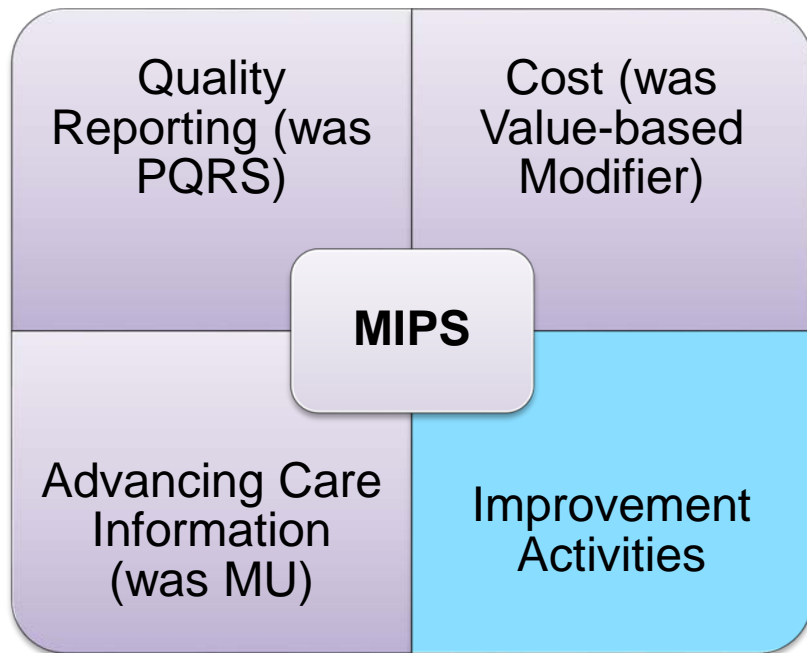


## 6 of 6 Markers for Success

- Moving proposed start date of Jan. 1 ●
- Simplify MIPS program ●
- Increase low volume threshold ●
- More relief for small rural/practices ●
- Modify MIPS performance threshold formula ●
- Expand opportunities for APMs ●



# MIPS components



## MIPS aims:

- Align 3 current independent programs
- Add 4<sup>th</sup> component to promote improvement and innovation
- Provide more flexibility and choice of measures
- Retain a fee-for-service payment option

## Clinicians exempt from MIPS:

- First year of Part B participation
- Medicare allowed charges  $\leq$  \$30K or  $\leq$  100 patients
- Non-patient facing with  $\leq$  100 patients
- Advanced APM participants



# Low-volume exclusion: AMA proposal adopted

- Eligibility for low-volume exclusion to be calculated by CMS
  - Notification should occur in December
  - Based on 12-month historical data (September-August)
  - Includes Part B drug costs, but not Part D
- Info provided by TIN/NPI for clinicians and by TIN for groups
  - Something to factor in when group members decide whether to report as individuals or as a group
- Qualifying individuals may volunteer to report, but they will not be eligible for pay adjustments



# Pick Your Pace: 2017 transitional performance reporting options

## MIPS Testing

- Report some data at any point in CY 2017 to demonstrate capability
  - 1 quality measure, or 1 improvement activity, or 4 required ACI measures
- No minimum reporting period
- No negative adjustment in 2019

## Partial MIPS reporting

- Submit partial MIPS data for at least 90 consecutive days
  - 1+ quality measure, or 1+ improvement activities, or 4 required ACI measures
- No negative adjustment in 2019
- Potential for some positive adjustment ( < 4%) in 2019

## Full MIPS reporting

- Meet all reporting requirements for at least 90 consecutive days
- No negative adjustment in 2019
- Maximum opportunity for positive 2019 adjustment (  $\leq$  4%)
- Exceptional performers eligible for additional positive adjustment (up to 10%)

## Advanced APM participation

- No MIPS reporting requirements (APMs have their own reporting requirements)
- Eligible for 5% advanced APM participation incentive in 2019

The only physicians who will experience negative payment adjustments (-4%) in 2019 are those who report no data in 2017



# Other transition elements

## 2017

- 90-day reporting for all MIPS elements
- Quality reporting threshold maintained at 50%
- ACI required measures reduced to 4/5 (depending on whether using 2014 or 2015 certified technology)
- Cost component of MIPS weighted 0%; quality component raised to 60% (for 2019 adjustments)

## 2018 (subject to rulemaking)

- 90-day reporting likely maintained for ACI and Improvement Activities only
- Quality threshold likely increased to 60%
- ACI required measures is 5 (must use 2015 certified technology)
- Cost component weight increased to 10%; quality component reduced to 50% (for 2020 adjustments)

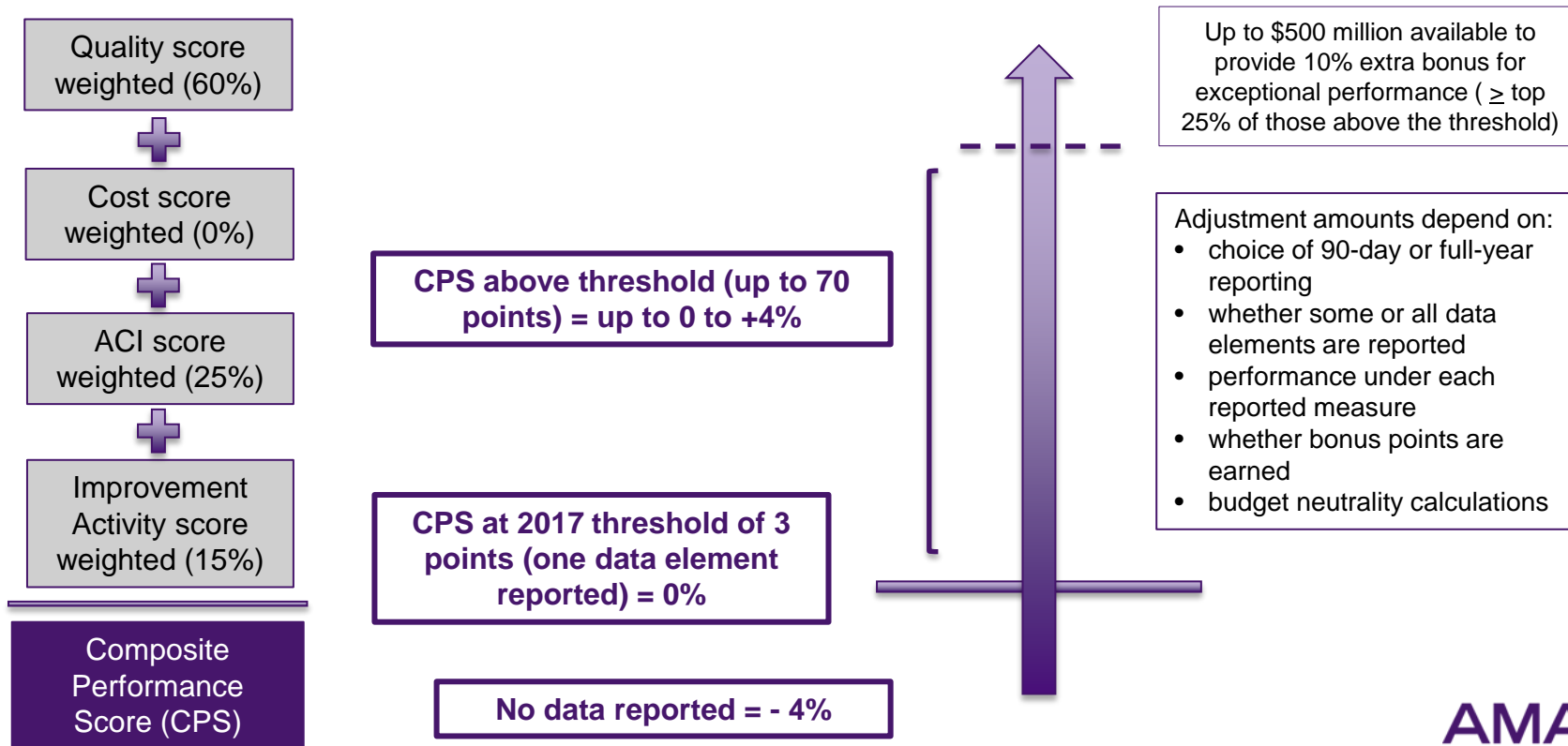
## Future years

- Full-year reporting for ACI?
- Quality threshold anticipated to increase over time
- Cost component weight will increase to 30% (for 2021 adjustments and beyond)
- Quality component weight will decrease to 30% (for 2021 adjustments and beyond)





# 2019 payment adjustments (based on 2017 transition)



# Quality reporting in MIPS vs. PQRS

## PQRS

- 9 measures
- Pass/ fail approach
- 2% penalties, no bonuses
- Measures must fall across specific domains
- One cross cutting measure required

## MIPS Quality

- 6 measures (or 1 specialty set)
- Partial credit allowed toward positive payment adjustments
- Flexibility in measure choice
- No domains, no cross cutting measures
- Bonuses available for reporting through EHR, qualified registry, QCDR, or web interface

# ACI reporting in MIPS vs. meaningful use

MU

- 100% score required on all measures to avoid penalty
- Included redundant measures and problematic CPOE, CDS, and clinical quality measures
- Full-year reporting (although twice reduced in Q4)

MIPS ACI

- Pass-fail program replaced with base and performance scoring
  - 4/ 5 base measures required
  - Partial credit allowed for performance measures
- Fewer measures: CPOE, CDS, and clinical quality measures eliminated
  - Public health registry reporting optional
- Performance score thresholds eliminated
- 90-day reporting periods for 2017 and 2018
- Bonuses available for registry reporting and use of CEHRT in IA

# Improvement Activities (formerly CPIA)

- New component, intended to provide credit for practice innovations that improve access and quality
  - Over 90 activities that cross 8 categories
  - No required categories
  - Includes Steps Forward modules
- Reduced burden for small practices
- Participation in 2017 MIPS APMs and non-advanced medical homes worth 40 points
  - PCMH definition expanded to include national, regional, state, private payer, and other certifications



# Improvement Activities categories

Expanded  
Practice  
Access

Population  
Management

Care  
Coordination

Beneficiary  
Engagement

Patient Safety  
& Practice  
Assessment

Achieving  
Health Equity

Emergency  
Response and  
Preparedness

Integrated  
Behavioral &  
Mental Health



# Cost in MIPS vs. VBM

VBM

- Included both quality reporting and resource-use measures
- PQRS failure counted twice in penalty calculations
- Poor risk adjustment produced penalties for treating sickest patients
- No statutory limits on penalty risk

MIPS Cost

- Focuses solely on cost; no duplicative quality reporting, no duplicative penalties
- 10 episode groups finalized; others being tested and refined
- Plans to improve attribution methods in 2018 (for 2020 payments)
- Part D drug costs will not be included in calculation
- During 2017 transition, category weight will be zero
- Reports provided to physicians in transition for review only

No physician reporting required for this component; calculated by CMS based on claims submitted



# Small practice accommodations and impacts

- Low volume exclusion
- “Pick your pace” transition for 2017
  - CMS estimates 90% of eligible clinicians will get zero or positive adjustments
  - CMS estimates 80% of those will be in groups  $\leq 10$
- Eased requirements for Improvement Activities component
- \$100 million in grants for technical assistance to small practices via QIOs, regional health cooperatives, etc.
- Participation in rural health clinics sufficient for full Improvement Activities score for rural and small practices
- Future rulemaking to address virtual groups, pooled financial risk arrangements



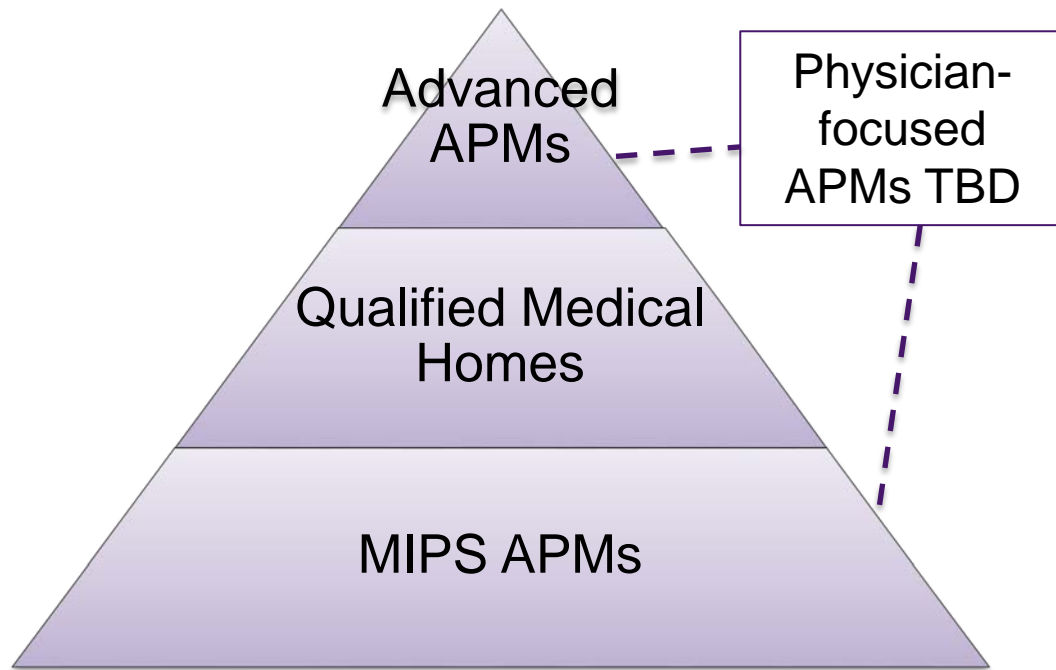
A male doctor with dark hair, wearing a white lab coat and a stethoscope, is seated at a desk. He is looking towards an elderly female patient with short, wavy grey hair, who is wearing a red top. They are both looking at a computer monitor on the desk. The doctor's hands are near the keyboard. The background shows a typical office setting with a window with blinds, a desk with a telephone, and some papers.

## Alternative Payment Models (APMs)



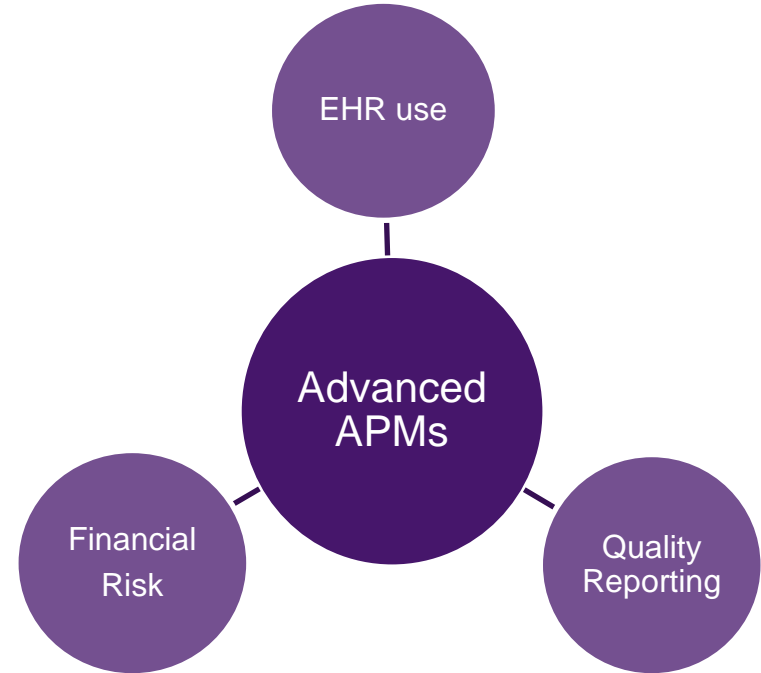
# APMs participation options as outlined by CMS

- **“Advanced” APMs**--term established by CMS; these have greatest risks and offer potential for greatest rewards
- **Qualified Medical Homes** have different risk structure but otherwise treated as Advanced APMs
- **MIPS APMs** receive favorable MIPS scoring
- **Physician-focused APMs** are under development



# CMS criteria for Advanced APMs

- 50% of participants must use certified EHR technology
- Must report and at least partially base clinician payments on quality measures comparable to MIPS
- Bear “more than nominal risk” for monetary losses
  - Defined as the lesser of 8% of total Medicare revenues or 3% of total Medicare expenditures
  - Primary Care Medical Home models with < 50 clinicians have different standards (2.5%-5% total Medicare revenues)
- Physicians may be Qualified Participants (QPs) or Partially Qualified Participants (PQPs) based on revenue and patient thresholds, with differential rewards



# MACRA incentives for Advanced APM participation

## Model design

- APMs have shared savings, flexible payment bundles and other desirable features

## Bonuses

- In 2019-2024, 5% bonus payments made to physicians participating in Advanced APMs

## Higher updates

- Annual baseline payment updates will be higher (0.75%) for Advanced APM participants than for MIPS participants (0.25%) starting 2026

## MIPS exemption

- Advanced APM participants do not have to participate in MIPS (models include their own EHR use and quality reporting requirements)



# Current Advanced APMs

**Comprehensive  
ESRD Care Model**  
(13 ESCOs)

**Comprehensive  
Primary Care Plus**  
(14 states, practice  
applications closed  
9/15/16)

**Medicare Shared  
Savings Track 2**  
(6 ACOs, 1% of total)

**Medicare Shared  
Savings Track 3**  
(16 ACOs, 4% of total)

**Next Generation  
ACO Model**  
(currently 18)

**Oncology Care  
Model Track 2**  
(A portion of 196  
practices will qualify)



# New Advanced APMs for 2018 (subject to rulemaking)

ACO Track 1+

Voluntary bundled  
payment models

Comprehensive  
Care for Joint  
Replacement  
Payment Model  
(CEHRT Track)

Advancing care  
coordination  
through episode  
payment models  
Track 1 (CEHRT)



# MIPS APMs

## Criteria

- APM entity participates in a model under an agreement with CMS
- Entity includes at least one MIPS eligible clinician on a participant list
- Payment incentives based on performance on cost and quality measures (either on entity or individual clinician level)

## 2017 qualified models

- MSSP Tracks 1, 2, 3
- Next Generation ACOs
- Comprehensive ESRD Care Model
- Oncology Care Model
- CPC+ Model

## Advanced APM benefits do not apply

- Must participate in MIPS to receive any favorable payment adjustments
- Do not qualify for 5% APM bonus payments 2019-2024
- Not eligible for higher baseline annual updates beginning 2026

## Other benefits

- 2017 MIPS APMs receive full Improvement Activities credit
- ACOs: must report quality (50%), IA (20%) and ACI (30%)
- Non-ACO MIPS: quality score reweighted to zero and IA/ ACI reweighted to 25%/ 75%
- APM-specific rewards (e.g., shared savings)
- Eligible for annual MIPS bonuses, which continue indefinitely (vs. 6 years for 5% APM bonuses)





## Moving Forward

# Milestones

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## 2017

Jan 1: First transitional performance period begins

Spring: PQRS, VBM, MU pay adjustments (2015 performance)

Oct 1: Last chance to start 90-day reporting period

Nov 1: 2018 performance threshold announced

Dec: Notification of LVT exception (9/1/16-8/31/17)

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## 2018

Jan 1: Second transitional performance period begins

Jan 2-Mar 31: Submission period for 2017 performance data

Spring: Final PQRS, VBM, MU pay adjustments (2016 performance)

Nov 1: 2019 performance threshold announced

Dec: Notification of LVT exception (9/1/17-8/31/18)

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## 2019

Jan 1: QPP transitional reporting completed

Spring: First QPP pay adjustments implemented (2017 performance)

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# AMA advocacy

- Our overarching aims in shaping regulations:
  - Choice, flexibility, simplicity, feasibility
- Opportunities for further improvements in 2017 rulemaking and via Congressional oversight
- Developing tool chest of practical resources to help physicians



A composite image featuring two professional women. On the left, a Black woman with short, curly hair, wearing a white button-down shirt and a pearl necklace, smiles warmly. On the right, an Asian woman with dark hair pulled back, wearing a blue shirt and a dark pinstriped blazer, holds a clipboard and smiles while looking towards a man whose back is to the camera. The background is a bright, out-of-focus office window.

## What Physicians Can Do to Prepare

# Learn, Assess, Prepare

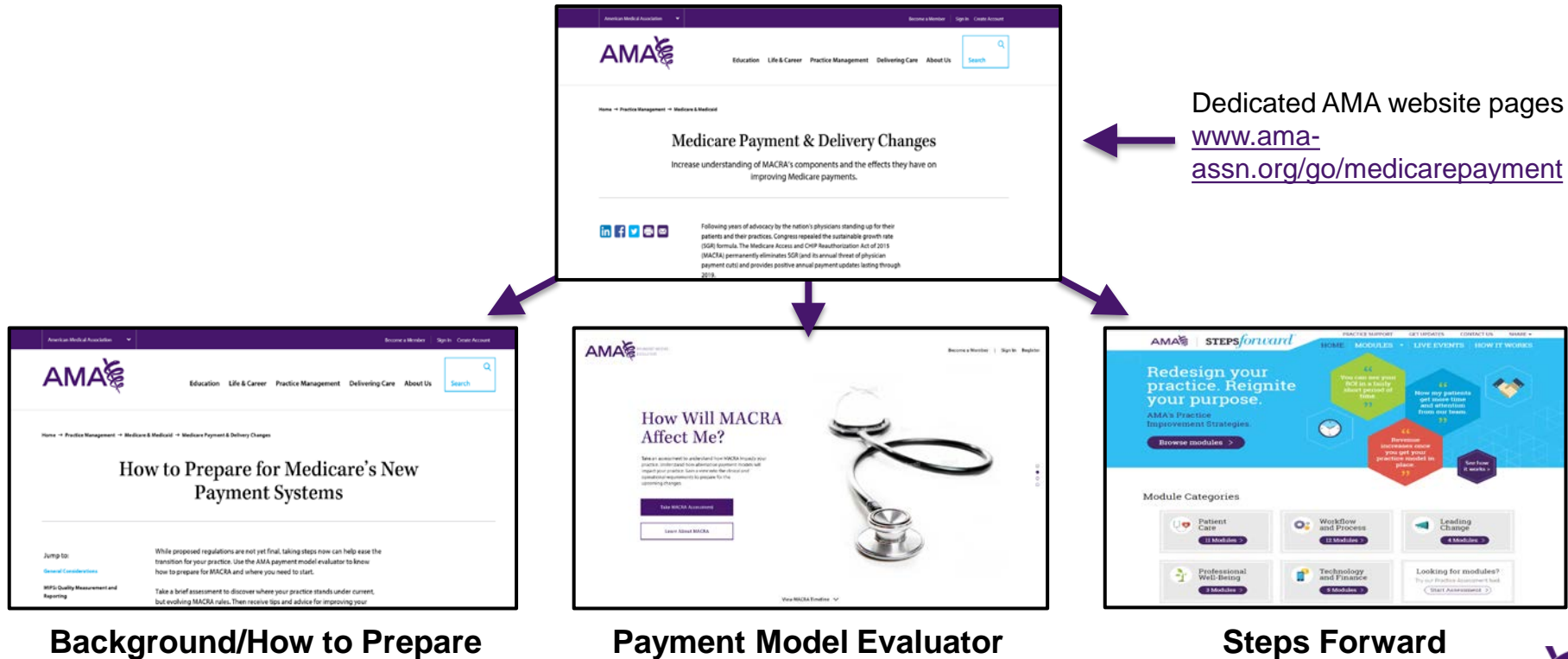


The screenshot shows the AMA website's header with the logo, navigation links (Education, Life & Career, Practice Management, Delivering Care, About Us), and a search bar. The breadcrumb trail reads: Home → Practice Management → Medicare & Medicaid. The main heading is "Medicare Payment & Delivery Changes" with the subtext: "Increase understanding of MACRA's components and the effects they have on improving Medicare payments." Below this is a row of social media icons (LinkedIn, Facebook, Twitter, YouTube, Email) and a paragraph of text: "Following years of advocacy by the nation's physicians standing up for their patients and their practices, Congress repealed the sustainable growth rate (SGR) formula. The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) permanently eliminates SGR (and its annual threat of physician payment cuts) and provides positive annual payment updates lasting through 2019."

[www.ama-assn.org/go/medicarepayment](http://www.ama-assn.org/go/medicarepayment)



# Offering an Iterative and Comprehensive Set of Resources



Payment Model Evaluator

[Log In](#) | [Create Account](#)

## How Will MACRA Affect Me?

Whether through the Merit-Based Incentive Payment System (MIPS) or advanced alternative payment models (APMs), physician practices will have the flexibility to choose the care models, reporting measures and methods suited to them. The American Medical Association is here with solutions to help you understand, prepare and maximize your performance in value-based care.

[Learn About MACRA](#)

[Take MACRA Assessment](#)

[View MACRA Timeline](#)

MACRA Home

MACRA Education

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Value-Based Care

MACRA 101

MIPS

APMs

Implementation & Next Steps

MACRA Overview

### Defining MACRA

MACRA 101

Merit-Based Incentive Payment System (MIPS)

Alternative Payment Model (APM)

### MACRA Overview

#### Defining MACRA

In April of 2015 the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) was signed into law, which among other things, repealed the sustainable growth rate (SGR) formula used to determine physician reimbursement in Medicare and replaced it with a stable 0.5% payment update until 2019.

Beginning in 2019 physicians will be assigned to one of two payment tracks depending on how they are currently being reimbursed:

Beginning in 2019,  
Physicians Will Be Assigned One of Two Payment Tracks

1

## MIPS

A payment system with incentive payments or penalties for meeting or failing to meet certain quality and efficiency measures through the Merit-Based Incentive Payment System (MIPS).

2

## APMs

A more favorable payment update if the physician has a threshold portion of their revenue or patients in a qualifying Alternative Payment Model (APM).

MACRA Home

MACRA Assessment - Tell Us About Yourself

[Michael Tutty](#)

## Which organization type best describes your practice?

Independent Practice

Primary Care Clinic

Specialist Group

Hospital

Integrated Delivery System

Medical Specialty Clinic

Federally Qualified Health Center

Rural Health Center

Community Mental Health Center

Other

17% Complete

[Previous](#)
[Next](#)

MACRA Home

MACRA Reports

[Michael Tutty](#)

## What Does This Mean?

### Measuring My Financial Impact 2019

In addition to a Medicare Part B reimbursement update of 0.5%, physicians in the MIPS program should also expect to receive either a bonus or penalty on their payments starting in 2019. While payment updates aren't paid out until 2019, the reporting period begins in January of 2017 with a two-year delay between each reporting and performance adjustment year.

CMS announced on September 8, 2016 flexibility in MIPS reporting in 2017. In this transitional year, physicians can avoid any payment penalty in 2019 by choosing one of the following reporting paths:

- Test your systems by reporting some data for part of the year and receive no bonus or penalty
- Report full data for part of the year and potentially earn a "modest" bonus
- Report full data for the entire year and be eligible for a bonus

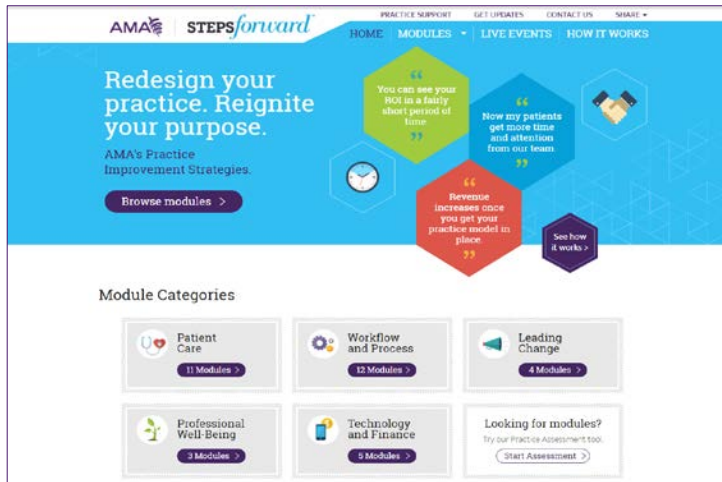
Only Physicians who do NOT participate in any of the reporting paths in 2017 will be subject to penalties in 2019. It is important to choose a path for 2017. More details about how to select your path will be available when CMS releases the Final Rule this fall.

Category	Amount	Percentage
Medicare FPS Revenue Affected By MIPS	\$875,00K	33%
All Commercial & Medicare Non-FPS	\$1.63M	65%
<b>Total Revenue</b>	<b>\$2.50M</b>	

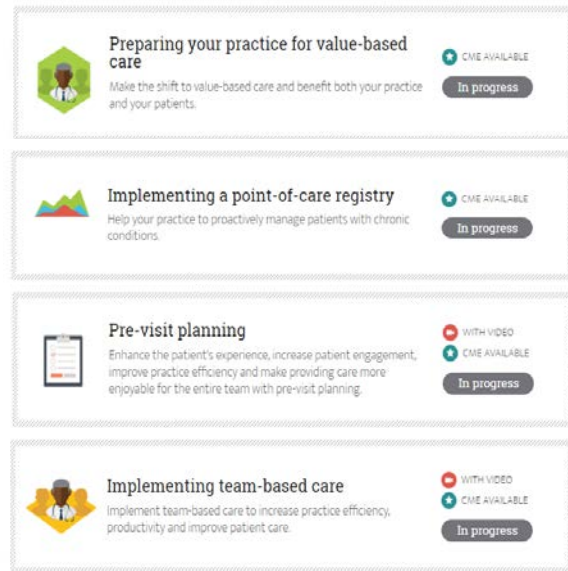
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# Take Advantage of Educational Opportunities



[www.stepsforward.org](http://www.stepsforward.org)



Completion of select STEPS Forward™ modules meets eligibility criteria for Improvement Activity category credit





# Learn From Those Who Do



Plans underway to share information from experienced physicians

- Podcast Interviews
- Instructional videos
- Demos
- Webinars (Nov. 21 and Dec. 6)
- Seminars (Dec. 1 in Atlanta; Dec. 10 in San Francisco)

Also:

- Paid media
- Social media
- Federation outreach

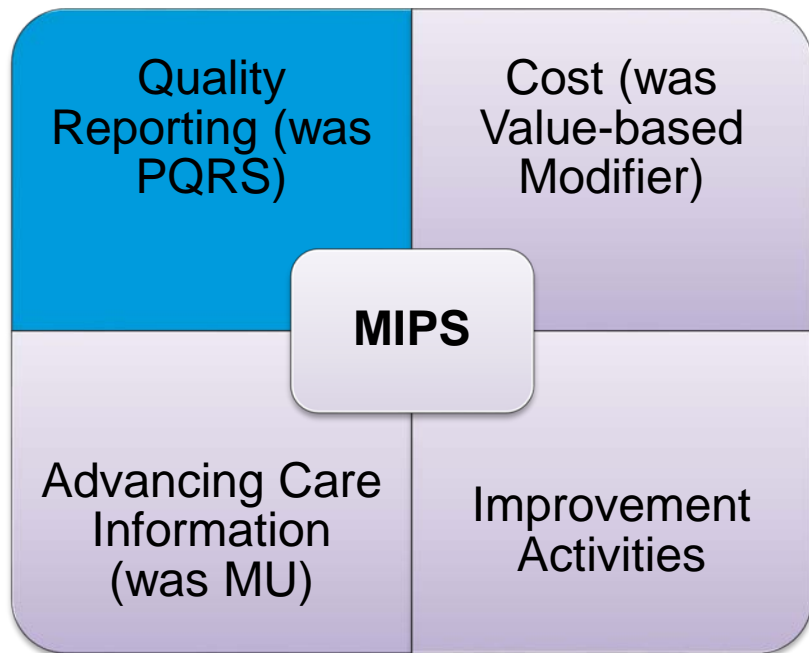


# Prepare for MACRA/QPP

- ✓ Will you likely be in MIPS or APMS?
- ✓ Are you exempt from MIPS?
  - ✓ Low volume provider?
  - ✓ Qualified participant in an advanced APM?
- ✓ Do you meet requirements for small, rural, non-patient-facing accommodations?
- ✓ Would you be reporting as a group or an individual?



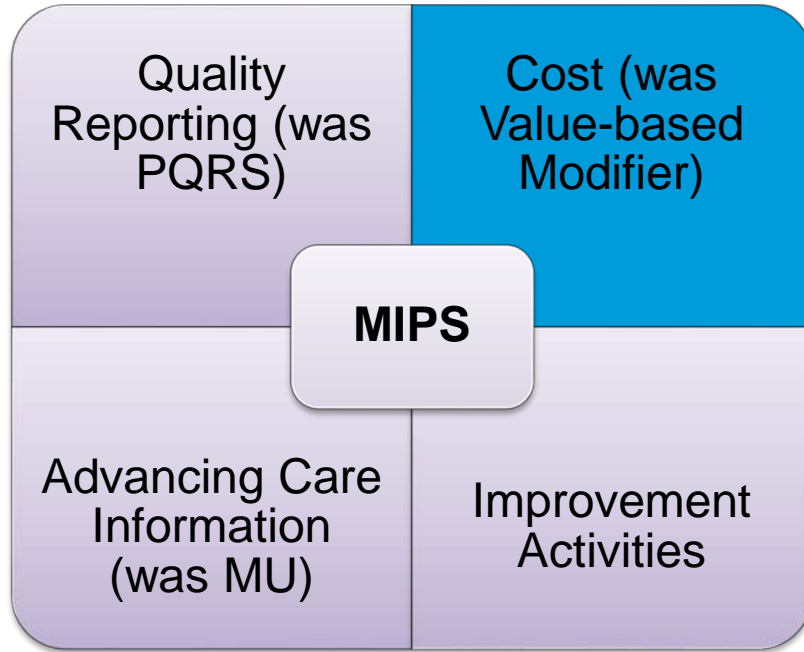
# Prepare for MIPS: Quality



- ✓ Are you reporting quality metrics?
- ✓ Do you plan to report through claims, EHR, clinical registry, qualified clinical data registry, or group practice reporting option
  - ✓ If you are not already participating in a patient clinical data registry, contact your specialty society about participating in theirs
- ✓ Check your PQRS feedback reports
  - ✓ Authorized representatives can access the Annual PQRS Feedback Reports on the CMS Enterprise Portal



# Prepare for MIPS: Cost

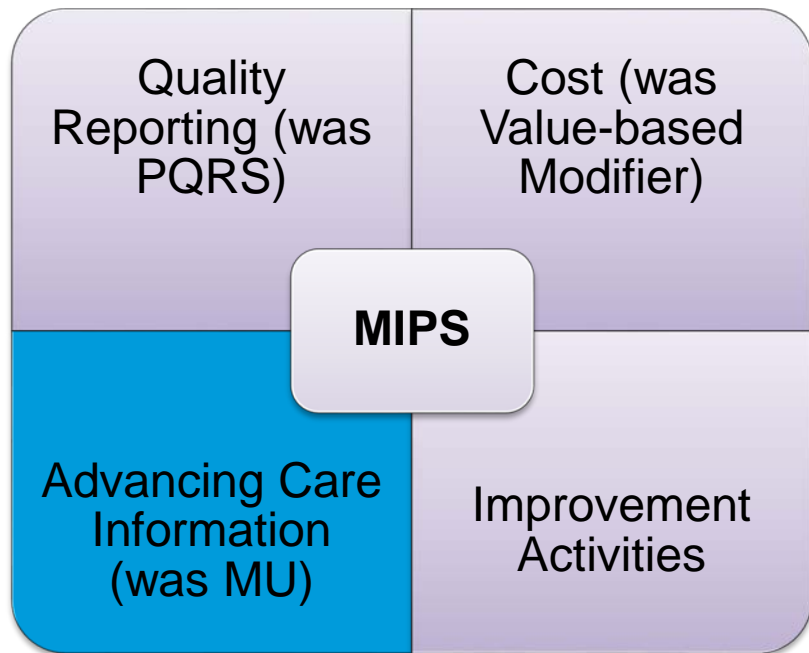


Although the cost component of MIPS is weighted 0% for 2019; opportunities to prepare:

- ✓ Access and review your Medicare Quality and Resource Use Reports (QRURs) to see where improvements can be made
  - ✓ Authorized representatives can access the QRURs on the CMS Enterprise Portal
- ✓ Review your most costly patient population conditions and diagnoses and seek improvement opportunities



# Prepare for MIPS: Advancing Care Information

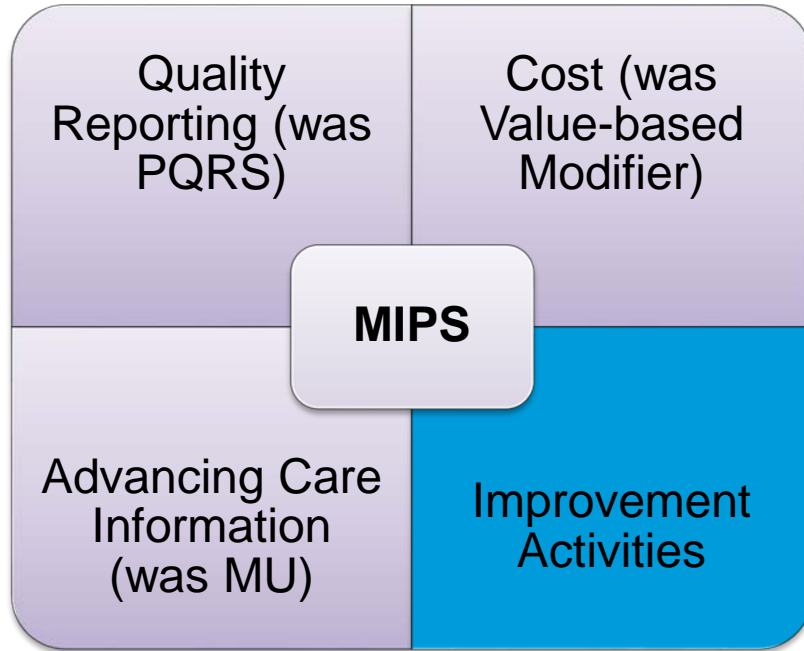


If you have an EHR, speak with your vendor about how their product supports the new payment models:

- ✓ Is your EHR certified?
- ✓ If so, is it the 2014 or 2015 edition?
- ✓ Does your vendor support Medicare quality reporting?
- ✓ Does your vendor offer patient tracking and clinical decision support tools?



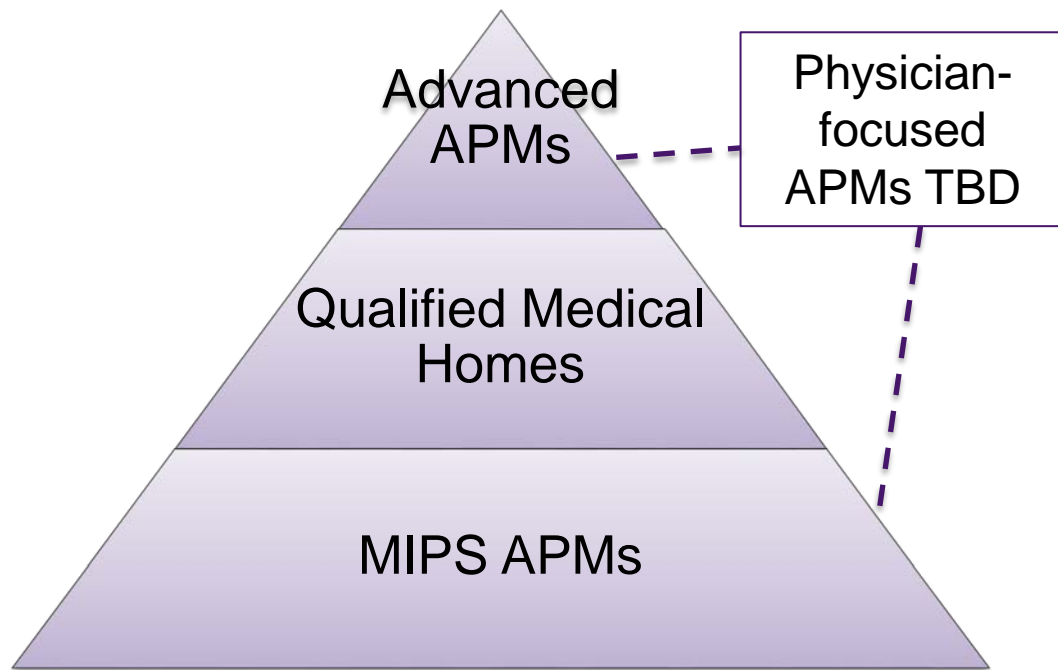
# Prepare for MIPS: Improvement Activities



- ✓ Review the more than 90 plus approved Improvement Activities?
- ✓ Which Improvement Activities are you engaged in now?
- ✓ What are you interested in doing?
- ✓ Consider which 90 days in 2017 would work best for your practice's selected Improvement Activities
- ✓ Review the AMA's Steps Forward program



# Prepare for APMS



- ✓ Confirm whether you are a participant in any of the advanced APMs
  - ✓ If not, contact your specialty society or state medical society to find out if there are APM opportunities for your area
- ✓ Evaluate whether you are likely to meet the threshold for significant participation in an advanced APM, which would qualify you for incentive payments



# Stay Informed with Updates, New Tools and Resources



Leverage resources from the AMA and other Federation groups



