

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

*Path to Value*



# 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 **APMs 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



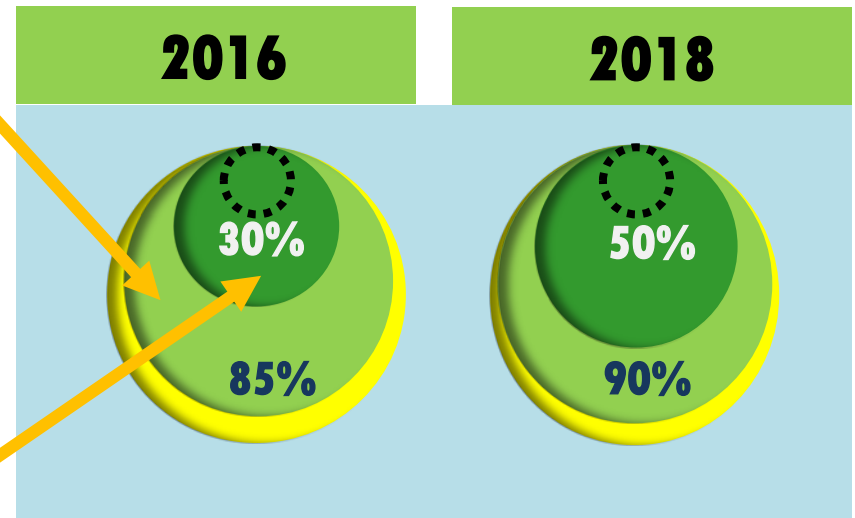
Invite **private sector payers** to match or exceed HHS goals

# MACRA moves us closer to meeting these goals...

The new **Merit-based Incentive Payment System** helps to link **fee-for-service payments** to quality and value.

The law also provides incentives for **participation in Alternative Payment Models** in general and bonus payments to those in the most highly advanced APMs

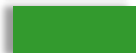
## New HHS Goals:



**All** Medicare fee-for-service (FFS) payments (Categories 1-4)



Medicare **FFS** payments **linked to quality and value** (Categories 2-4)



Medicare payments linked to quality and value **via APMs** (Categories 3-4)



**Medicare-Payments to those in the most highly advanced APMs under MACRA**

...and toward transforming our health care system.

3 goals for our health care system:

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

Via a focus on **3 areas**



Incentives



Care  
Delivery



Information  
Sharing



# What is “MACRA”?

The **Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)** is a bipartisan legislation signed into law on April 16, 2015.

What does Title I of MACRA do?

- **Repeals** the Sustainable Growth Rate (SGR) Formula
- **Changes the way that Medicare** rewards clinicians for **value** over volume
- **Streamlines** multiple quality programs under the new **Merit-Based Incentive Payments System (MIPS)**
- Provides **bonus payments** for participation in **eligible alternative payment models (APMs)**



# MACRA Goals

Through MACRA, HHS aims to:

- Offer **multiple pathways** with varying levels of risk and reward for providers to tie more of their payments to value.
- Over time, **expand the opportunities** for a broad range of providers to participate in APMs.
- **Minimize additional reporting burdens** for APM participants.
- **Promote understanding** of each physician's or practitioner's status with respect to MIPS and/or APMs.
- Support **multi-payer initiatives** and the development of APMs in Medicaid, Medicare Advantage, and other payer arrangements.

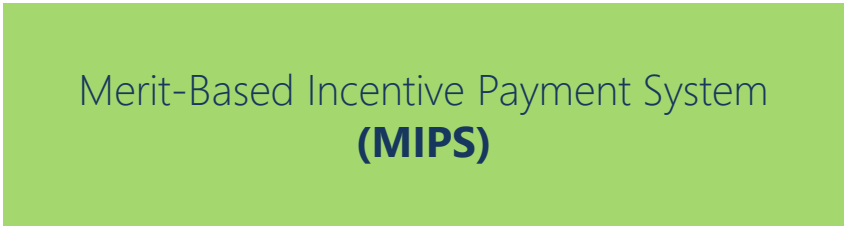


# MIPS changes how Medicare links performance to payment

There are currently multiple individual **quality and value** programs for Medicare physicians and practitioners:



**MACRA** streamlines those programs into **MIPS**:



# How will physicians and practitioners be scored under MIPS?

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



Quality



Resource  
use



Clinical  
practice  
improvement  
activities



Meaningful  
use of  
certified EHR  
technology



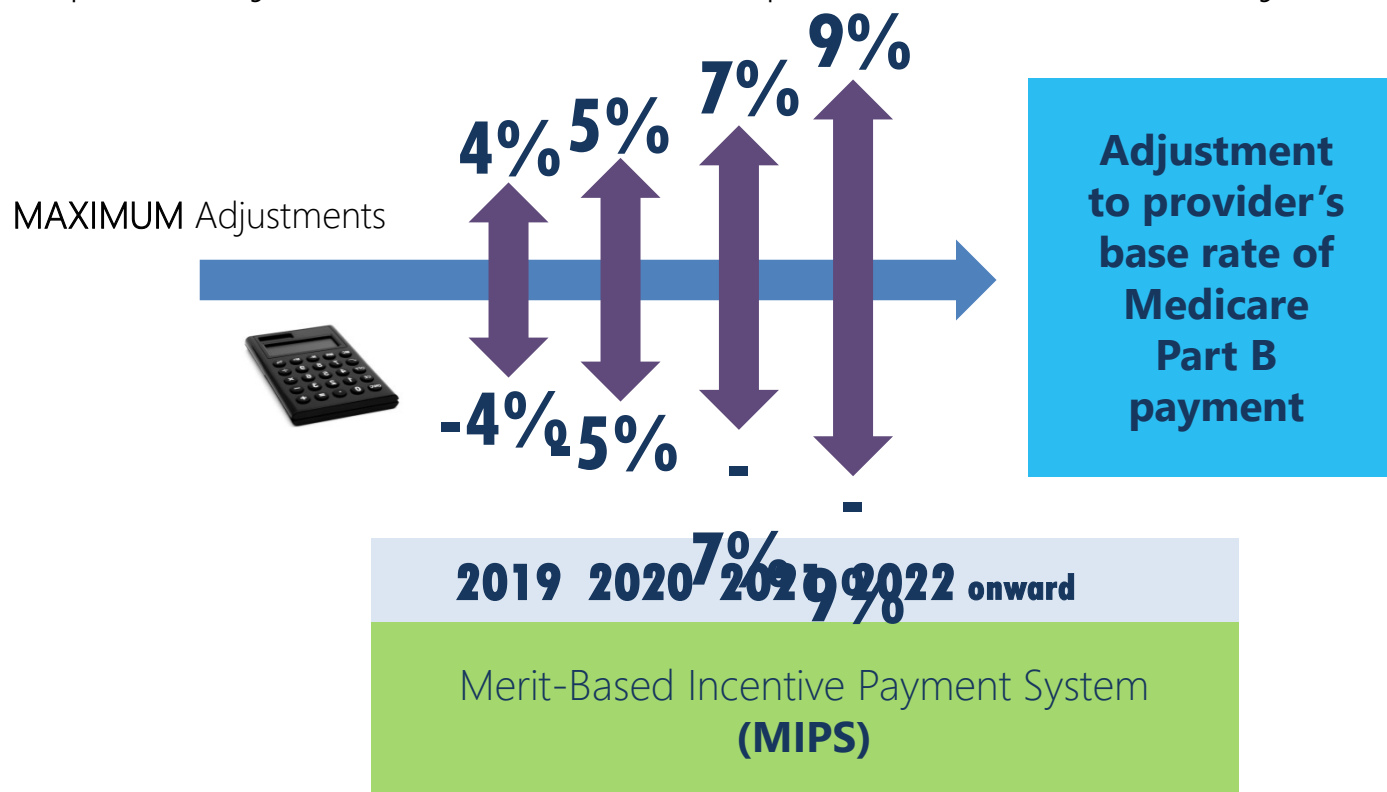
MIPS  
Composite  
Performance  
Score





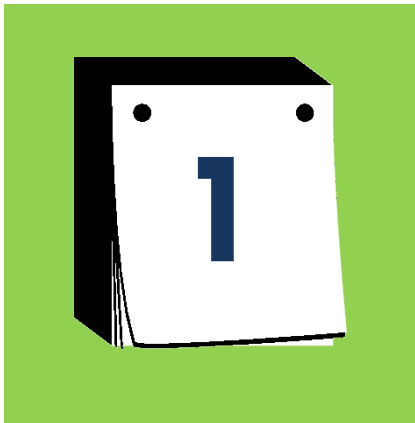
## How much can MIPS adjust payments?

- Based on the MIPS **composite performance score**, physicians and practitioners will receive positive, negative, or neutral adjustments up to the percentages below.
- MIPS adjustments are **budget neutral**. A **scaling factor** may be applied to upward adjustments to make total upward and downward adjustments equal.



## Are there any exceptions to MIPS adjustments?

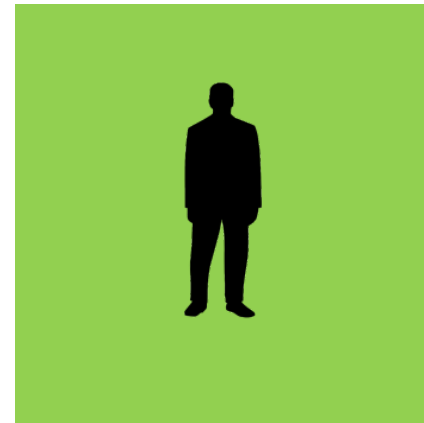
There are **3 groups** of physicians and practitioners who will NOT be subject to MIPS:



**FIRST** year of Medicare participation



Participants in **eligible** Alternative Payment Models who **qualify** for the bonus payment



Below **low volume** threshold

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

## Alternative Payment Models (APMs)

APMs are **new approaches to paying** for medical care through Medicare that **incentivize quality and value**.

**According to MACRA law, 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

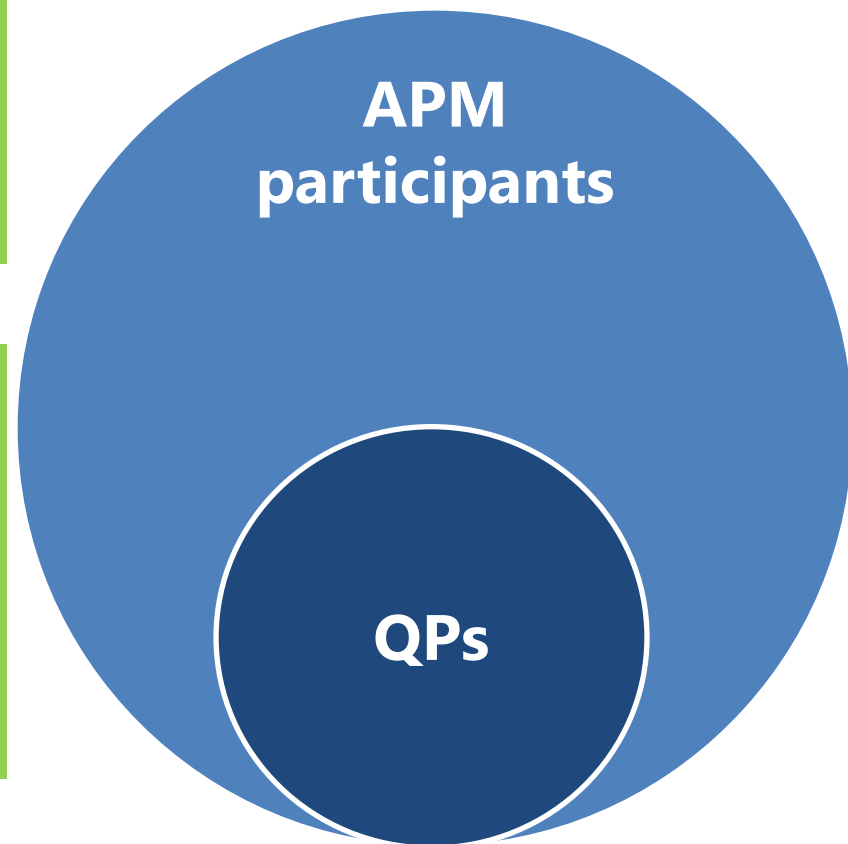
- MACRA **does not change how any particular APM rewards value**.
- APM participants who are not “QPs” will receive **favorable scoring under MIPS**.
- Only **some** of these APMs will be **eligible** APMs.

# How does MACRA provide additional rewards for participation in APMs?

Most physicians and practitioners who participate in APMs will be subject to MIPS and will receive **favorable scoring** under the MIPS clinical practice improvement activities performance category.

Those who participate in **the most advanced** APMs may be determined to be **qualifying APM participants (“QPs”)**. As a result, QPs:

1. Are **not subject** to MIPS
2. Receive 5% lump sum **bonus payments** for years 2019-2024
3. Receive a **higher fee schedule update** for 2026 and onward



## What is an eligible APM?



Eligible APMs are the **most advanced** APMs that meet the following criteria according to the MACRA law:

- ✓ **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

## How do I become a **qualifying APM participant (QP)**?



QPs are physicians and practitioners who have a certain **% of their patients or payments** through an **eligible APM**.

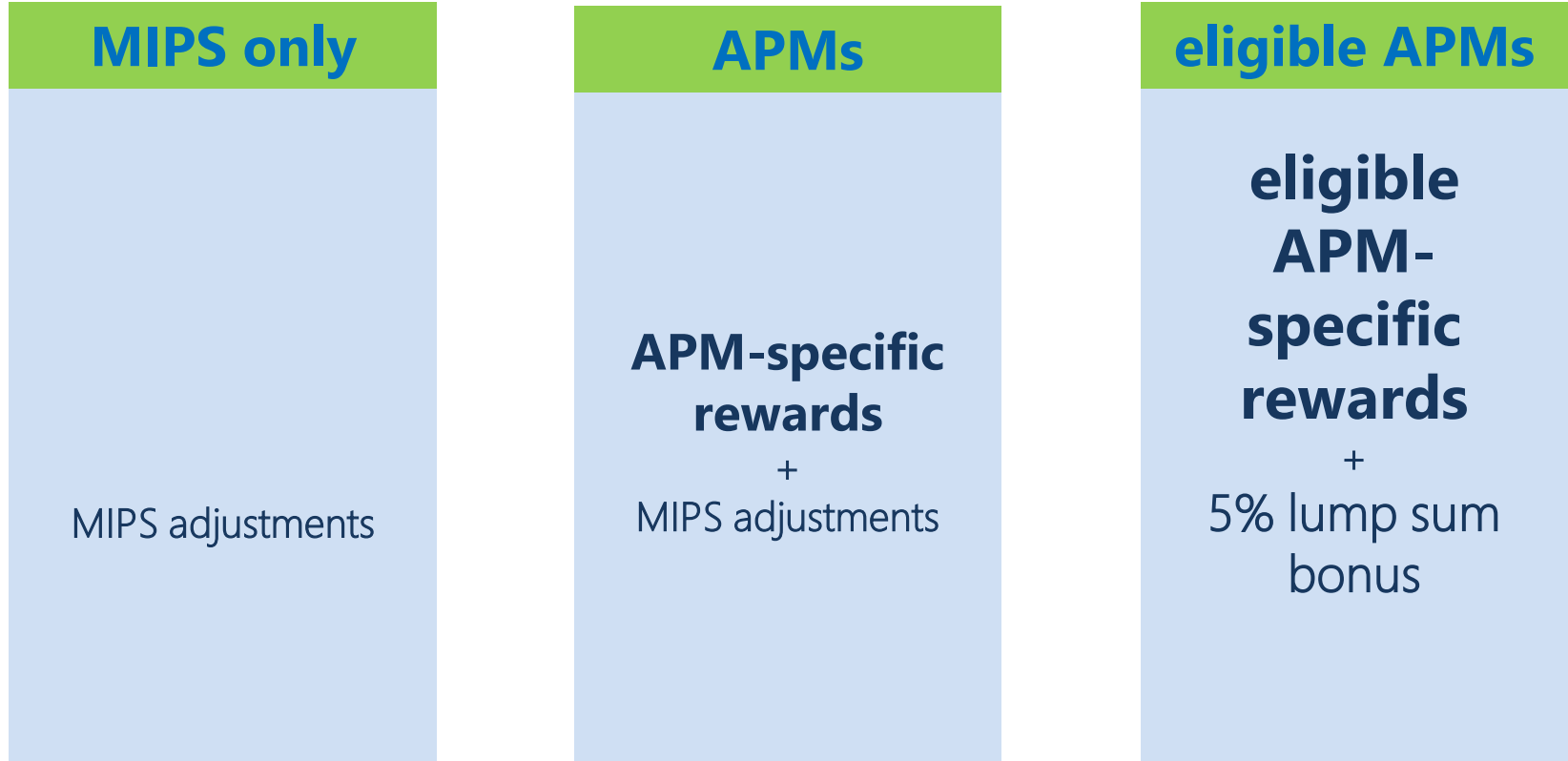
Beginning in 2021, this threshold % may be reached through a **combination** of Medicare and other **non-Medicare payer arrangements**, such as private payers and Medicaid.

### **QPs:**

1. Are **not subject** to MIPS
2. Receive 5% lump sum **bonus payments** for years 2019-2024
3. Receive a **higher fee schedule update** for 2026 and onward

## Potential value-based financial rewards

- APMs—and eligible APMs in particular—offer greater **potential risks and rewards** than MIPS.
- **In addition** to those potential rewards, MACRA provides a bonus payment to providers committed to operating under the most advanced APMs.

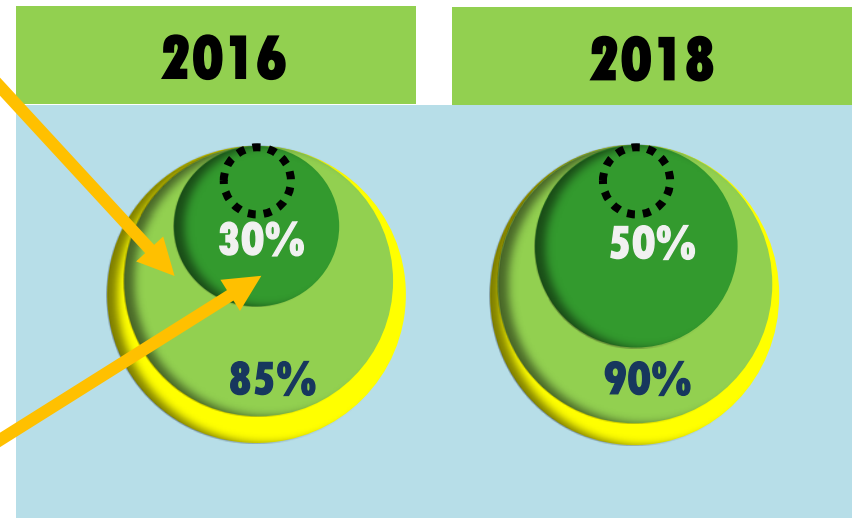


# Recall: How MACRA get us closer to meeting HHS payment reform goals

The **Merit-based Incentive Payment System** helps to link **fee-for-service payments** to quality and value.

The law also provides incentives for **participation in Alternative Payment Models** via the bonus payment for Qualifying APM Participants (QPs) and favorable scoring in MIPS for APM participants who are not QPs.

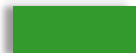
New HHS Goals:



All Medicare fee-for-service (FFS) payments (Categories 1-4)



Medicare **FFS** payments **linked to quality and value** (Categories 2-4)



Medicare payments linked to quality and value **via APMs** (Categories 3-4)



Medicare payments to QPs in eligible APMs under MACRA



# 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**

Is this my **first year** in Medicare OR am I below the **low-volume threshold**?

**Yes**

**No**

Not subject to **MIPS**

Subject to **MIPS**

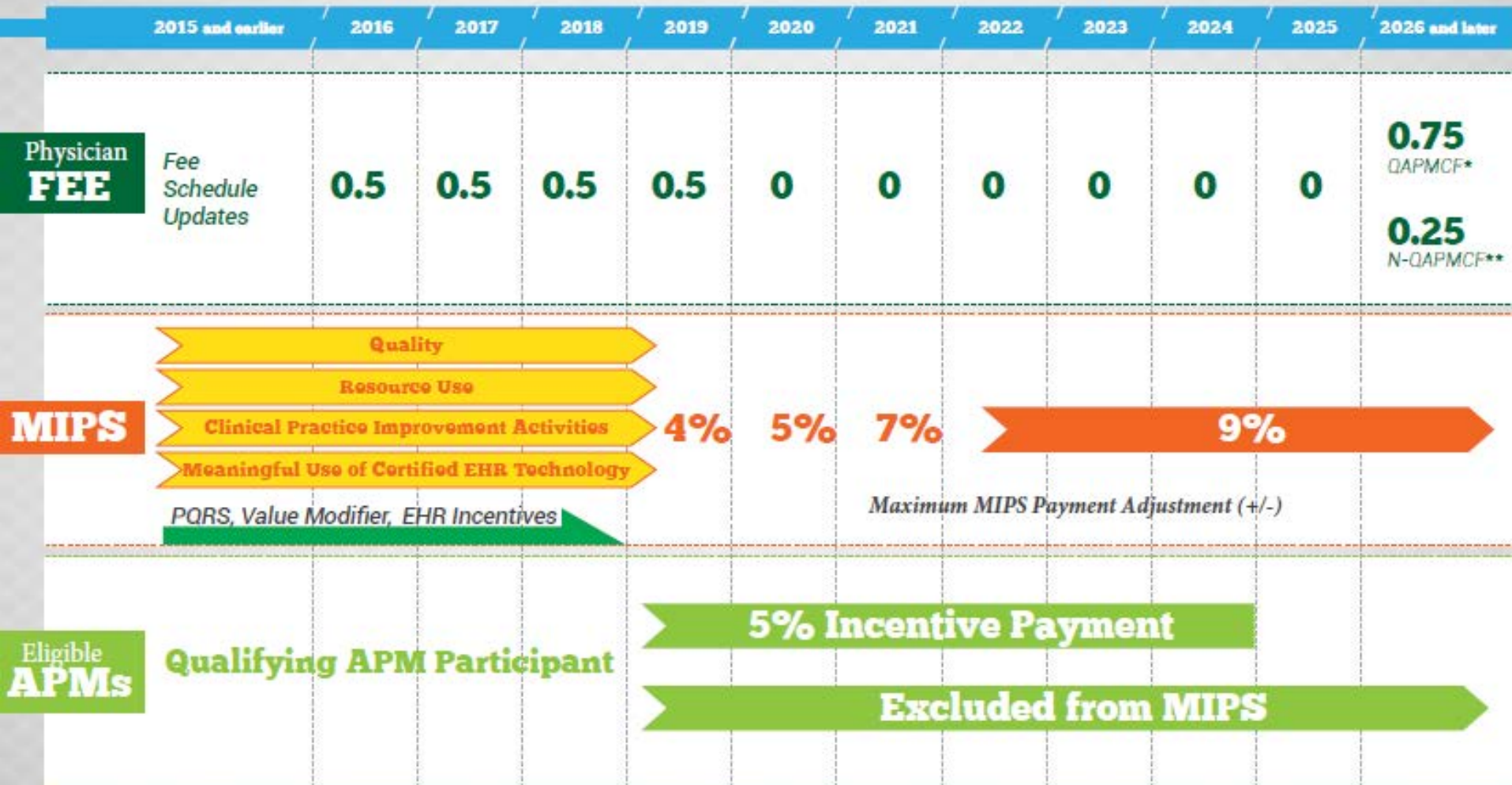
## Qualifying APM Participant

- 5% lump sum **bonus payment** 2019-2024
- Higher **fee schedule updates** 2026+
- APM-specific **rewards**
- **Excluded** from MIPS

- Subject to **MIPS**
- **Favorable** MIPS scoring
- APM-specific **rewards**

*Bottom line: There are opportunities for financial incentives for participating in an APM, even if you don't become a QP.*

# Timeline



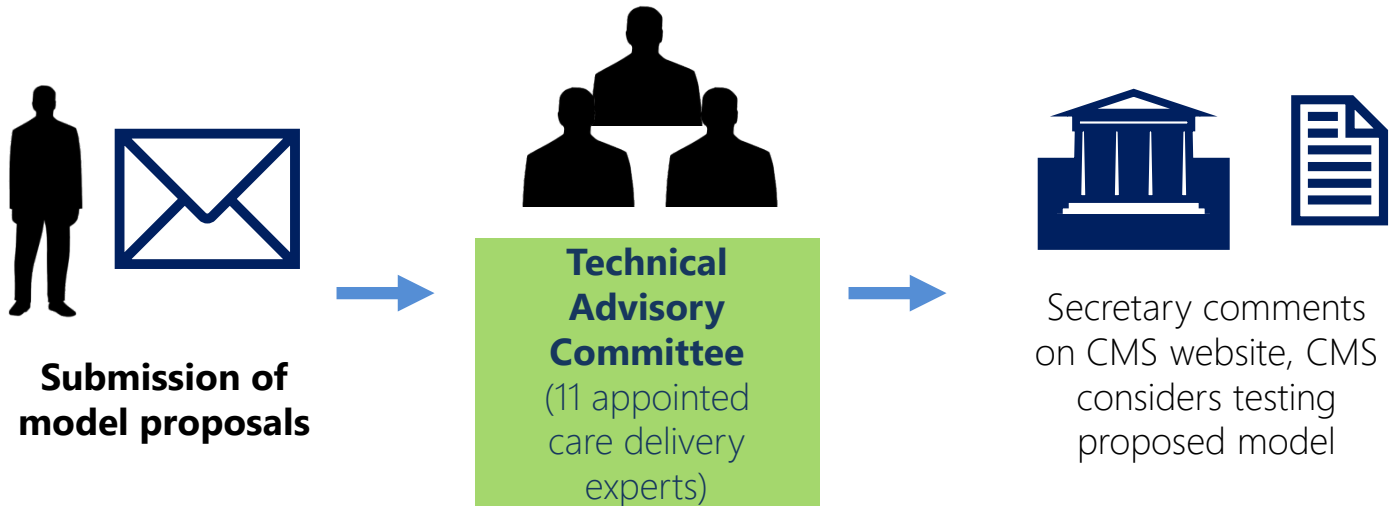
\*Qualifying APM conversion factor

\*\*Non-qualifying APM conversion factor

# Independent PFPM Technical Advisory Committee

**PFPM = Physician-Focused Payment Model**

Encourage new **APM options** for Medicare physicians and practitioners.



**Submission of model proposals**

**Technical Advisory Committee**  
(11 appointed care delivery experts)

Secretary comments on CMS website, CMS considers testing proposed model

Review proposals, submit recommendations to HHS Secretary

## What should I do to prepare for MACRA?

- Tell us your thoughts by responding to the Request for Information (RFI) by November 17: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2015-24906.pdf>
- Look for a proposed rule in spring 2016 and provide comments on the proposals.
- Final rule targeted for early fall 2016.

## **Questions? Comments?**

**For further information about MACRA MIPS/APMs and the Request for Information go to:**

**<http://go.cms.gov/1LHY4Fg>**