



## FEATURE

# Providers Prepare for MACRA

Since The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) was signed into law, uncertainty has loomed over Medicare providers. The Act is slated for implementation on January 1, 2019, and will use clinician performance data from 2017 in determining payment for future reimbursement. The law passed with strong bipartisan support as it effectively eliminated the sustainable growth rate formula, which posed reimbursement risks in the event of economic downturn. Policymakers are optimistic the changes will support advancement in electronic health records and an increased focus on quality of care, while simultaneously implementing cost savings.

### The Programs

Under MACRA, two new payment tracks will influence Medicare payments: Merit Based Incentive Payment System (MIPS) and Advanced Alternative Payment Models (APMs).

MIPS is the default payment system for Medicare B clinicians, including: physicians, physician assistants, nurse practitioners, clinical nurse specialists and certified registered nurse anesthetists. Clinicians billing more than \$30,000 a year and providing care for more than 100 Medicare patients a year are categorized under the program. In a cost savings effort, MIPS will evaluate the following categories:

- Quality measures
- Cost measures

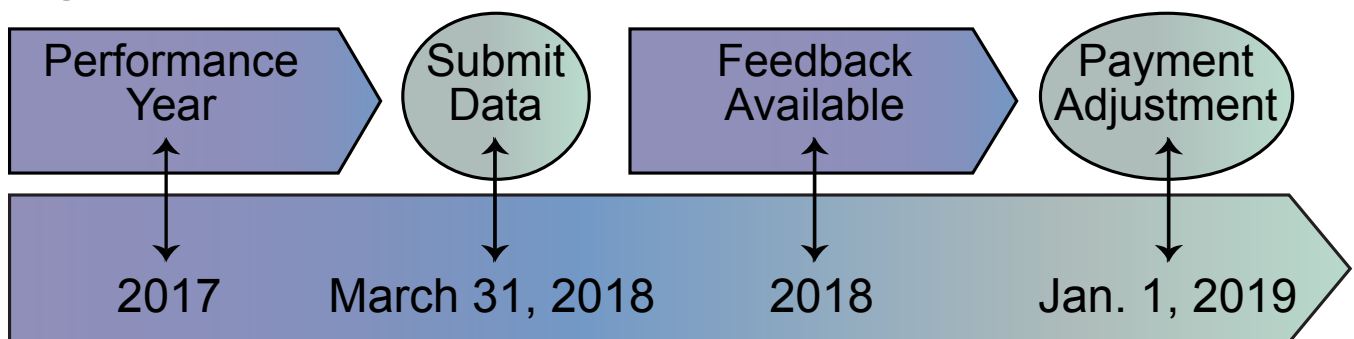
- Improvement activities
- Advancing care information

The program seeks to implement a payment system on value as opposed to quantity. This transition won't be without its challenges, however, as many providers note quality measures do not always take acuity into account. Caring for high risk patients can affect quality measures and subsequently reimbursement. Further, CMS outlines 271 quality measures where clinicians are required to select those that best fit the individual practice. The quality metric is expected to be the most influential category in determining MIPS scores, accounting for 60% of the final score in the transition year.

As for APMs, clinician groups that participate in that program are eligible to earn a 5% annual payment increase and will be exempt from the MIPS program. Initially, APM participation is expected to be low, but over time, CMS expects to see more providers improve electronic records and participate in the alternative program. APM eligibility requires the following qualifications:

- Structure and use of quality measures comparable to the characteristics defined under MIPS
- Full demonstrated use of electronic health record (EHR) technology
- Demonstrates a “more than nominal financial risk”

### Figure 1: MIPS Process Timeline



Source: <https://qpp.cms.gov/>

For the transition year, CMS created a “pick your pace” option, allowing providers to either: submit partial data after January 1, 2017 and report for a 90-day period after that date; or fully participate starting January 1, 2017. Providers who do not participate in one of the outlined programs are subject to a negative 4% reimbursement adjustment.

### Eligibility Exemptions

Due to low volume (defined as 100 Medicare patients), rural and critical access hospitals are exempt from the new regulation. Skilled nursing facilities (SNFs) will continue operating under the Prospective Payment System (PPS). Indirectly, these providers will experience broader CMS changes gearing toward more transparent patient assessment data and a renewed focus on quality of care.

### Adjustment Period Timeline

Under the MIPS program, providers must submit their provider data by March 31, 2018 to receive an adjustment in January 2019 (Figure 1). In the interim period, feedback is available and the data will likely undergo an iterative review process.

### Are Providers Ready?

In a recent Health IT Industry Outlook Survey of health care professionals conducted by Stoltenberg Consulting, 64% of respondents indicated they are either “unprepared” or “very unprepared” for managing and executing MACRA initiatives. Clearly, there is much work to be done, and respondents reported they believe preparing for MACRA should be a group effort. Sixty-eight percent of respondents believe preparing to comply with MACRA should be the responsibility of clinical, financial and IT departments. As for specific MACRA challenges, the top two cited concerns were “revising data management/reporting mechanisms to meet new reporting requirements” at 31% and “motivating the entire organization to collectively work together to achieve goals” at 29%.

In addition to reporting the survey results, Stoltenberg Consulting offered four tips for health care organizations who might be struggling in preparing for MACRA.

1. Hire the right IT staff. Effective health care IT requires a specialized skill set and organizations that invest in highly-qualified professionals will be a step ahead of those that don't.
2. Invest in staff training. In addition to hiring qualified IT candidates, organizations should invest in their current staff to ensure they are knowledgeable not only from a technical perspective, but financial and clinical as well.
3. Team effort. For MACRA to be successful, staff will have to work together and combine their expertise to ensure data is captured, maintained, and analyzed in an efficient and effective manner.

4. Have a plan. Stoltenberg recommends adapting a multi-year MACRA roadmap created by a specialized team at the organization. This will allow organizations to more efficiently improve their program from year to year.

### The Future of MACRA

MACRA is expected to be a cost-saving measure that will continue to generate bipartisan support. Knowing this, it seems unlikely the change in administrations following the presidential election will result in the repeal or delay of the program. It should be noted, however, that any modification to the program will have budgetary consequences and how those will be dealt with in regard to the administration's overall budget remains unclear.



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