Consumer-Purchaser
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What's in the New Physician Payment Law?

Implications for Consumers and Purchasers

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Housekeeping

- All phone lines are open; please mute your line except to ask a question
- Questions can be asked throughout the webinar. Please email C-P Alliance with any unanswered questions or comments: sglier@pbgh.org
- A copy of the presentations and a recording of the webinar will be available online at: http://consumerpurchaser.org/
- Join us on Twitter: our handle is @CPAlliance_News
- Special thanks to Ann Greiner, NQF for use of her MACRA overview and analysis

Agenda

WELCOME AND INTRODUCTIONS

– Debra Ness

OVERVIEW OF MEDICARE ACCESS AND CHIP REAUTHORIZATION ACT OF 2015 (MACRA)

– Stephanie Glier

ADVOCACY AGENDA AND NEXT STEPS

– Bill Kramer

Q&A

Context: History of the SGR

- Previous payment system (SGR) implemented in 1997
- Patched 17 times (@ $150 B in “fixes”)
- Unsuccessful efforts to repeal/replace it over the last decade

Context: History of the SGR

- What was different this year?
  - Growing consensus of need to shift away from fee-for-service
  - Strong and uniquely unified push by physician community
  - Bipartisan, bicameral consensus on the policy with highly committed Congressional leadership
  - Result: Overwhelming support
    - 92 – 8 Senators; 392 – 37 Representatives

What does MACRA do?

- Eliminates annual uncertainty (payment cliff) by stabilizing payment updates
- Aligns three physician-level incentive programs
- Extends key programs including CHIP, community health centers, and the performance measurement enterprise
- Meaningful progress toward paying physicians for value, not volume

What does MACRA do?

- Immediately replaces old SGR cycle with short-term stable updates, then offers two paths

Jan-June 2015	July-Dec 2015	2016-2019	2020-2025	2026+
0.0%	0.5%	0.5%	0.0%	0.25% MIPS 0.75% APMs

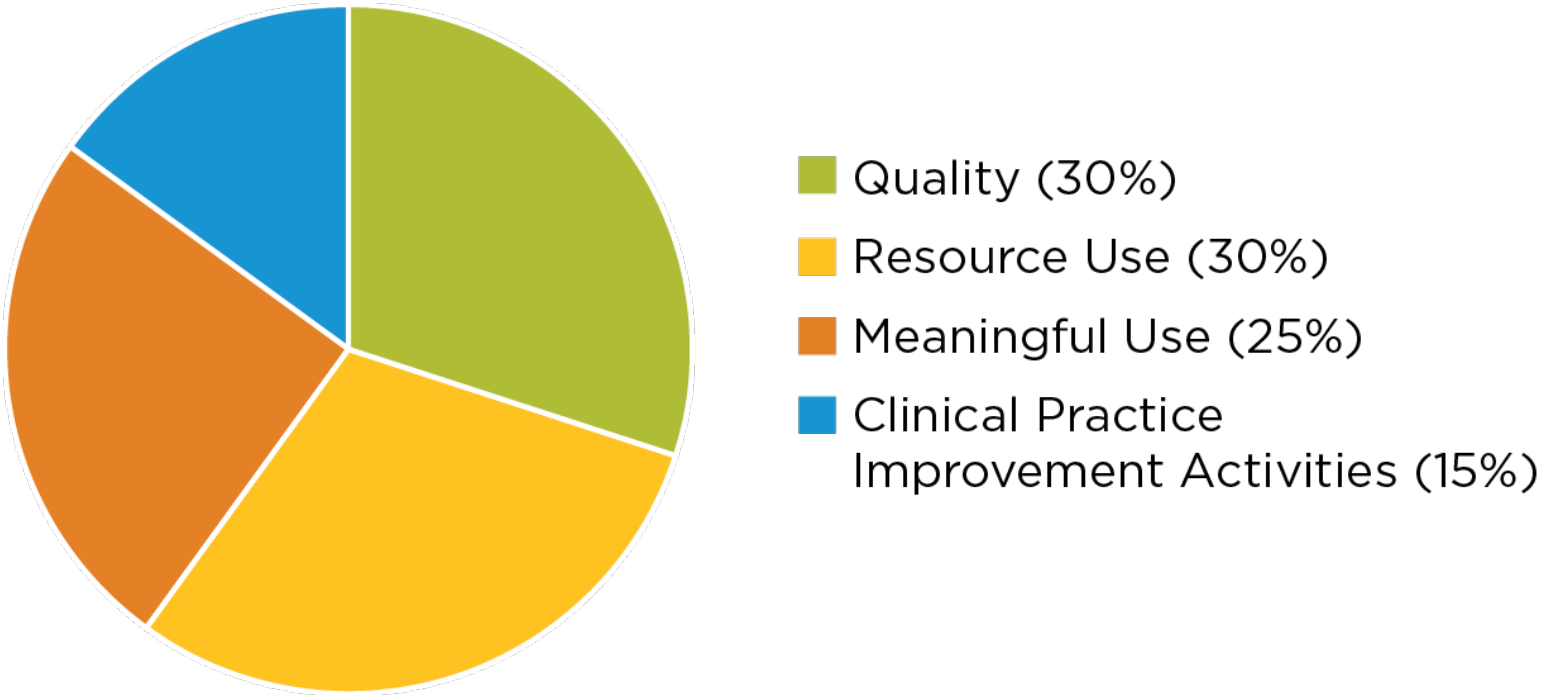
Status quo: PQRS, Physician Value Modifier, MU Bonuses/Penalties through 2018

MIPS Bonuses/Penalties

APM Bonuses 2019-2024

Unpacking the Merit-Based Incentive Payment System (MIPS)

Four components contribute to a MIPS score from 1- 100:



MIPS: Measure Criteria

- Measures from existing programs; new and updated measures must be evidence based and come through traditional rulemaking processes
- If new measures are not endorsed by a consensus-based entity (now NQF), CMS must first submit to a peer review journal
- Multistakeholder input is required, but emphasizes medical specialty societies over existing process (MAP)
- How this statute is operationalized in regulations will be key to meeting ultimate goals

MIPS: Rewards & Penalties

- Providers earn a 1-100 score based on performance from four MIPS categories
- Payment updates based on this score:
  - 2019 range: - 4% penalty up to 12% bonus
  - 2022 range: - 9% penalty up to 27% bonus
- Additional payment above performance threshold; capped at $500 million/year (2019-2023)

Unpacking the Alternative Payment Models (APMs)

Three criteria:

1. Qualifying Model
2. Quality Measures
3. Financial Risk

Incentives to Participate in APMs

Jan-June 2015	July-Dec 2015	2016-2019	2020-2025	2026+
0.0%	0.5%	0.5%	0%	0.25% MIPS 0.75% APMs

Status quo: PQRS, Physician Value Modifier, MU Bonuses/Penalties through 2018

MIPS Bonuses/Penalties

APM Bonuses 2019-2024 (5%)

- Special emphasis on testing APMs with specialists & small practices & those that align with private and state-based payer initiatives
- Potential for development of new APMs by 2019

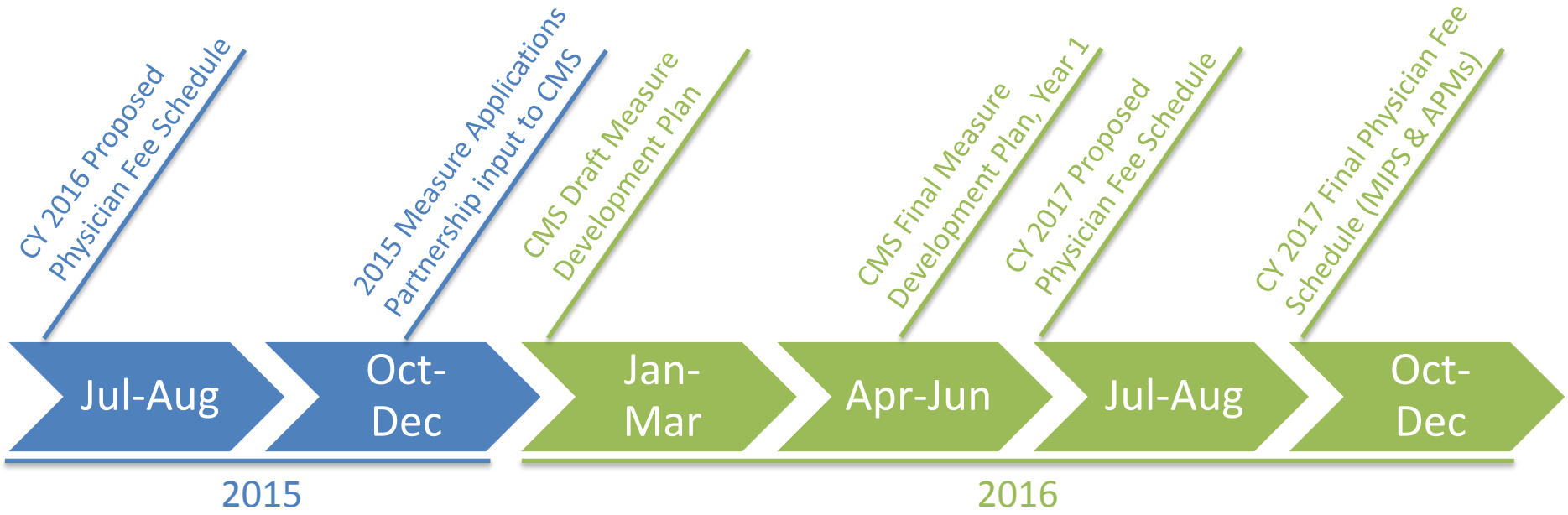
Support for Quality Measurement & QI

- $75 M (2015–2019) for development of quality measures based on multi-stakeholder input
  - CMS must publish an initial plan for measure development in 2016; assessing progress against the plan starting in 2017
- $75 M (2015–2019) for duties of the consensus based entity, including endorsement and MAP
- $100 M (2016–2020) for technical assistance to help practices with 15 or fewer clinicians implement MIPS or transition to APMs

Implementation Questions and Challenges

- What aspects of current programs will be included in MIPS?
- The total payment penalties in MIPS are less than total payment penalties in the three merged programs. How will this affect provider participation and performance?
- How will CMS define an APM?
- What factors will influence providers' decisions to participate in MIPS or APMs?
- How will these new programs intersect with HHS value-based purchasing goals? How will they affect public-private alignment?
- What measures and measure gaps will CMS prioritize? How will CMS seek to evolve measurement strategy?

Opportunities for Input



Consumer and Purchaser Priorities

- Measure development and measure gaps
  - What measures and measure gaps are most important to you?
  - What is the right balance of cross-cutting and specialty-specific measures?
  - Which cross-cutting measures would be most useful?

Consumer and Purchaser Priorities

- Merit-Based Incentive Payment System (MIPS)
  - What are the most important features of a core set of measures?
  - How should consumers and purchasers be engaged in the clinical quality improvement activities?
  - Should MIPS align with private sector programs? In which ways?

Consumer and Purchaser Priorities

- Alternative Payment Models (APMs)
  - What should the defining principles or criteria of APMs be?
  - How should APM measures align with and differ from MIPS measures?
  - How should APMs align with private sector programs? Which types of APMs are most ready for alignment?

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