

# Position Your Practice for Success Now and In the Future: Value-based and Alternative Payment (MACRA)

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Before taking on the role of medical director for quality improvement at the American Academy of Family Physicians, Dr. Mullins - a board certified family physician -- practiced family medicine at a National Committee for Quality Assurance level 3 medical home in Whitehouse, Texas. In her current position, Dr. Mullins works with other national organizations in the quality arena, and participates in national-level policy and advocacy work emphasizing the patient-centered medical home (PCMH). She has spoken extensively on quality improvement, teamwork in primary care, and transforming practices into PCMHs.



## Learning Objectives

1. Understand the basics of the new MACRA legislation and the difference between MIPS and APM payment tracks.
2. Describe the bonuses and penalties associated with upcoming payment reform.
3. Evaluate your current practice situation to better understand where you will fit into the new payment model.

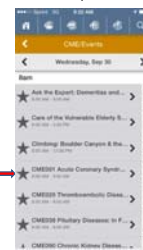


## Audience Engagement System

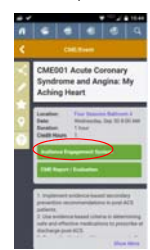
Step 1



Step 2



Step 3



## Times Are Changing

- On April 16, 2015 the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) was signed into law<sup>1</sup>
- Bipartisan effort: passing 392 to 37 in the House and 92 to 8 in the Senate
- Among other things, MACRA permanently repealed the SGR avoiding a 21.2% Medicare physician payment cut

1 Medicare Access and CHIP Reauthorization Act, HR2, 114th Congress.



## The Sun Has Set On The SGR



## What is the primary purpose of MACRA?

- “To repeal the Medicare SGR and strengthen Medicare access by improving physician payments...”



## Polling Question

- How familiar are you with the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)?
  - A. Very Familiar
  - B. Somewhat Familiar
  - C. MAC What??



## MACRA...“The Other Things”... The Ten Thousand Foot View

- Aligns three physician quality and performance programs into one single program
- Provides funds for technical assistance for small/solo practices to facilitate transformation
- Extends funding for Children's Health Insurance Program (CHIP) for two years
- Establishes two tracks for payment:
  - Merit Based Incentive Payment System (MIPS)
  - Alternative Payment Models (APMs)



## The Lost Years...2015-2018

- Until 12/2018 providers still subject to penalties/bonuses of Value Based Payment Modifier (VBPM), Meaningful Use (MU) and Physician Quality Reporting System (PQRS)
- The cumulative penalty during these years starts at 3.5% in 2015, and grows to 11% in 2018
- From July 2015-December 2019 there will be a yearly 0.5% payment update from Medicare to the Physician Fee Schedule



## The New Era: 2019 and Beyond

- Beginning in 2019 payments will occur through two different tracks
  - Merit Based Incentive Payments (MIPS)
  - Alternative Payment Models (APMs)
- From 2016-2020, CMS is to spend \$20 million annually on technical assistance to help practices (with  $\leq 15$  professionals) improve their MIPS performance or transition to APMs
  - Priority will be given to those in underserved/health professional shortage areas



## Who is eligible to participate in an APM?

- Alternative Payment Model participants:
  - A Medicare Shares Savings Program (MSSP) ACO
  - A model expanded under the Center for Medicaid and Medicare Innovation (CMMI) (other than a health care innovation award)
  - A participant in Medicare Healthcare Quality Demonstrations (MHCQ) or Acute Care Episode Demonstration
  - “a demonstration required by federal law”



## Alternative Payment Model Incentives

- Providers in the APM track will receive a 5% annual lump sum bonus from 2019-2024
- Not subject to MIPS bonus or penalties
- In 2026 APM participants eligible for a 0.75% annual update to their Medicare Physician Fee Schedule



## Volume Thresholds for APM Participation

- Once you determine that you are “eligible” to participate in the APM track, you still must meet volume thresholds to fully participate
- A “qualifying APM” is a practice that meets increasing thresholds for the percentage of their payments received through the APM



## What if you do not meet the volume threshold?

- If you do not meet the volume thresholds to qualify for APM status, you are considered a “Partially Qualifying APM”
- If you choose to stay in the APM track, you will not receive a 5% bonus, but you will not be subject to MIPS
- If you choose, you can participate in the MIPS track



## Polling Question

- If you choose the APM track, you will receive what percentage bonus payment annually 2019-2024?
  - A. 3%
  - B. 5%
  - C. 9%



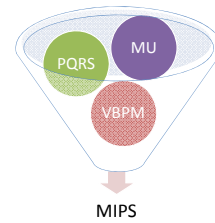
## Summary APMs

- Potentially more financial certainty with a 5% annual bonus (and no potential for penalty)
- Unsure how fast and far the models under CMMI will expand to allow greater participation



## MIPS

Beginning in 2019, MIPS consolidates Meaningful Use (MU), Physician Quality Reporting System (PQRS), and Value Based Modifier (VBPM) into one program



## MIPS Scoring

- Physicians will be assessed, and receive payment adjustments based on a composite score (1 to 100)
- Score based on four categories
  - Quality: 50% of score in 2019 ↓ 30% by 2021
  - Resource use: 10% of score in 2019 ↑ 30% by 2021
  - EHR MU: 25% of score 2019-2021
  - Clinical Performance Improvement Activities: 15% of score 2019-2021



## Special Note About Clinical Performance Improvement (CPI)

- The law says that a professional who is in a practice that is a “certified” patient centered medical home will be given the highest score for the CPI portion of the MIPS score (15 points)
- AAFP is advocating for functionality, not certification
  - Access
  - Planned care
  - Risk stratified care management
  - Patient engagement
  - Care coordination



## MIPS Payment Adjustments

- 2019: Likely based on performance in 2017; +/- 4%
- 2020: Likely based on performance in 2018; +/- 5%
- 2021: Likely based on performance in 2019; +/- 7%
- 2022: Likely based on performance in 2020; +/- 9%



## Performance Thresholds

- Every year, the “performance threshold” will be set, based on the average of all recorded MIPS scores from the previous year. The score 1-100 will be compared to this threshold.
- Special rule for first two years: The Secretary of HHS will establish the performance threshold
- Those who score below the threshold will see negative adjustments, those who score above it will see positive adjustments.
- Providers who score in the bottom quartile will have their payments reduced to the maximum penalty for that year.



## Caveats

- If you score in the lowest quartile of providers, you will automatically be adjusted down to the maximum penalty
- If you score at threshold, you receive no adjustment
- Higher scores receive proportionally larger incentive payments, up to three times the maximum positive adjustment for the year (12% in 2019)
- Scores in the highest quartile are eligible for an additional bonus payment up to 10%
- The program is budget neutral, so the total negative adjustments will equal the total positive adjustments



## Virtual Groups

- If you have 10 or fewer eligible professional in your group you can form a "virtual group"
- Performance is measured as a combined score of all the eligible professionals in the virtual group
- Group, can be based on geography or specialty
- Groups must have a written agreement
- Participants must stay in the group for the entire performance year
- "All or nothing"- Individual providers in a small practice can not "opt out" of virtual group participation



## MIPS Summary

- MIPS replaces existing quality reporting programs in Medicare Part B
- MIPS bonuses are potentially significant for high performers
- There is a risk for penalty



## Polling Question

- Based on what you have learned, which track would you choose to join
- A. APM  
B. MIPS  
C. Forget it, I'm retiring!



## Concluding Thoughts

- Payment reform has happened/ is happening
- There is substantial work still to be done to define the "rules" inside of MACRA
- Remember, there were 298 "the Secretary shall" statements
- Don't forget about the current rules that are still in place as we work our way to 2019!



## Practice Recommendations

- Do not loose sight of the quality of care within your practice
- Look for resources on aafp.org
  - <http://www.aafp.org/practice-management/payment/medicare-payment/faq.html>
  - <http://blogs.aafp.org/fpm/gettingpaid/>



Thank You!  
Questions?

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