



# MACRA and Delivery System Reform National Quality Forum Annual Conference



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# Delivery System Reform requires focusing on the way we pay providers, deliver care, and distribute information

“



*Improving the way providers are incentivized, the way care is delivered, and the way information is distributed will help provide better care at lower cost across the health care system.*



”

## FOCUS AREAS

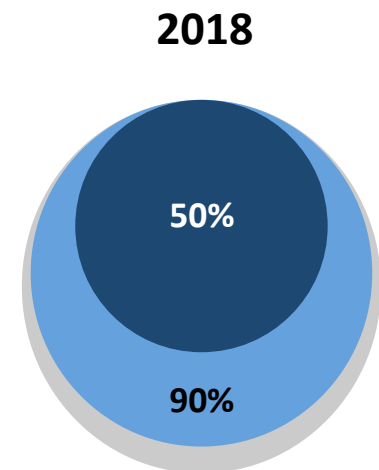
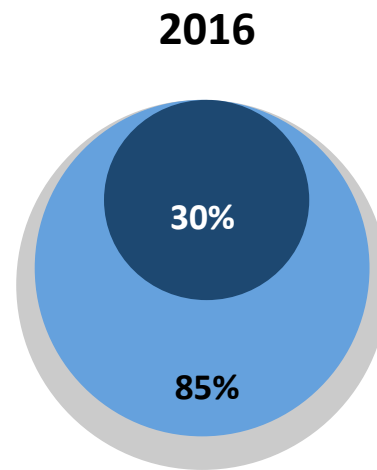
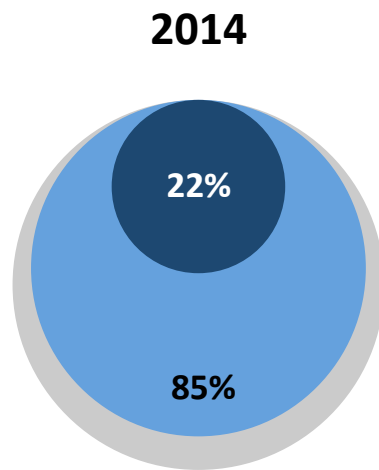
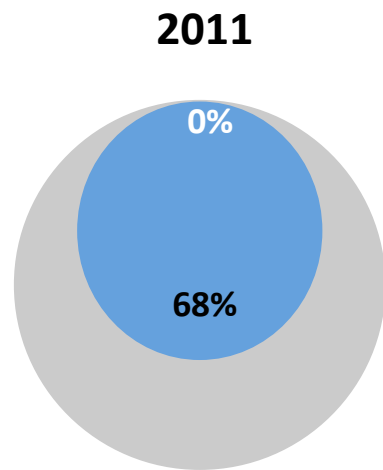
Pay  
Providers

Deliver  
Care

Distribute  
Information

# Target percentage of payments in 'FFS linked to quality' and 'alternative payment models' by 2016 and 2018

- Alternative payment models (Categories 3-4)
- FFS linked to quality (Categories 2-4)
- All Medicare FFS (Categories 1-4)



Historical Performance

Goals

What does it mean for you?

THE  
MEDICARE ACCESS &  
CHIP REAUTHORIZATION ACT  
OF 2015







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 **eligible 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)



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:

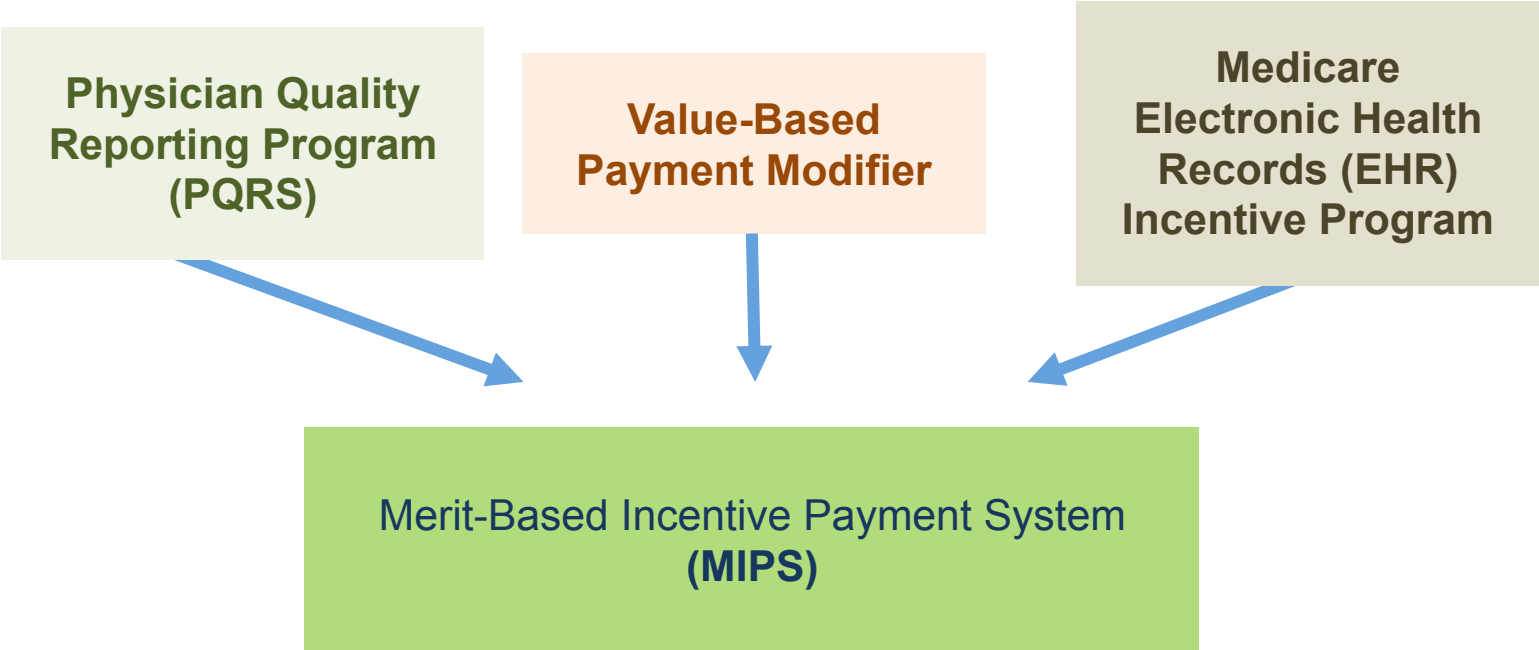
**Physician Quality  
Reporting Program  
(PQRS)**

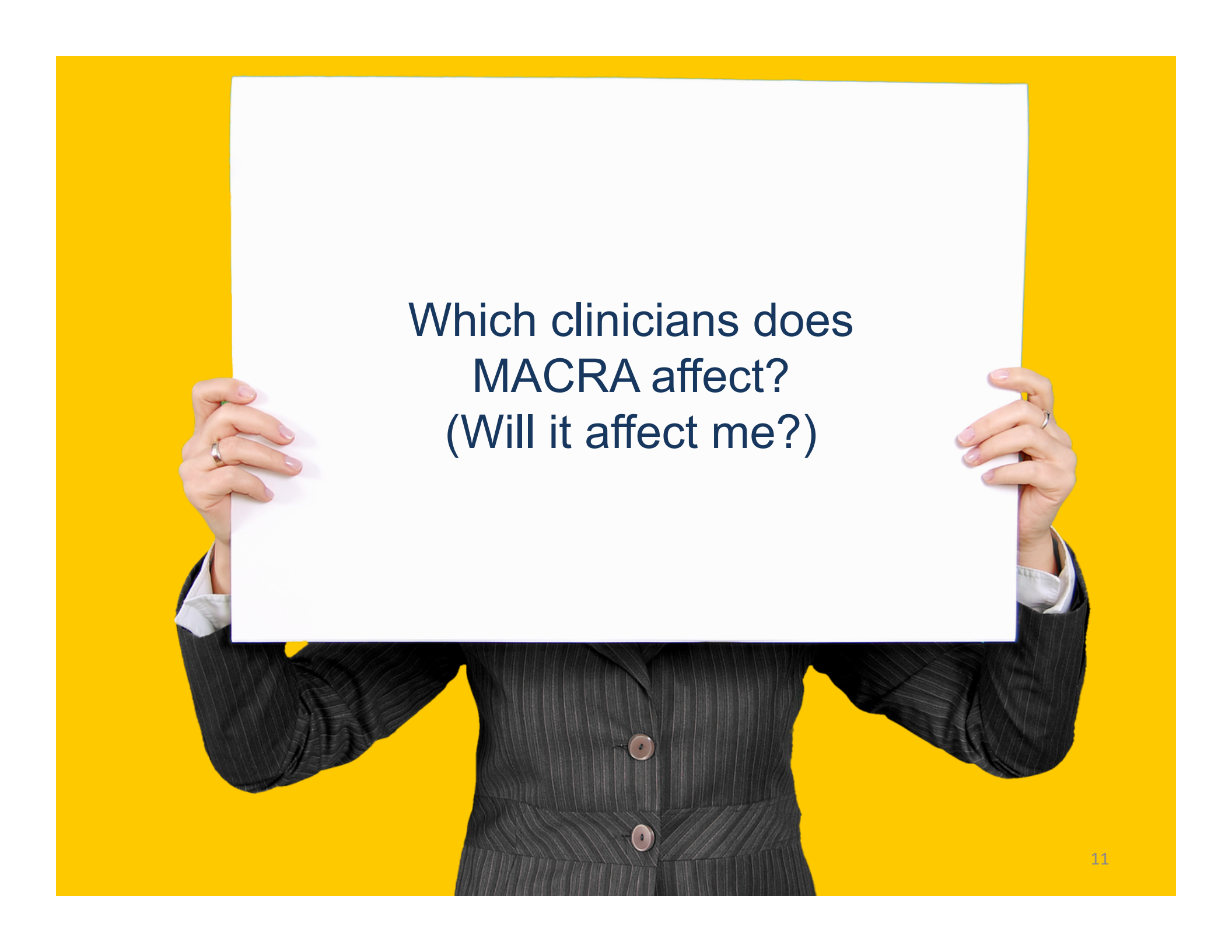
**Value-Based  
Payment Modifier**

**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. The background is a solid, bright yellow color. The person's hands are visible, holding the edges of the sign. They are wearing rings on their fingers.

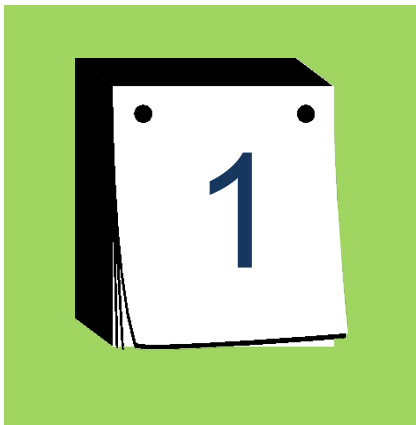
Which clinicians does  
MACRA affect?  
(Will it affect me?)

**Short answer:  
MACRA affects clinicians  
who participate in Medicare Part B.**

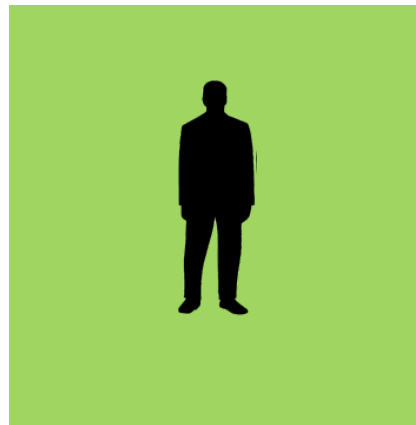


## Are there any exceptions to participation in MIPS?

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  
**ELIGIBLE** Alternative  
Payment Models

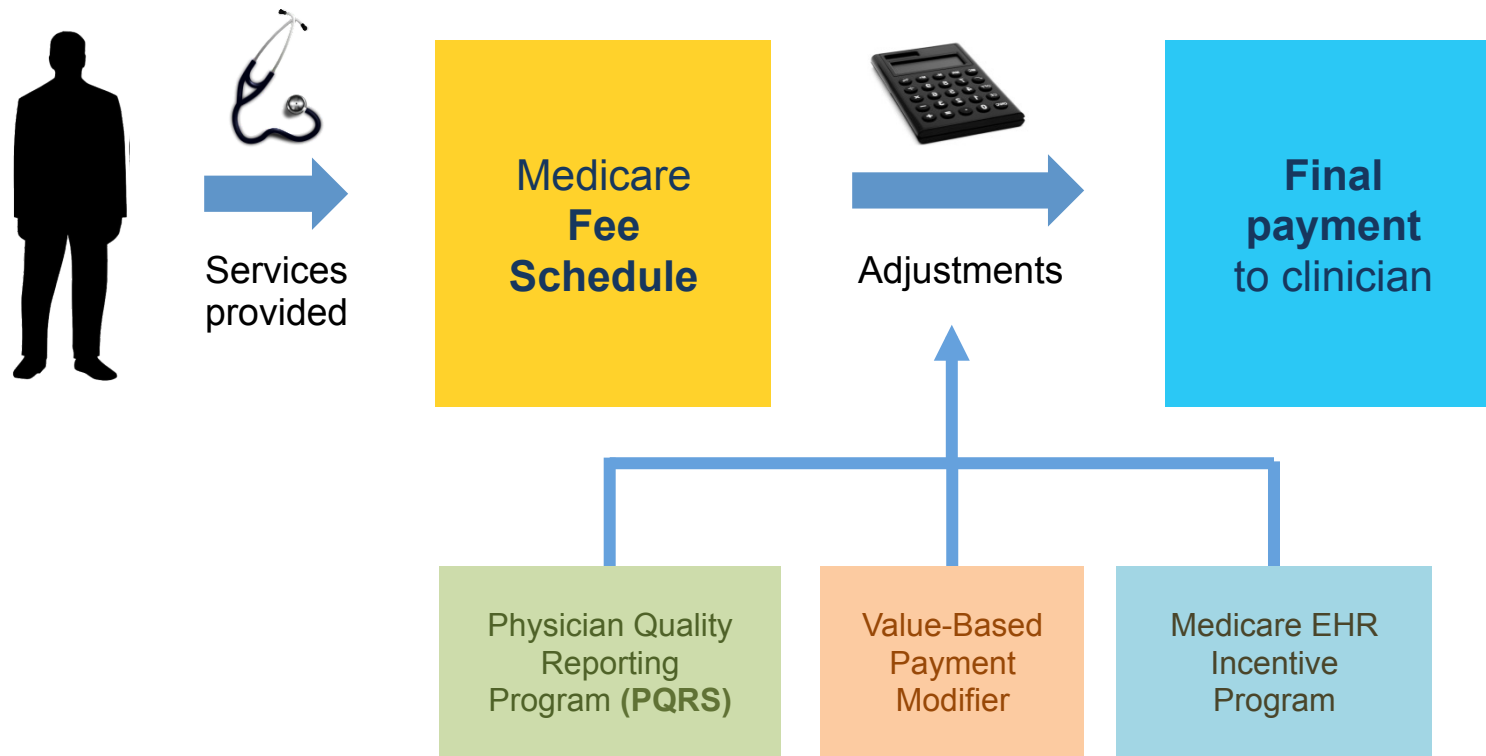
Note: MIPS **does not** apply to hospitals or facilities

A professional office setting featuring a dark wood desk with a glass top, two yellow office chairs, and a metal shelving unit. The desk is equipped with a computer monitor, keyboard, and mouse. The shelving unit holds several books, including one titled "Urologia Moderna", and a small decorative elephant figurine. A window with horizontal blinds is visible in the background. The text "How will MACRA affect Medicare clinicians?" is overlaid in the center of the image.

## How will MACRA affect Medicare clinicians?

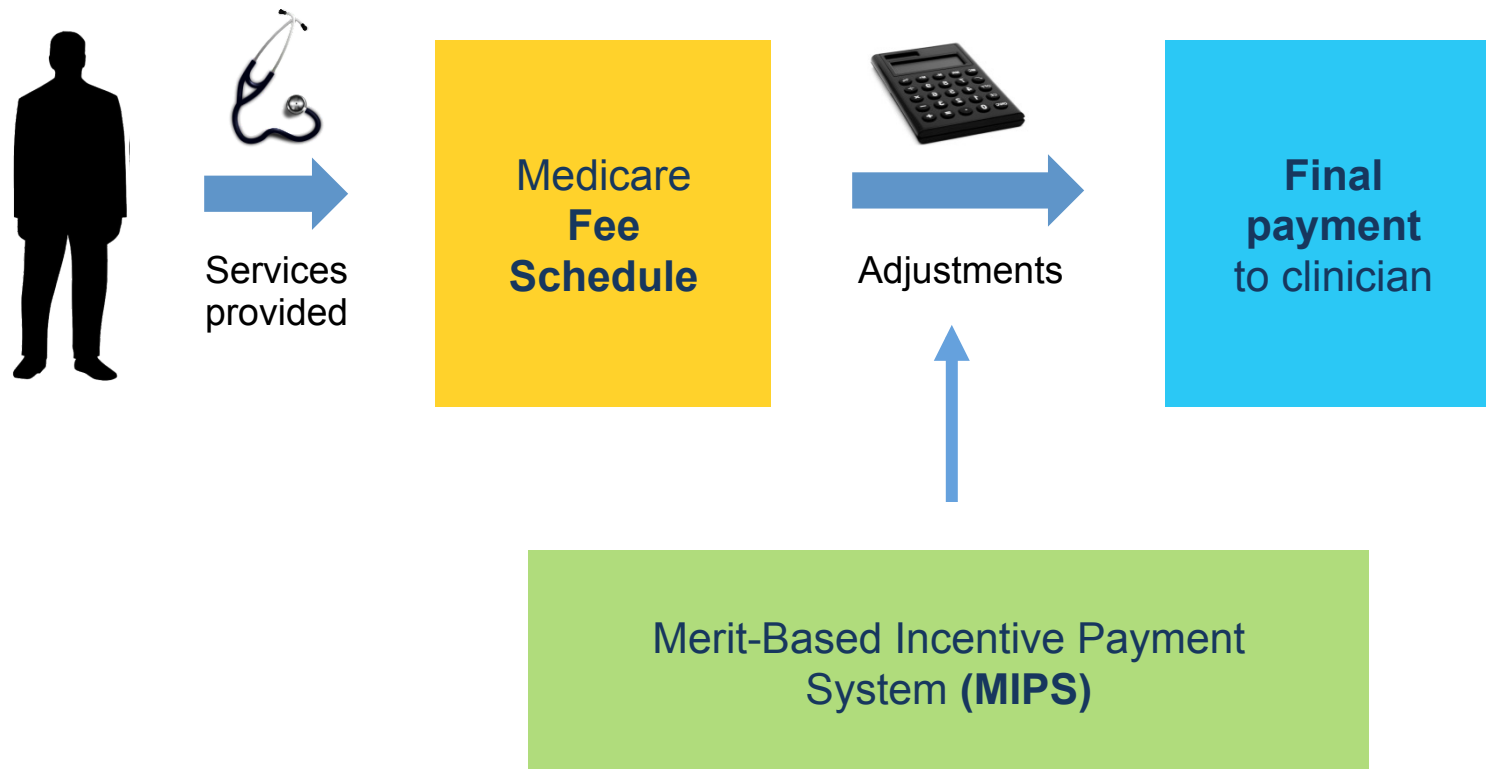
# MACRA changes how Medicare pays clinicians.

The **current** system:



# MACRA changes how Medicare pays clinicians.

The system after **MACRA**:

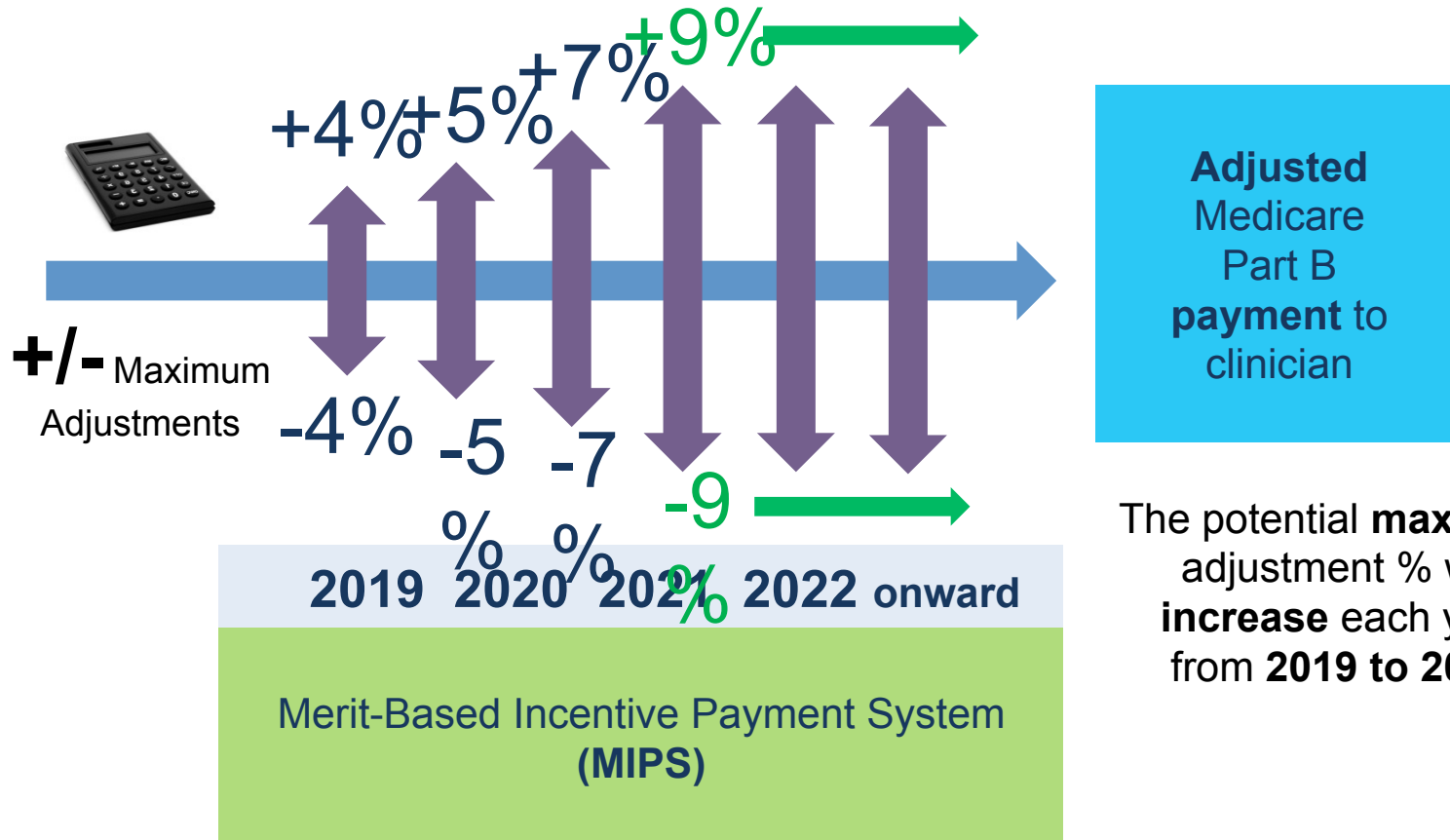


\*Or special lump sum bonuses through participation in eligible Alternative Payment Models



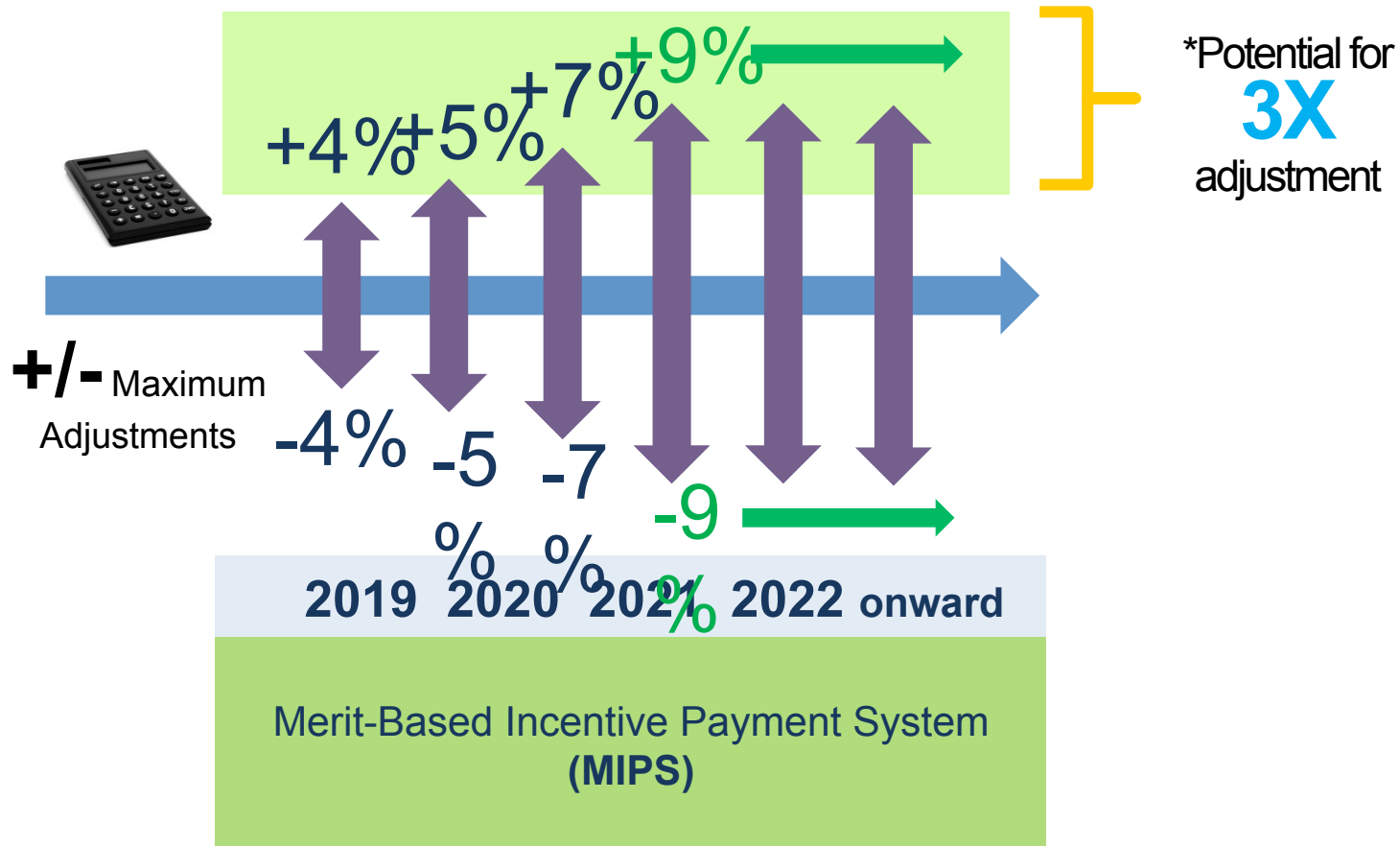
# How much can MIPS adjust payments?

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



# 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



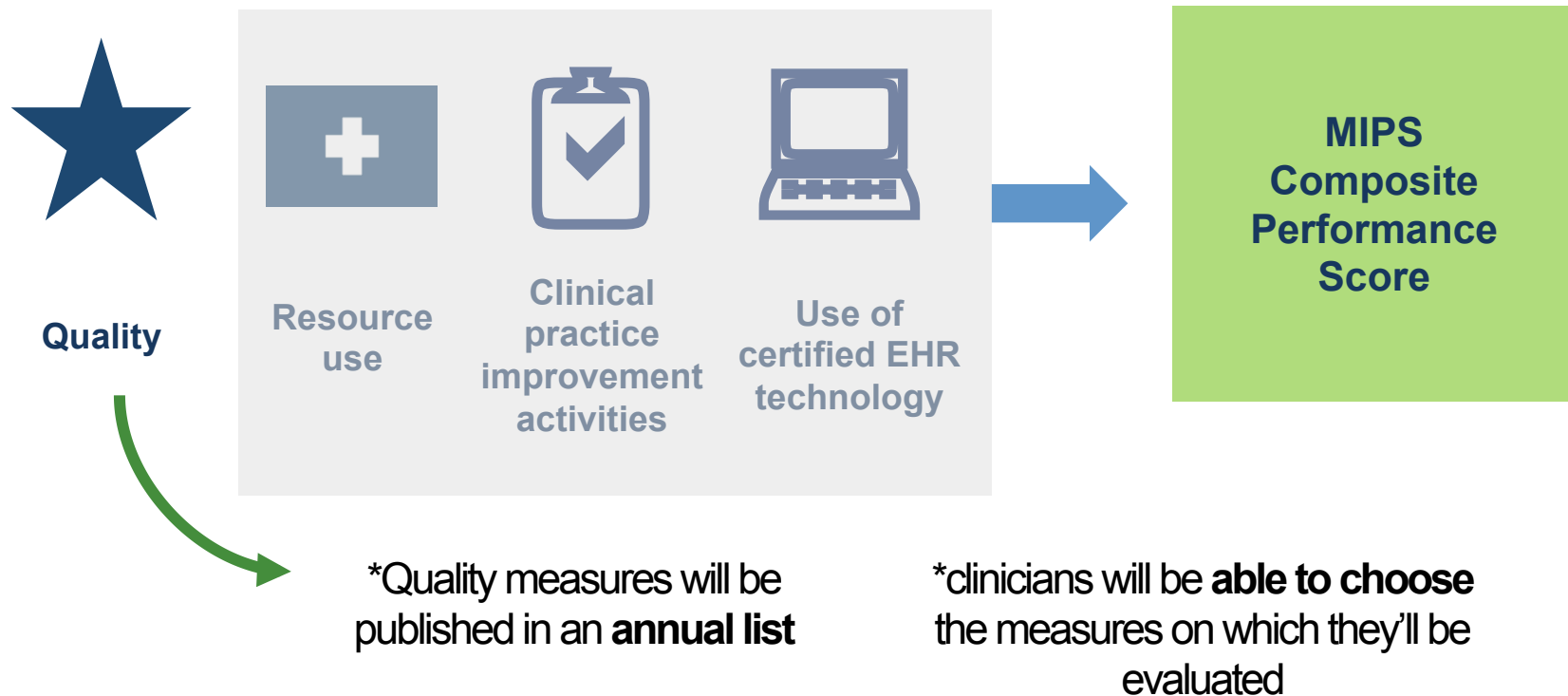
Use of  
certified EHR  
technology



MIPS  
Composite  
Performance  
Score

# What will determine my MIPS score?

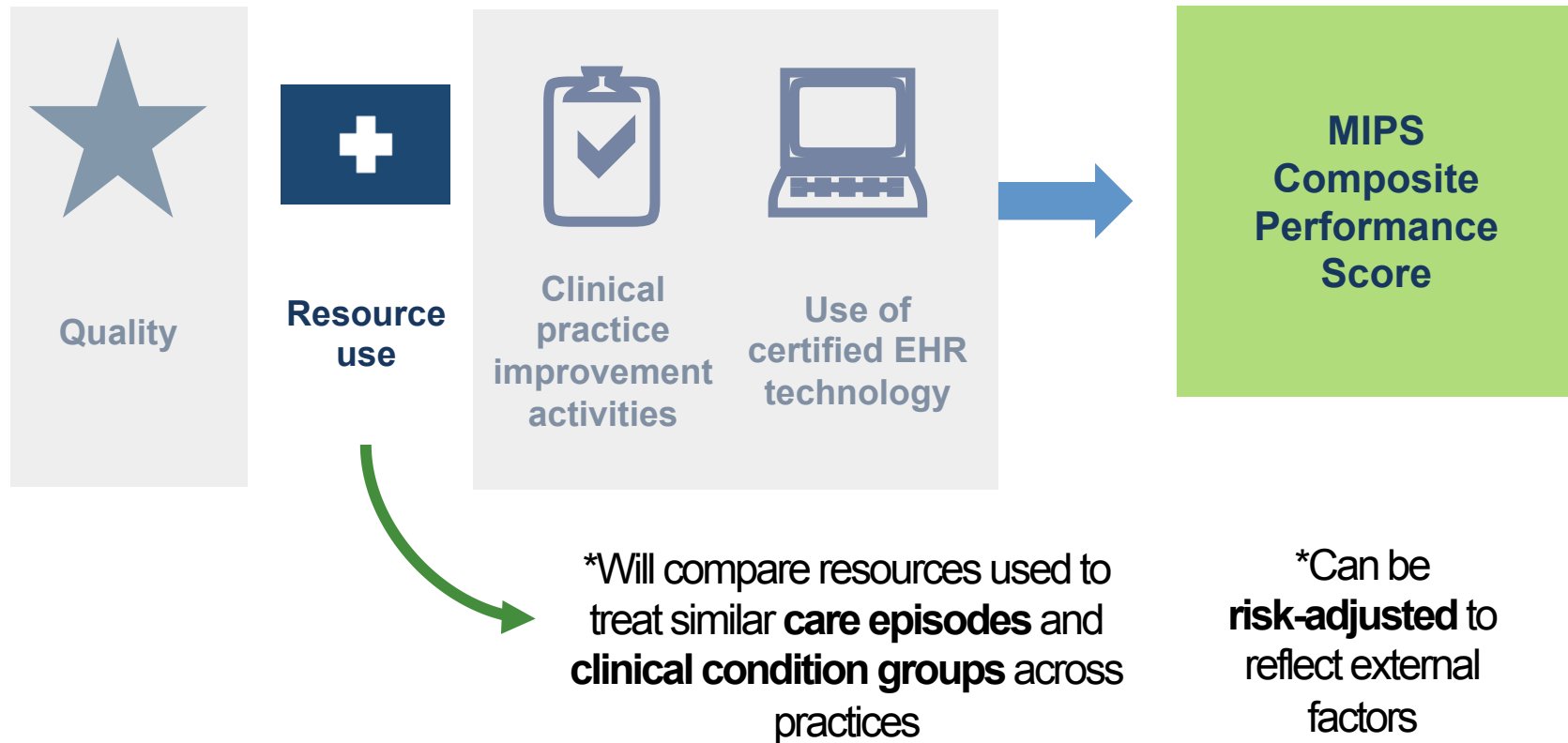
The MIPS composite performance **score** will factor in performance in **4 weighted categories**:





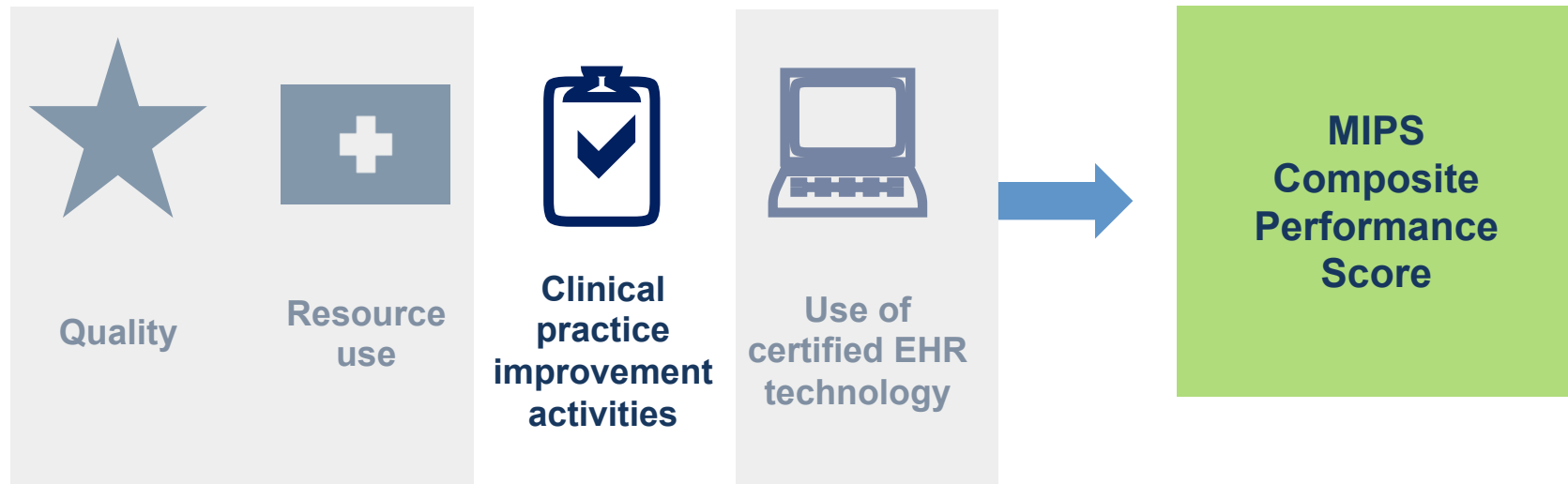
# What will determine my MIPS score?

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



# What will determine my MIPS score?

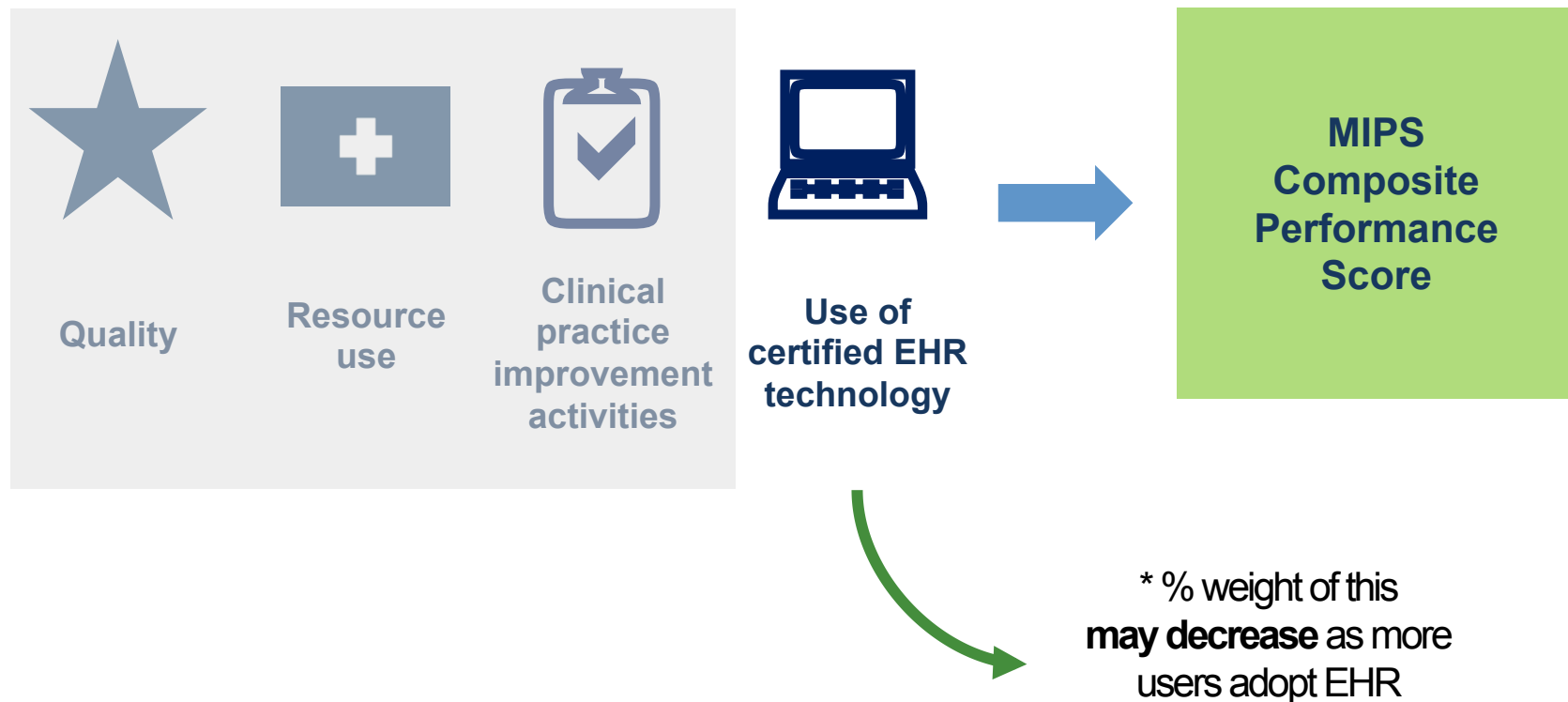
The MIPS composite performance **score** will factor in performance in **4 weighted categories**:



\*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 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

“Eligible” 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

MACRA provides **additional** rewards for participating in **APMs**.



Potential financial rewards

Not in APM

In APM

In **eligible** APM



MACRA provides **additional** rewards for participating in **APMs**.



Potential financial rewards

Not in APM

In APM

In **eligible** APM

MIPS adjustments

MACRA provides additional rewards for participating in APMs.



Potential financial rewards

Not in APM

MIPS adjustments

In APM

MIPS adjustments

+

APM-specific rewards

In eligible APM

APM participation =  
**favorable scoring** in  
certain MIPS categories

MACRA provides additional rewards for participating in APMs.



Potential financial rewards

Not in APM

MIPS adjustments

In APM

MIPS adjustments

+

APM-specific rewards

In eligible APM

APM-specific rewards

+

5% lump sum bonus

If you are a  
qualifying APM  
participant (QP)

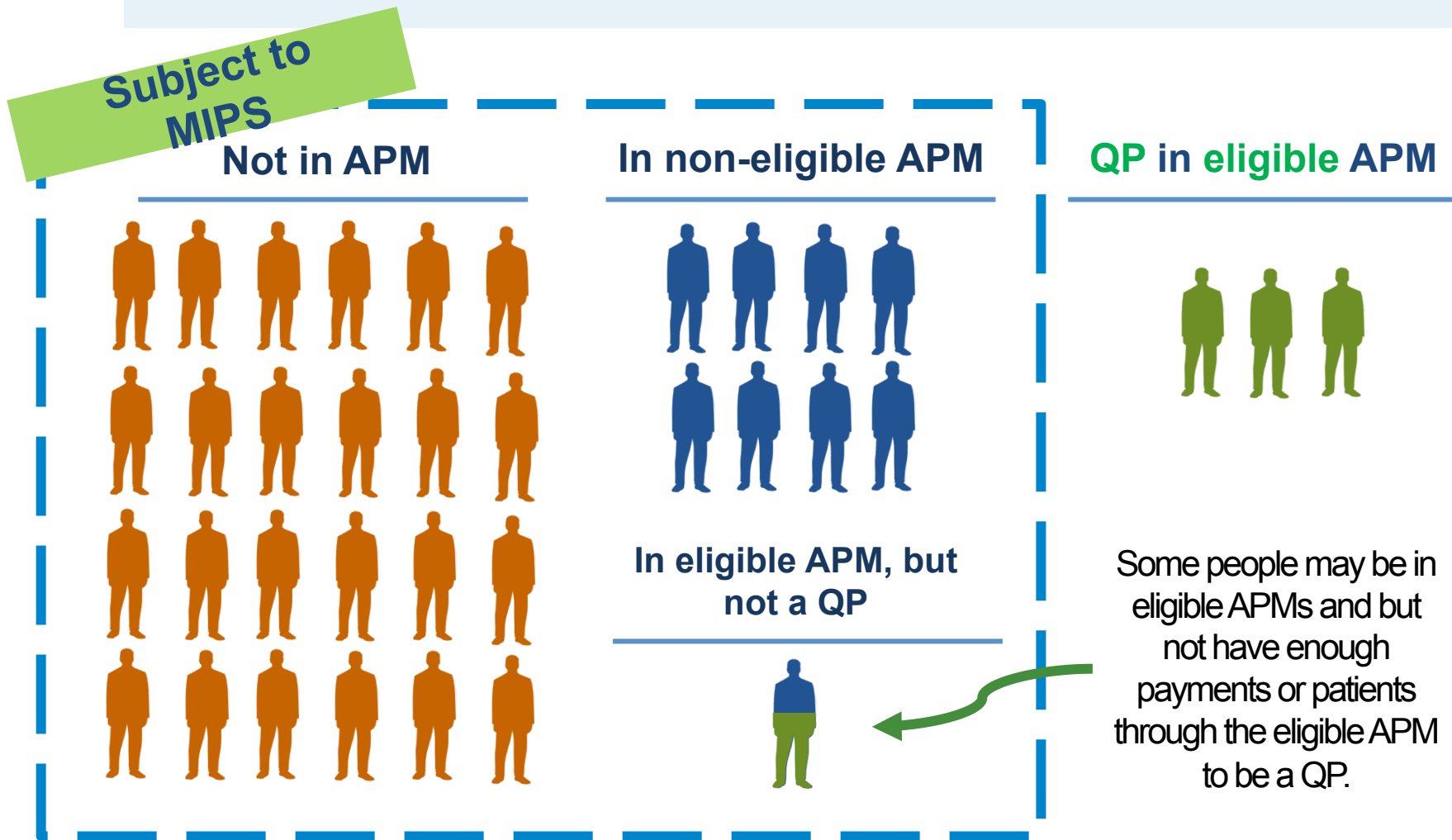


# How do I become a **qualifying** APM participant (QP)?



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

Note: Most practitioners will be subject to MIPS.



Note: Figure not to scale

## 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**.
- 4) A **proposed rule** is targeted for spring 2016, with the **final rule** targeted for **fall 2016**.





Other than payment adjustments, what else does MACRA change?

# MACRA supports care delivery and promotes innovation.

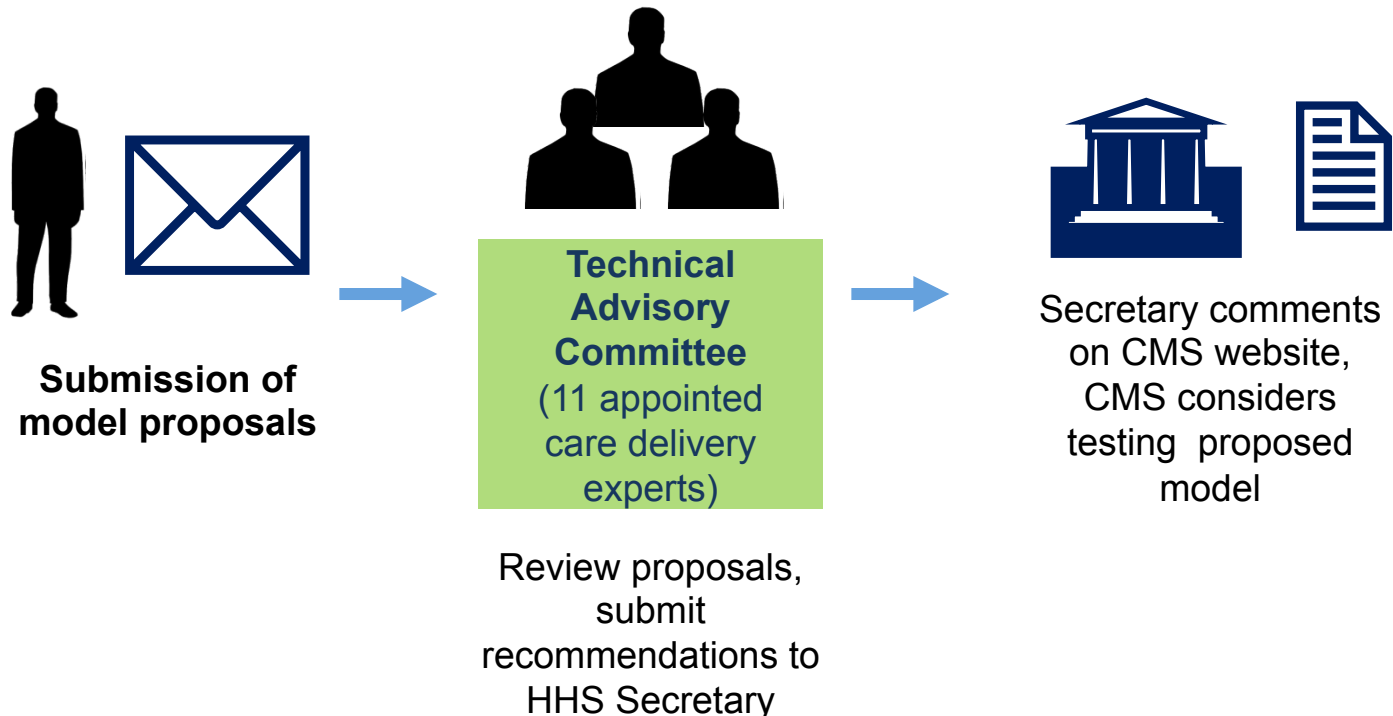
Several examples:


- 1 Allocates **\$20 million / yr.** from 2016-2020 to **small practices** to provide **technical assistance** regarding MIPS performance criteria or transitioning to an APM.
- 2 Creates an advisory committee to help promote development of **Physician-Focused Payment Models**

# Independent PFPM Technical Advisory Committee

**PFPM = Physician-Focused Payment Model**

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



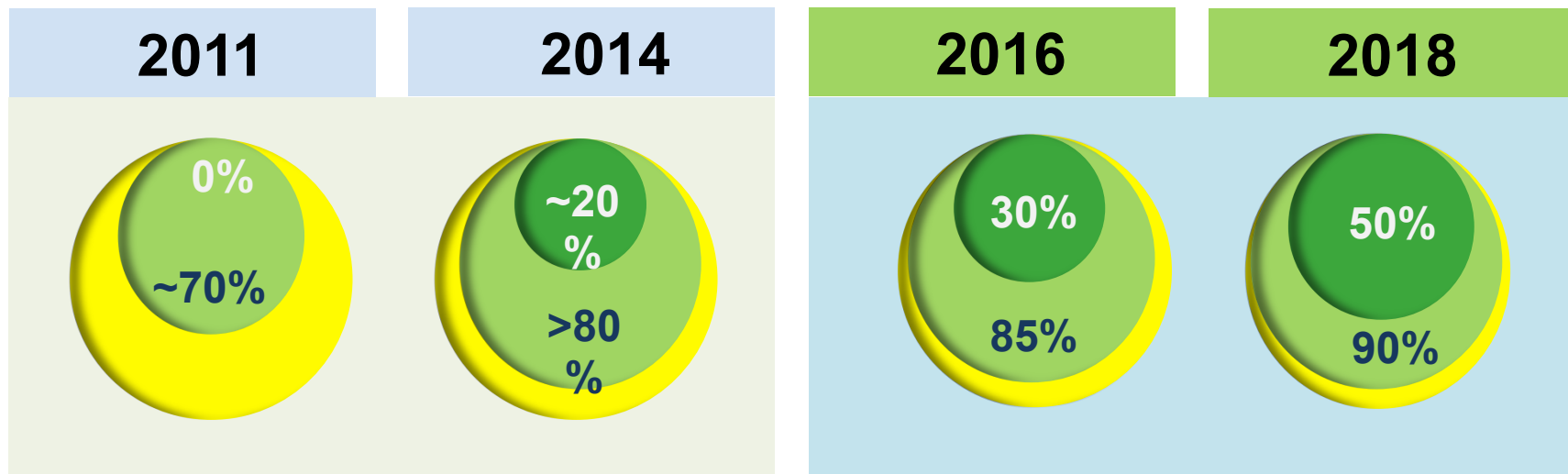
A hand holding a black Nikon D70 camera with a lens cap on. The camera is the central focus, with the Nikon logo and 'D70' clearly visible. The background is a blurred interior space with an arched doorway, suggesting a hospital or institutional setting. A semi-transparent light green box is overlaid on the camera, containing the text.

The big picture: how does MACRA relate to broader health care delivery system reform?

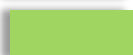
## Target % of Medicare payments tied to quality or value in 2016 and 2018

Actual % (Pre-HHS Goal Announcement)

New HHS Goals:



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



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

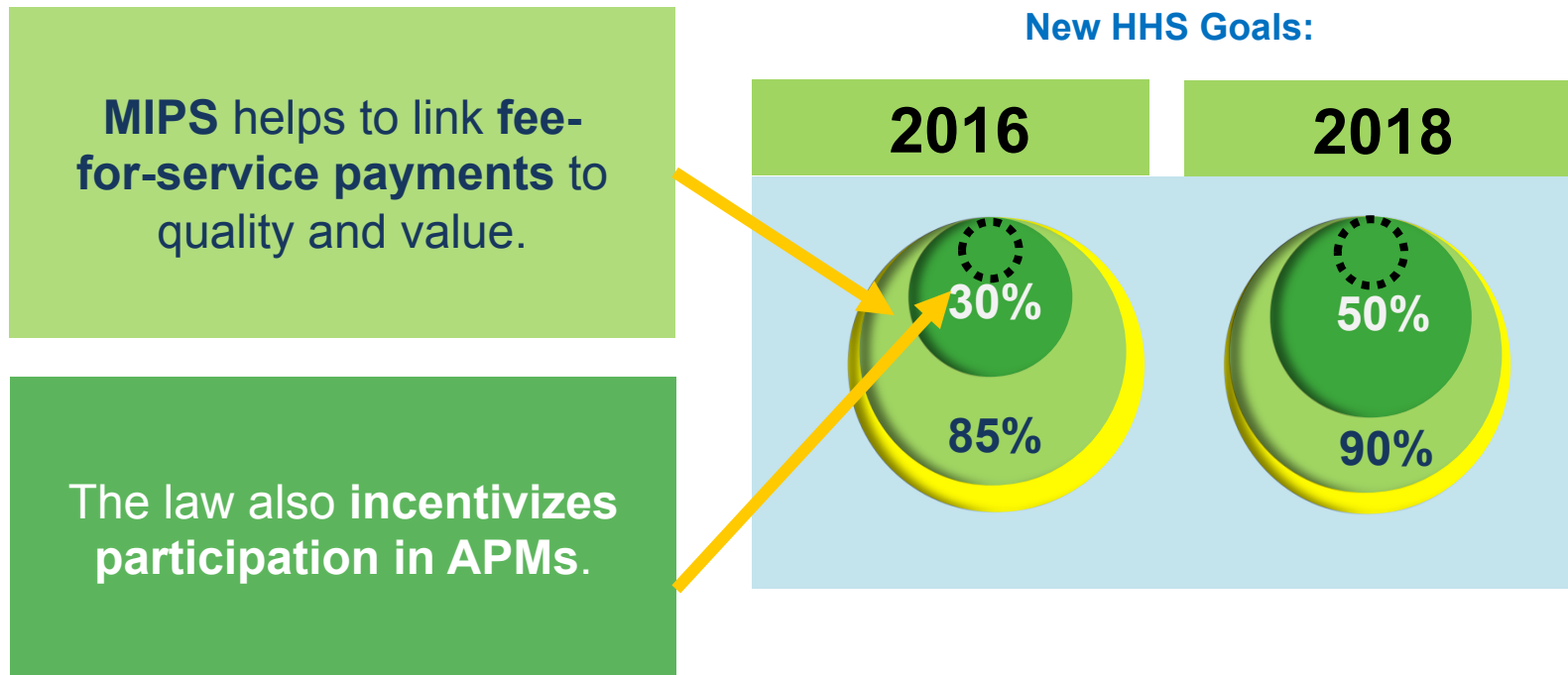






Medicare payments linked to quality and value via APMs (Categories 3-4)

*Images not drawn to scale*



# MACRA moves us closer to meeting these 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** ("eligible APMs")

*Images not drawn to scale*



...and toward transforming our health care system.

3 goals for our health care system:

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



We look forward to **working together** to achieve these **shared goals**.



## Contact Information

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