MACRA – THE BASICS
Getting Ready for the Post-SGR World

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To Ask a Question

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Presentation Overview:

- Review SGR/SGR Appeal
- MACRA Goals
- CMS Quality Improvement Goals
- General Timelines and Milestones
- MACRA Details
- MIPS
- APMs
- ASCO Member Readiness
A Wild Ride on the Sustainable Growth Rate Roller Coaster Comes to an End

How Repeal of the Sustainable Growth Rate Formula Happened

- March 26, 2015: House passes the Medicare Access and CHIP Reauthorization Act of 2015 to (392-37) which permanently repeals and replaces the SGR
- April 14, 2015: Senate passes the Medicare Access and CHIP Reauthorization Act of 2015 (92-8)
- April 16, 2015: President signs Medicare Access and CHIP Reauthorization Act of 2015 into law
WHY ASCO SUPPORTED REPEAL

Issues with SGR …

- Unworkable formula
- Annual uncertainty
- Piecemeal approach to incentives

Promise of MACRA…

- Rewards quality and value-based care
- Allows practice organization as desired
- Consolidated incentive programs
A NEW ACRONYM

Medicare Access and CHIP Reauthorization Act

MACRA

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American Society of Clinical Oncology
Making a world of difference in cancer care
MACRA - REALIZING THE PROMISE

- Built in period of stability
  …*but things are moving now*

- Push to Alternative Payment Models

- Focus on Registries and QCDRs

- Streamlines current reporting requirements

- Provides some support for practice transformation
The Players

HHS

AMA

TAC

CMS

MedPAC

Congressional Committees

Finance
Ways & Means
Energy and Commerce

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THERE ARE OPPORTUNITIES AND THREATS HERE

- Specialty APMs
- Quality measure development
- Dialogue often with decision makers
- Advisory opportunities
- Path for QOPI/CancerLinQ, PCOP

- A lot has to happen very quickly
- Congress already looking to Medicare payments as “pay for”
- Unknowns e.g. resource use, composite score threshold
We Caught the Car... SGR is Gone.

...Now What?

THIS

NOT THIS
All Medicare FFS

85% of all Medicare FFS

30% of all Medicare FFS

Alternative Payment Models

FFS Linked to Quality

All Medicare FFS 100%

2016 Medicare FFS Payments

2018 Medicare FFS Payments

90% of all Medicare FFS

50% of all Medicare FFS
MPFS/MACRA PAYMENT ADJUSTMENT MILESTONES

2020
APMs 5% Payment Bonus

2025
0.75% for QUALIFYING APMs
0.25% + MIPS adjustment for NON-QUALIFYING APMS

2030+

2015
0.5% increase in PFS

2019
+/- 4% 2019
+/- 5% 2020
+/- 7% 2021

2020
+/- 5% 2020
+/- 7% 2021

2021
+/- 9% 2022+

2022+

2024

2026

+/- 7% 2021
+/- 9% 2022+

ASC0 American Society of Clinical Oncology Making a world of difference in cancer care
2015
- TAC Appointments
- RFI on implementation issues

2016
- Funding for assistance to practices begins
- Measure Development Plan Due
- Criteria for APMs published
- First annual list of quality measures for MIPS released

2017
- Performance Year for 2019 adjustments

2019
- PQRS, MU and VBM end
- MIPS Program begins including incentive payments

2020
- Automatic .5% update ends. Update 0%

2026
- .75% update for APM; .25% for MIPS
2019 MACRA Payment Options

Merit Based Incentive Payment System
- Default
- 0-100 Composite Scoring
- PQRS, RU, CPIA, MU
- +/- 4-9% Adjustments

MIPS

APMs

Alternative Payment Models
- New Delivery Models
- Physician Focused Payment Model
- 5% Payment Adjustment
- Quality & Value Measures
MIPS: GENERAL STRUCTURE

- Merit-Based Incentive Payment System
- MIPS Eligibility
- Scores will be publicly reported on the CMS Physician – Compare website
- MIPS consolidates and leverages the MU, PQRS, and VBM programs
- The MIPS payment adjustments can be significant
MERIT-BASED INCENTIVE PAYMENT SYSTEM

- Measures Medicare Part B providers in four performance categories:
  - Quality
  - Value Based Modifier
  - Meaningful Use
  - Clinical Practice Improvement

- Assigns a composite score of 0-100
- Score reimbursement impact ranges start at a minimum +/- 4 and increases to at least +/- 9
- For the 2015 and 2016 performance years, the VBM, PQRS, and MU programs will continue as separate payment adjustment programs.
Years 1 and 2, Eligible Providers include:

- Physicians
- Physician Assistants
- Nurse Practitioners
- Clinical Nurse Specialists
- Nurse Anesthetists

Years 3 and beyond, Eligible Providers include:

- Occupational Therapists
- Speech-language Pathologists
- Audiologists
- Nurse Midwives
- Clinical Social Workers
- Clinical Psychologists
- Dieticians/nutrition professionals
Only three classes of Part B providers are exempt from MIPS:

- APM Participants
- Low patient volume
- First time Medicare providers
Scores will be publicly reported on the CMS Physician – Compare website

- Composite score rating reported
- All providers
- Comparison to peers
- Available to consumers
MIPS consolidates and leverages the current MU, PQRS, and VBM programs

- Medicare MU and PQRS penalties, and
- VBM incentives and penalties
- Maximum of 25 points earned for MU Compliance
- The MIPS quality category score based on:
  - PQRS mandatory quality reporting requirement; and
  - VBM quality score.
The MIPS payment adjustments can be significant

- Score reimbursement impact ranges start at a minimum
  - +/- 4 and increases to at least +/- 9
  - Exceptional performers can receive up to 3x the incentive

- Must be budget neutral
  - Winners and Losers
  - MIPS incentive pool equal to penalty pool
Merit-based Incentive Payment System

• Consolidates existing program
• Adds Clinical Practice Improvement Activity
• Incentives/Penalties
• Focuses on quality, not volume
• Jan. 2019 Implementation

Current Programs

• Physician Quality Reporting System
• Meaningful Use
• Value-Based Modifier
• Incentives/Penalties
• Sunset Dec. 2018

MIPS 2019 and Beyond

Merit-based Incentive Payment System

• Consolidates existing program
• Adds Clinical Practice Improvement Activity
• Incentives/Penalties
• Focuses on quality, not volume
• Jan. 2019 Implementation

MACRA STREAMLINES CURRENT REPORTING PROCESS
MIPS Composite Score Components

**QUALITY**

30% of total score in 2021

Incentivizes providers for reporting on specific quality measures

- Annual posting of measures every November
- Will be publicly available
- Measures pulled from PQRS, VBM, HER and MU
- Also considers: clinical care, safety, care coordination, patient experience, and population health and prevention
- 2017 PQRS performance assessed for 2019
- Common Rule/QCDR integration determined in 2016

- 2017 PQRS performance assessed for 2019
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**MIPS Composite Score Components**

**MEANINGFUL USE**

*MEANINGFUL USE*  
15% of total score*

*Begin at 25% of composite score, will be reduced to 15% based on National Performance*

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**Using EHR to improve quality, safety, efficiency and reduce health disparities.**

- Certification standards in 2016 MPFS  
- Goal = Interoperability  
- 15% credit for reporting quality measures through EHR  
- *75% compliance or better will decrease composite weighting*

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- Jul 2016 goals/metrics for interoperability
**MIPS Composite Score Components**

**RESOURCE USE**

- **Resource Use (VBM)**
  - 30% of total score in 2021

**Measures cost, including Part D drugs.**

- Considers all Part A&B costs
- Part D drugs, as feasible
- Considers costs for specific care episodes and patient relationships

- Establishment of Care Episodes in 2016
- Establishment of Patient Relationship Categories in 2016
- May also apply to Medicare Advantage
- May consider resource use in other programs (as benchmark)
MIPS Composite Score Components

**Clinical Practice Improvement Activity**

- Recognizes activities that contribute to advancing patient care, safety and coordination.

- Expanded practice access
- Population management
- Care coordination
- Beneficiary engagement
- Patient safety
- Participation in APMs
- Participation in QCDR

- Development of categories in 2016
- Stakeholder input includes specialty providers
MIPS COMPOSITE – POTENTIAL IMPACT

- Meaningful Use: 25%
- PQRS (Quality): 15%
- Resource Use (Cost): 30%
- Clinical Practic Improvement Activity: 30%

Low Performers -9%
National Median Composite Score
Medicare Provider Composite Score

High Performers +9%
Top Performers +27%
0.75% for QUALIFYING APMs
0.25% + MIPS adjustment for NON-QUALIFYING APMs

APMs 5% Payment Bonus

0% Increase and MIPS Adjustments

+/- 4% 2019
+/- 5% 2020
+/- 7% 2021
+/- 9% 2022+

0.5% increase in PFS
ALTERNATIVE PAYMENT MODELS (APMS)
WHAT IS AN APM UNDER MACRA?
• New approaches to paying for care
• Incentivizes quality and value
• Some existing models will be eligible APMs
• Non-qualifying APM participants get favorable MIPS scoring
PFPM - STATUTORY REQUIREMENTS

- Quality measures
- Certified EHR
- “more than nominal financial risk” *
- Includes financial incentives (e.g., shared savings)

*CMS designated patient centered medical homes qualify without risk
By November 1, 2016: Secretary must release criteria for qualifying APM, including specialty APMs

Stakeholders can submit proposals

“Physician Focused Payment Model Technical Advisory Committee” reviews and advises Secretary (11 member committee, no more than 5 physicians)

Secretary will respond publicly to requests
Qualifying APM Participant (QP): participation in most advanced APM

- Not subject to MIPS
- 2019 – 2014: 5% lump sum bonus payment
- 2026 – beyond: higher fee schedule updated

NOT ALL APM PARTICIPANTS RECOGNIZED AS QPS, but most APM participants will receive favorable MIPS scoring.
APMS – ELIGIBILITY ADVANCED MODELS

Eligible APMs are the most advanced APMs:

• 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) is a medical home model expanded under CMMI authority
APMS – ELIGIBILITY
QPS IN ELIGIBLE APMS

- Participation in an eligible APM
- APM must comprise a “significant” share of provider revenue or patients
  - 25% 2019-2020
  - 50% 2021-2022*
  - 75% 2023 and on

- * Beginning in 2021 may be Medicare revenue or revenue from Medicare and other payers (including Medicaid)

- Can partially qualify if close (specified in law)
QUALIFYING APMS - INCENTIVE PAYMENT

- 2019-2024: 5%
  - Annual payment
  - Based on estimate of aggregate Part B professional services
  - Can extrapolate

- 2026 and beyond: 0.75%

*Participation in an APM can help with composite score for MIPS professional*
APM PAYMENT ADJUSTMENT MILESTONES

- **2020**: APMs 5% Payment Bonus
- **2025**: 0% Increase and MIPS Adjustments
- **2030+**: 0.75% for QUALIFYING APMs
  + 0.25% + MIPS adjustment for NON-QUALIFYING APMS

- **2015**: 0.5% increase in PFS
- **2019**: +/- 4% 2019
- **2020**: +/- 5% 2020
- **2021**: +/- 7% 2021
- **2022+**: +/- 9% 2022+
Beginning 2016 contract with QIOs or similar organizations

$20 million/year from 2016-2020

Practices of under 15 or less

Focused on practices in rural or underserved areas or with low composite scores
POTENTIAL MACRA REWARDS

MIPS Only
- MIPS adjustment

APMs
- APM- Specific Rewards
- MIPS Adjustment

Eligible APMs
- Eligible APM- Specific rewards
- 5% lump sum bonus

Am I in an eligible APM? 

Am I in an APM? 

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

Exempt from MIPS 

Subject to MIPS 
• Subject to MIPS 
• Favorable MIPS scoring 
• APM-Specific Rewards 

Do I have enough patient payments? 

QUALIFYING APM PARTICIPANT 
• 5% lump sum bonus payment 
• Higher Fee Schedule updates 
• APM-specific rewards 
• Excluded from MIPS 

Yes 

No 

Yes 

No 

Yes 

No 

Yes 

No 

IMPLEMENTING RULES:

CMS seeking Input:

- 2016 Medicare Physician Fee Schedule
- Request for Information
- Resource Use Methodology
- Physician Focused Payment Model Technical Advisory Committee
- HCPLAN APM Framework Whitepaper
- Quality Measure Development Plan
- Meaningful Use EHR Certification Standards
- 2016 – 2018 Rulemaking on various programmatic aspects

Stay Tuned... More Implementing Rules Still to be Written
MACRA makes three important changes to how Medicare pays healthcare providers who care for Medicare beneficiaries:

- Repeals the Sustainable Growth Rate (SGR) formula as a mechanism for determining Medicare payments for physicians’ services
- Establishes two payment options
  - MIPS
  - APM
- Incentivizes practice transformation
<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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| 2015 | **April 16, 2015:** The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) signed into law, permanently repealing the flawed Sustainable Growth Rate (SGR)  
**July 2015-December 2019:** 0.5 percent annual adjustment for providers  
**2015:** Members will be appointed to the Physician-Focused Payment Model Technical Advisory Committee, which evaluates alternative payment Models (APMs) and makes recommendations to CMS  
**2015-2018:** Separate programs and penalties will continue under PQRS, MU and VBM  
**2015 and Beyond:** Annual public release on physician services, charges and payments. Starting in 2016 this will be integrated into "Physician Compare" |
| 2016 | **July 2016:** A list of MIPS Quality measures for the 2017 performance period will be proposed  
**November 1, 2016:** CMS to set criteria for physician-focused payment models  
**November 1, 2016 and Beyond:** APM proposals will be accepted on a rolling basis  
**November 1, 2016 and Beyond:** MIPS Quality measures due each November 1 for the next performance period |
| 2017 | **January 1, 2017:** The beginning of the performance baseline period for MIPS reporting and scoring, which will determine 2019 payment adjustments. Physicians must begin MIPS reporting or be participating in a qualified Alternative Payment Model (APM) |
| 2018 | **December 1, 2018:** Each eligible professional (EP) must be informed annually of the MIPS adjustment factor(s) at least 30 days in advance  
**December 31, 2018:** Sunset of PQRS, MU, and VBMs as separate penalties and incentives programs  
**December 31, 2018:** Deadline for achieving interoperability |
MACRA Implementation Timeline

2019
- **January 1, 2019:** The MIPS program takes effect, consolidating PQRS, MU, and the VBM. MIPS bonuses and penalties begin to apply to payments for physician services and will be phased in.
- **2019-2024:** A 5% bonus to “qualifying APM participants will be applied based on varying criteria throughout the years.
- **2019 and Beyond:** Composite MIPS scores fully phased in: quality 30%, resource use 30%, meaningful use 25% and clinical practice improvement activities 15%; though these weights may change over time.

2020
- **2020:** Maximum penalties for MIPS will be 5% with the highest MIPS bonuses between 5-15%, with additional bonuses up to 10% for ‘exceptional performance’.
- **2020-2025:** Annual 0.5% update ends and replaced with annual update of 0%.

2021
- **2021:** Maximum penalties for MIPS will be 7% with the highest MIPS bonuses between 7-21%, additional bonuses up to 10% for ‘exceptional performance’.

2022+
- **2022 and Beyond:** Maximum penalties for MIPS will be 9% with the highest MIPS bonuses between 9-27%, with additional bonuses up to 10% for ‘exceptional performance’.

2026+
- **2026 and Beyond:** Updates for participation in qualifying APMs will be 0.75% and 0.25% for all other APMs.

ASCO: Your Partner in Practice and MACRA Transformation
ASCO is the nation’s leading professional oncology society representing over 35,000 physicians and other health professionals who care for people with cancer.
MACRA will transform all oncology practices in two major ways:
- how you conduct your Medicare reporting requirements, and
- how you are paid for the services you provide to Medicare beneficiaries

The ultimate goal of these changes is to move toward a value-based healthcare system that ensures high-quality, affordable health care.

ASCO has long embraced this goal and has dedicated significant resources that will provide you with the foundation needed
- Quality Oncology Practice Initiative (QOPI®); and
- Patient-Centered Oncology Payment Reform model
QOPI, CancerLinQ and PCOP will be ASCO’s best offering to ensure member success.

- Education and Awareness for ASCO Members
- Practice Transformation/Readiness
- Aggressive Pursuit of Interoperability and Robust Rapid Learning Environment for Oncology
ASCO is uniquely positioned compared to other specialty organizations.

Decisions and actions regarding MACRA must reflect ASCO’s vision and current goals and policy priorities.

ASCO must be vigilant throughout and be involved at every level of implementation.
For the latest MACRA developments, please visit:

www.asco.org/macra
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