

MACRA in Brief

- Legislation passed in April 2016 that repealed the Sustainable Growth Rate (SGR)
- CMS released final rule on MACRA in October 2016
- Drastically changes the way CMS pays clinicians for Medicare Part B services
- Locks provider reimbursement rates at near zero growth:
 - 2016 – 2019: 0.5% increase
 - 2020 – 2025: 0% increase
 - 2026 and on: 0.25% increase
- Stipulates development of two new Medicare Part B payment tracks: Merit-Based Incentive Payment System (MIPS) and Alternative Payment Models (APMs)
- All providers who are reimbursed under Medicare Part B will be subject to MIPS or APM starting in 2019.
- The MIPS track combines three existing CMS reporting programs:
 - Meaningful Use (MU)
 - Value-Based Payment Modifier (VBPM)
 - Physician Quality Reporting program (PQRS)
- CMS will use performance from previous years to assign providers into payment tracks and assess performance.

Two New Payment Tracks Created by MACRA

Merit-Based Incentive Payment System (MIPS)	Alternative Payment Models (APM)
<ul style="list-style-type: none"> • Rolls existing quality programs into one pay-for-performance program, in which providers will be scored on quality, resource use, clinical practice improvement, and EHR use, and assigned payment adjustment accordingly. • Based on performance in 2017, providers will see a positive, neutral, or negative adjustment of up to 4% in 2019 and increasing to a potential 9% in 2022. • Providers can participate as a group or as an individual. • MIPS participants receive a MIPS performance score of 0 to 100 on an annual basis. The score will be compared to a performance threshold that will either be the mean or the median – determined by CMS – of the composite performance scores for all MIPS participants. 	<ul style="list-style-type: none"> • Requires significant share of revenue in contracts with two-sided risk, quality measurement and EHR requirements. • Most providers will qualify for the APM track through the entity they work with that participates in a given APM. • Providers collectively in the APM entity must have a minimum percent of revenue-at-risk or number of beneficiaries to be considered eligible for participation in an Advanced APM. • Advanced APM participants would be exempt from MIPS payment adjustments and would qualify for a 5% incentive payment in 2019-2024. • APM entities that do not have the required percentage of revenue-at risk or number of beneficiaries, do not qualify for the 5% incentive payment, but can choose whether or not they participate in the MIPS track.