

protiviti
Shape the Future with Confidence



MACRA: A SHIFT TO QUALITY AND VALUE-BASED CARE

The Who, What, Where and When's associated with MACRA, and Why I should care

Nicolet Araujo, Senior Manager, Protiviti
David Zavala, Senior Manager, Protiviti

Internal Audit, Risk, Business & Technology Consulting

AGENDA



Why Should I Care?	What's Next?
What Is It?	2018 QPP Updates
The Quality Payment Program (QPP)	Who's Doing What?
Who Does It Apply To?	Case Studies
Merit-based Incentive Payment System (MIPS)	What Should I Do Now?
Advanced Alternative Payment Models (APMs)	What Should I Remember?
When Does It Start?	Q&A
What Do We Do?	

2 © 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not have opinions on financial statements or other attestable services. All registered trademarks are the property of their respective owners.

protiviti

WHY SHOULD I CARE?

WHY SHOULD I CARE?

Value Proposition

Who in your organization is accountable or even aware of the reporting requirements?

Financial Impact

Reputational Impact (Info made public by CMS – HealthGrades, etc.)

© 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not have opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners.

protiviti

WHAT IS IT?

Quality Payment Program: Background and Beyond

MEDICARE PAYMENT PRIOR TO MACRA

Fee-for-service (FFS) payment system, where clinicians are paid based on volume of services, not value.

The Sustainable Growth Rate (SGR)
Established in 1997 to control the cost of Medicare payments to physicians

If Overall Physician Cost > Target Medicare Expenditure → Physician Payment cut across the board

Each year, Congress passed temporary "doc fixes" to avert cuts (no fix in 2015 would have resulted in a 21% cut in Medicare payments to clinicians)

© 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not have opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners.

protiviti

WHO DOES IT APPLY TO?

The Merit-based Incentive Payment System (MIPS)
Alternative Payment Model (APM)

MIPS: KEY KNOWLEDGE POINTS

11 © 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not have opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners. protiviti

MIPS DEFINED

- Quality
- Resource Use
- Clinical Practice Improvement Activities
- Advancing Care Information

The Merit-based Incentive Payment System (MIPS) streamlines the Physician Quality Reporting System (PQRS), the Physician Value-based Payment Modifier (VM), and the Medicare Electronic Health Record (EHR) Incentive Program (aka "Meaningful Use") into one single program to measure provider performance. A fourth component is also added to promote ongoing improvement and innovation to clinical activities.

12 © 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not have opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners. protiviti

WHO PARTICIPATES IN MIPS?

The following clinician types can participate in MIPS, and are referred to as "Eligible Clinicians".

2017 & 2018	Beyond 2018: Same as Y1/Y2, plus
<ul style="list-style-type: none"> Physicians: Doctors of Medicine, Osteopathy, Dental Surgery/Medicine, Podiatry, Optometry, and Chiropractors Physician assistants (PAs) Nurse practitioners (NPs) Clinical nurse specialists Certified registered nurse anesthetists Non-patient-facing MIPS eligible clinicians (e.g., radiologists) 	<ul style="list-style-type: none"> Physical or occupational therapists Speech-language pathologists Audiologists Nurse midwives Clinical social workers Clinical psychologists Dietitians / Nutritional professionals

© 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not issue opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners.

protiviti

MOST CLINICIANS WILL BE SUBJECT TO MIPS

Eligible Clinicians can participate in MIPS as an:

Individual OR Group

A group, as defined by taxpayer identification number (TIN), would be assessed as a group practice across all four MIPS performance categories.

© 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not issue opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners.

protiviti

WHO IS EXCLUDED FROM MIPS?

There are 3 groups of clinicians who are NOT subject to MIPS:

- First Year of Medicare Part B participation
- Certain participants in Advanced Alternative Payment Models (APMs)
- Below low patient volume threshold

Medicare billing charges less than or equal to \$30,000 (**\$90,000 in 2018**)
OR
Provides care to 100 or fewer Medicare patients in the year (**200 in 2018**)

© 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not issue opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners.

protiviti

APM OVERVIEW

An Alternative Payment Model (APM) is a payment approach, developed in partnership with the clinician community, that provides added incentives to clinicians to provide high-quality and cost-efficient care. APMs can apply to a specific clinical condition, a care episode, or a population.

Advanced Alternative Payment Models (Advanced APMs) enable clinicians and practices to earn greater rewards for taking on some financial risk related to their patients' outcomes. Participants of Advanced APMs receive a 5% lump sum incentive under the QPP.

Advanced APMs are a subset of APMs...

© 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not have opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners.

protiviti

ADVANCED APMs

For the 2017 performance year, the following models are Advanced APMs:

MSSP Track 1+ ACOs are proposed to be included as an Advanced APM in 2018.

© 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not have opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners.

protiviti

MIPS-APMs

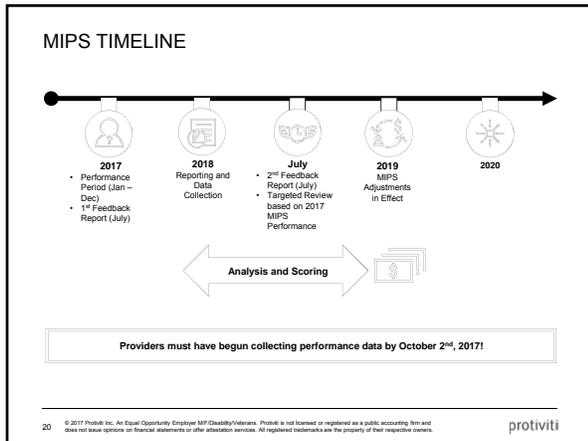
- "MIPS-APMs" are a type of APM that includes MIPS eligible clinicians as participants, and hold their participants accountable for the cost and quality of care provided to Medicare beneficiaries. There are special reporting requirements for MIPS-APMs in addition to special scoring standards.
- Most Advanced APMs are also MIPS-APMs, so that if an eligible clinician participating in the Advanced APM does not meet the threshold of having sufficient payments or patients through an Advanced APM in order to become a Qualifying APM Participant (QAP), the eligible clinician will be scored under MIPS according to the MIPS-APM scoring standard.

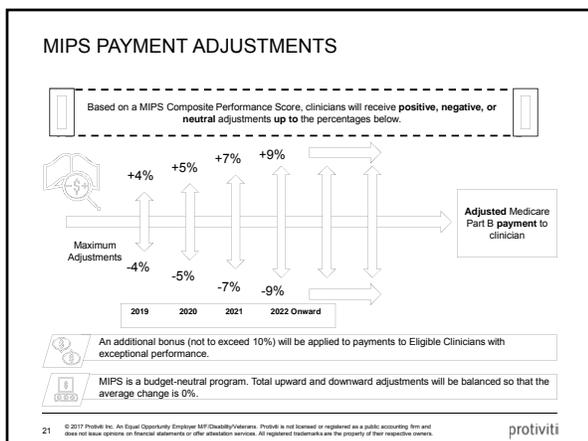
MIPS-APMs include the following

© 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not have opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners.

protiviti

WHEN DOES IT START?





MIPS PERFORMANCE CATEGORIES AND SCORING

The MIPS Composite Performance Score will factor in performance across 4 weighted categories on a 0-100 point scale. For the 2017 performance year, the weighting of each category is as follows:

MIPS Composite Performance Score (CPS)

The CPS will be compared to the MIPS performance threshold to determine the adjustment percentage the Eligible Clinician will receive.

© 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not issue opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners.

POTENTIAL IMPACT TO PRACTICES

Larger practices are expected to do better under MIPS

Practice Size	Percentage Eligible Clinicians Receiving MIPS Penalty	Percentage Eligible Clinicians Receiving MIPS Bonus
Solo	87.0%	12.9%
2-9	69.9%	29.8%
10-24	59.4%	40.3%
25-99	44.9%	54.5%
100+	18.3%	81.3%

MACRA establishes an allotment of \$20 million per year to provide assistance to practices of 15 or less providers to help transition them to APMs or improve MIPS scores!

© 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not issue opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners.

MIPS 2017 REQUIREMENTS

CMS has defined 2017 as the "Transitional Year", where providers can pick their pace to ease transition into the program. There are varying levels for participation:

- No participation:** Sending in no performance data for 2017 results in a **negative 4% payment adjustment** in Medicare reimbursement payments in 2019.
- "Test Pace":** Submitting the **minimum amount of 2017 data** to Medicare (for example, one quality measure or one improvement activity **for any point in 2017**), a negative payment adjustment can be avoided (i.e., neutral payment adjustment).
- Partial year participation:** Submitting 90 days of 2017 data may earn a neutral or small positive payment adjustment. The max positive adjustment can be earned using this level of participation.
- Full year:** Submitting a full year of 2017 data may earn a positive payment adjustment. This is the best way to earn the largest positive adjustment.
- Advanced APM participation:** Practices that participate in an Advanced APM earn a 5% lump-sum bonus and are exempt from MIPS.

© 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not issue opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners.

"TEST PACE": WATCH OUT!

While a negative payment adjustment can be avoided using the Test Pace, other risks should be considered:

Financial	Reputational
<ul style="list-style-type: none"> • Money left on the table <ul style="list-style-type: none"> - E.g., A provider practice with 25 eligible clinicians with \$2M avg.-yr in annual Part B payments: <ul style="list-style-type: none"> o Neutral (\$0) adjustment for minimal reporting in 2017 = \$2K in missed revenue for the practice in 2019 o Maximum scoring over the first three years of the program = -\$350K in revenue! • Forecasting • M&A Activity 	<ul style="list-style-type: none"> • Performance scores will be made public! <ul style="list-style-type: none"> - Healthgrades, Yelp, Payer websites, etc. • Provider comparison/selection by patients – competitive advantage! • Litigation

© 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not issue opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners.

protiviti

WHAT DO WE DO?

MIPS DATA SUBMISSION OPTIONS

	Individual Reporting	Group Reporting
Quality	<ul style="list-style-type: none"> • Claims • OQDR • Qualified Registry • EHR Vendors • Administrative Claims (No submission required) 	<ul style="list-style-type: none"> • OQDR • Qualified Registry • EHR Vendors • CMS Web Interface (groups of 25 or more) • CAMPS for MIPS Survey • Administrative Claims (No submission required)
Advancing Care Information	<ul style="list-style-type: none"> • Attestation • OQDR • Qualified Registry • EHR Vendor 	<ul style="list-style-type: none"> • Attestation • OQDR • Qualified Registry • EHR Vendor • CMS Web Interface (groups of 25 or more)
Clinical Practice Improvement Activities	<ul style="list-style-type: none"> • Attestation • OQDR • Qualified Registry • EHR Vendor • Administrative Claims (No submission required) 	<ul style="list-style-type: none"> • Attestation • OQDR • Qualified Registry • EHR Vendor • CMS Web Interface (groups of 25 or more)
Resource Use	<ul style="list-style-type: none"> • Administrative Claims (No submission required) 	<ul style="list-style-type: none"> • Administrative Claims (No submission required)

© 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not issue opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners.

protiviti

WHAT'S NEXT: 2018 QPP UPDATES (PROPOSED RULE)

THE 2018 PROPOSED RULE

On June 20, 2017, the Centers for Medicare & Medicaid Services (CMS) released the 2018 Updates to the Quality Payment Program NPRM (Notice of Proposed Rulemaking). Final rule is expected by November 1, 2017.

Key takeaways from the NPRM include:

Enhanced focus on small practices. Provide greater flexibility by increasing the low-volume threshold from \$30k in Part B charges or 100 Part B patients to \$90k and 200 patients, respectively. Small practices also get 5 additional points added to final score.

Allow for continued use of 2014 Edition Certified EHR Technology. 10 bonus points available for those on 2015 Edition during the 2018 performance year.

Continue 2017 MIPS performance category weighting into 2018 (60% Quality, 25% Advancing Care Information, 15% Clinical Improvement Activities, and 0% Cost).

© 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not have opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners.

protiviti

THE 2018 PROPOSED RULE (CONTD.)

Introduction of "Virtual Groups":

- 10 or less EC per TIN
- Must elect by 12/31/17
- MIPS policies generally
- Model agreement



Facility Measurement Options

- Definition: EC must provide 75% of services in an inpatient or emergency room setting
- Aligns hospital-based providers with Value-Based Purchasing scores
- Voluntary – opt in or out

MSSP Track 1+ ACOs included as an Advanced APM

© 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not have opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners.

protiviti

THE 2018 PROPOSED RULE (CONTD.)

Increased Performance Thresholds & Scoring Requirements

Thresholds	2017 Points	2018 Points
Neutral – No Adjustments	3	15
Penalty	0-2 Pts (-4% Max)	0 – 14Pts (-5% Max)
Positive Adjustment (Budget Neutral)	4-69	16-69
Positive Adjustment for exceptional performers (0.5% - 10%) + \$500 Million	70	70

© 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not issue opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners.

protiviti

WHO'S DOING WHAT?
CASE STUDIES

CLIENT CASE STUDY #1

- Large multi-hospital healthcare system
- 8 hospitals
- 150+ multi-specialty provider clinics
- ~400 employed physicians

Profile →

Challenge

↓ Action

- Newly acquired clinics and providers were not aware of QPP
- No governance structure in place
- Various EHRs in use
- Healthcare system is responsible for provider reporting and attestation for all clinics

- Education
- Establish governance structure
- Assess CEHRT
- Evaluate provider performance
- Implement optimization activities (repeat performance evaluation)
- Begin performance data collection

© 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not issue opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners.

protiviti

WHAT IS A QRUR REPORT?

2016 Quality and Resource Use Reports (QRUR) were released 9/18/17. These can be a good tool to understand your organization's MIPS readiness. Benefits of the QRUR reports include:

- Reveal Comparative Performance:** QRURs can provide a good sense of how your organization (TIN) is doing as compared to other TINs on the measures compared. 2016 performance can also be compared to 2015 performance to see if your organization made improvements on in various areas.
- Determine Baseline Performance:** Performance percentages of the quality measures included in the QRUR can serve as a baseline and provide an estimate of potential MIPS performance in those areas.
- Identify Quality Measures:** As the quality measures included in the QRUR also used the minimum case volume of 20, some of the same quality measures can be used for 2017 MIPS reporting (i.e., the ones in which your organization excels).
- Identify Improvement Activities:** Utilize the report by diagnosis to identify the gaps that may need to be worked on. Look for MIPS improvement activities related to those areas. Reporting on these improvement activities will help your organization get credit for the effort you are already putting in.
- Get a Heads-up on Cost:** Cost is risk adjusted based on the mix of beneficiaries attributed to the TIN. Paying attention to cost and understanding where your organization stands as compared to others in terms of quality of care delivered and the cost at which it was delivered will have your organization better prepared when the cost performance category weight jumps directly to 30% in 2019 (up from 0% in 2017 and 2018).

37 © 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not have opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners. protiviti

QRUR- WHERE IS YOUR DOT?

Note: The scatter plot reflects the performance of a representative sample of your peers.

38 © 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not have opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners. protiviti

QRUR – CONNECTING THE DOTS

39 © 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not have opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners. protiviti

**WHAT SHOULD I REMEMBER –
KEY TAKEAWAYS**

RECAP

What is it?
The Quality Payment Program (QPP) was established by the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA), which changed how clinicians are reimbursed for treating Medicare patients. The QPP represents a shift from what has traditionally been a fee-for-service industry to more of a focus on quality and value-based care.

Who participates?
Physicians, Physician Assistants, Nurse Practitioners, Clinical Nurse Specialists, Certified Registered Nurse Anesthetists, and participants of Advanced APIMs (ACOs, CPC+, etc.).

Who doesn't?
Clinicians who bill less than \$30k in Part B charges/year, who provide care for less than 100 Medicare patients/year, or who are in their first year of participating in Medicare (these thresholds proposed to increase in 2018).

How do they participate?
Eligible Clinicians choose from either the APM track, or the MIPS track. Most will fall under the MIPS track, but over time APM participation is expected to increase.

41 © 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not have opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners. protiviti

RECAP (CONTD.)

2017 is the Quality Payment Program "transition year". Physician Medicare reimbursement payment increases/decreases will begin in 2019, but are based on 2017 performance.

Advanced APM participants receive an automatic 5% incentive payment in 2019 (must receive 25% of Medicare payments or see 20% of Medicare patients through the APM).

MIPS participants can pick their pace in 2017 to determine +/- 4% adjustment for 2019 Medicare reimbursement. Submitting one quality measure or one improvement activity avoids a negative adjustment, but there are other risks to consider (reputational and financial).

Performance data collection must begin no later than Oct. 2nd (90-day reporting period), and must be submitted by March 31st, 2018.

Hospitals are not included within MACRA/QPP legislation, but they are still indirectly impacted (e.g., employed physicians, physician groups, performance analysis, EHR workflow config, etc.).

Understand the things your organization can be doing today to prepare!

42 © 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not have opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners. protiviti

Q&A



43 © 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not issue opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners.

protiviti

PRESENTERS

Please feel free to contact us if you have additional questions or would like more information.

Nicolet Araujo
Senior Manager
nicolet.araujo@protiviti.com
Office: 1.213.327.1336
Mobile: 1.951.440.8511



Nicolet is a Senior Manager in Protiviti's Los Angeles office and has over 29 years professional experience providing operational, financial, and regulatory consulting and management direction to the healthcare industry. Nicolet leads Protiviti's Health Information Management Practice. Nicolet is a veteran healthcare executive, who brings her extensive expertise in implementing transformational projects with an emphasis on next practices to bear when providing project oversight or direct consulting to client organizations. Nicolet is a frequent speaker on Data and Information Governance, as well as health information management improvement initiatives.

David Zavala
Senior Manager
david.zavala@protiviti.com
Phone: 469.374.2444



David is a Senior Manager in Protiviti's Dallas office and has 14 years professional experience providing IT, operational, and regulatory consulting services to the healthcare industry. David serves as Protiviti's Quality and Value-Based Care PMO Leader and brings expertise working with provider organizations undergoing initiatives in strategic planning, implementation, and compliance around MACRA legislation, Meaningful Use, Electronic Health Records, and Digital Transformation. David has shared expertise and best practices on a variety of topics through speaking engagements at national conferences, webinars, and industry publications.

44 © 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not issue opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners.

protiviti

© 2017 Protiviti Inc. An Equal Opportunity Employer M/F/Disability/Veterans. Protiviti is not licensed or registered as a public accounting firm and does not issue opinions on financial statements or other attestation services. All registered trademarks are the property of their respective owners.

protiviti
