

ISSUE BRIEF

UNDERSTANDING MACRA

The Centers for Medicare and Medicaid Services (CMS) released the final rule Friday for the Quality Payment Program under the Medicare Access and CHIP Reauthorization Act (MACRA). The program replaces the sustainable growth rate formula, which was repealed in 2015.

Who qualifies

Providers who bill Medicare more than \$30,000 per year or provide care for at least 100 Medicare beneficiaries qualify for the new payment program. The \$30,000 threshold was raised from the \$10,000 threshold in the proposed rule last spring to give small practices a chance to ease into the Quality Payment Program. To that end, MACRA will provide \$20 million annually for five years to help small practices (with up to 15 clinicians) and those in underserved areas prepare for participation.

Two tracks

The new payment program has two reimbursement tracks: the Merit-based Incentive Payment System (MIPS) for providers participating in traditional Medicare Part B, and Advanced Alternative Payment Models (APMs) for those participating in a value-based care model.

Providers in the MIPS track will earn payment adjustments based on their performance in four categories: quality of care; cost of care, which will carry zero

weight in the first performance year; clinical practice improvement; and “advancing care information,” which is similar to meaningful use of electronic health records (EHRs). Those who do not submit a minimal amount of performance data for the first performance year (Jan. 1 through Dec. 31, 2017) will receive a 4 percent negative adjustment. Those who do submit data will receive a neutral to 4 percent positive adjustment, depending on the amount of data submitted. The adjustment gradually increases to a maximum of 9 percent in 2022.

Providers in the MIPS track can begin collecting data anytime between Jan. 1 and Oct. 2, 2017. The deadline for submitting the data is March 31, 2018, and the data will be used to adjust payments starting Jan. 1, 2019.

Advanced APM providers

Providers in an advanced APM can earn an annual 5 percent lump sum incentive payment from 2019 through 2024 and will not be subject to MIPS reporting or payment adjustments. Programs qualifying as Advanced APMs must use certified EHR technology, base payments on quality measures comparable to MIPS and require providers to bear more than nominal risk.

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