

## An Overview of MACRA & Value-Based Payment Models

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HCCA Conference – Louisville, KY  
November 4, 2016



## Kentucky REC & the Great Lakes PTN

CMS established the **Transforming Clinical Practices Initiative (TCPI)** to help clinicians achieve large-scale health transformations through collaborative and peer-based learning networks

- Great Lakes PTN is one of **29 Practice Transformation Networks (PTNs)**
- GLPTN works with **10 Support and Alignment Networks (SANs)**


### GLPTN State Level Leadership:

- Indiana University (primary grant recipient)
- **University of Kentucky (Kentucky)**
- Purdue Healthcare Advisors (Indiana)
- Northwestern University (Illinois)
- Altarum Institute (Michigan)



NORTHWESTERN  
UNIVERSITY

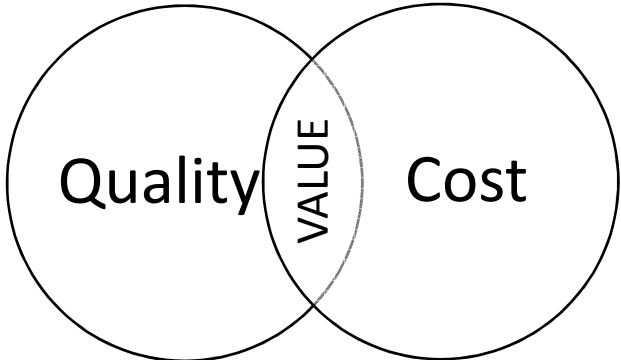





Moving to  
Value-Based Payment

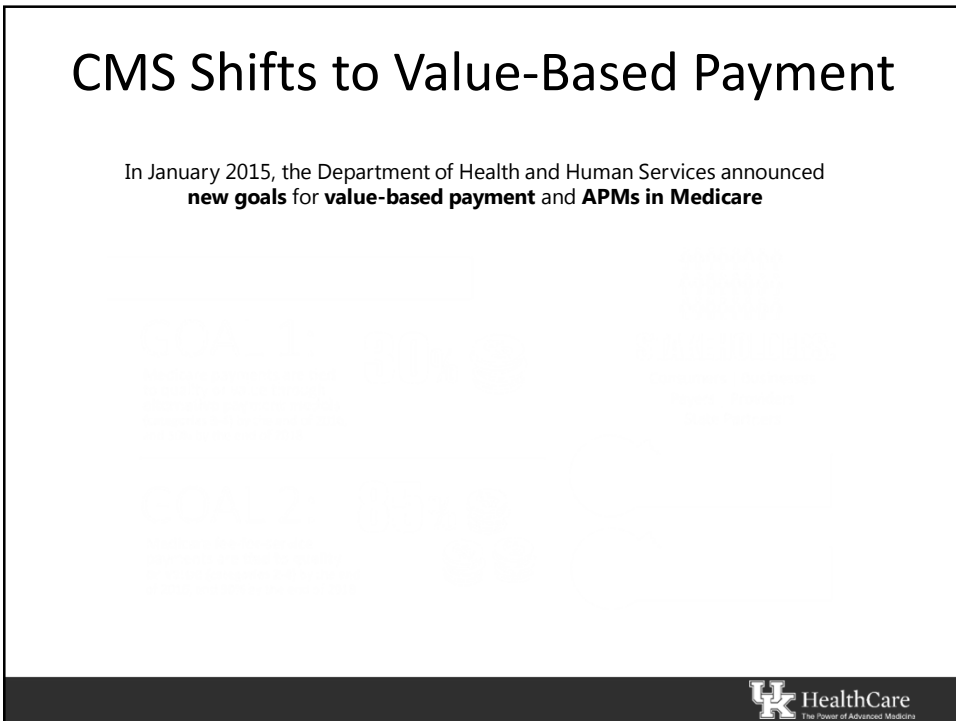
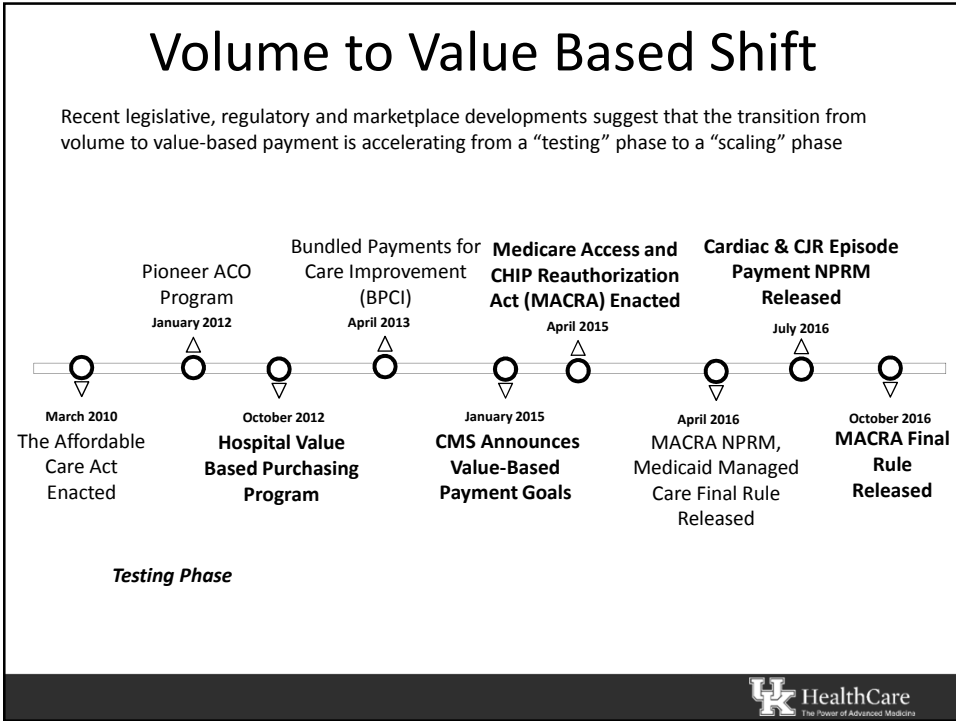
Understanding the What & Why

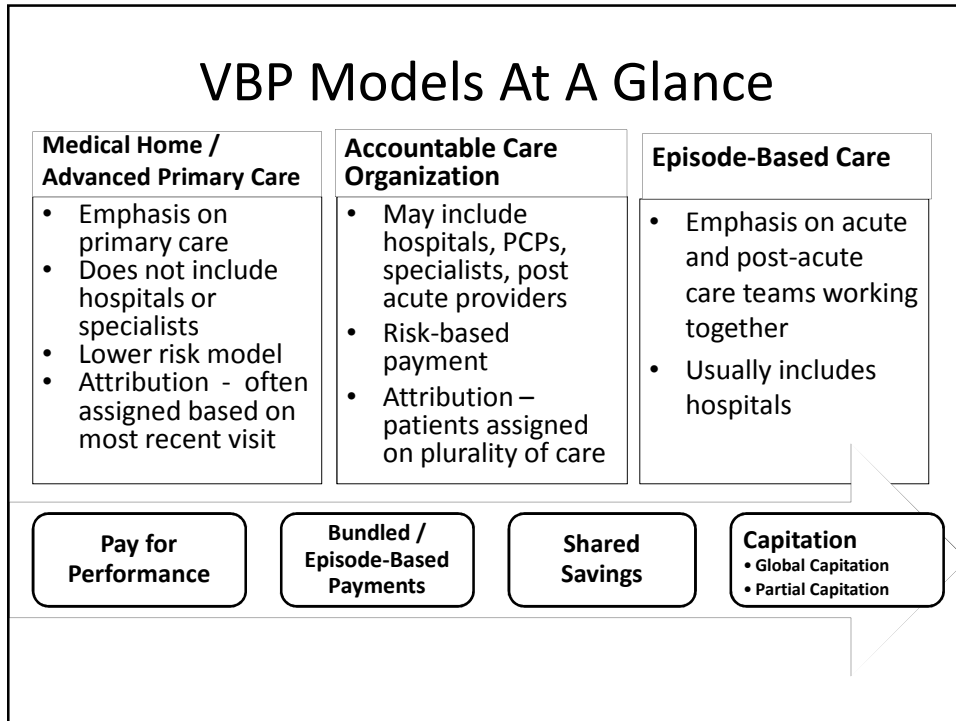
What is Value Based Payment?



Quality VALUE Cost








## Medicaid Managed Care Regulations

Final Rule issued April 2016

Among other provisions, State Medicaid Agencies may require an MCO to:

- Implement value based purchasing models for provider reimbursement*
- Participate in multi-payer delivery system reform or performance improvement*

Phase out of supplemental payments – with option to move payments into value-based payment models



## Commercial Insurers Accelerate VBP

“Our industry is in the midst of a profound shift from fee-for-service, or volume-based care, to value-based care. Aetna has successfully built more than 72 ACO relationships with providers, growing from very small numbers in 2011 to more than 2 billion dollars in revenue today. ...**We plan to maintain 75 percent of our medical spending in value-based contracts by 2020.**”

- Charles Kennedy, MD, chief population officer for Healthagen, Aetna



Source: [Health Care Learning & Action Network](#)

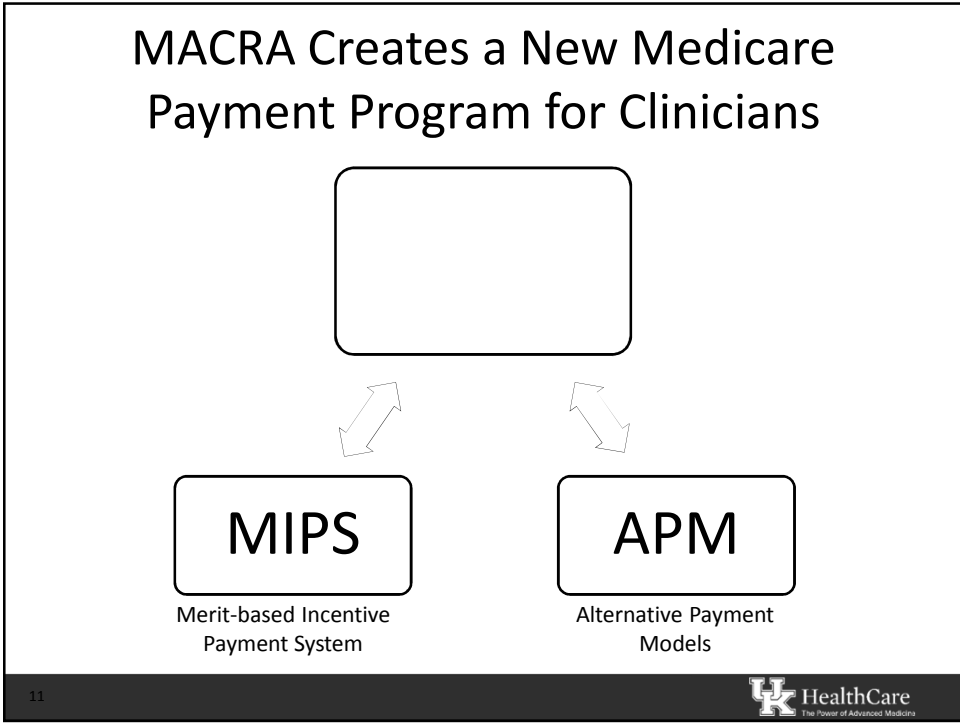


## MACRA Overview



New Driver for Value-Based Payment





## MACRA Quick Glossary

Quality Payment Program (QPP)	• New program name for MACRA's change in Medicare Physician Fee Schedule
Merit-Based Incentive Payment System (MIPS)	• New pay for performance approach under Medicare
Alternative Payment Models (APMs)	• Payment models (ACOs, medical home models, etc.) used by CMS and other payers
Eligible Clinicians	• New term for Medicare eligible providers
Composite Performance Score (CPS)	• Overall clinician score based on four weighted performance categories
Advancing Care Information (ACI)	• Replaces requirements for the Medicare EHR Incentive Program; the new term to use instead of meaningful use
Improvement Activities (CPIAs)	• Category of activities under MIPS that affects 15% of CPS; includes activities aimed at improving care

HealthCare  
The Power of Advanced Medicine

## MACRA Eligible Clinicians (ECs)

### 5 Types of Eligible Clinicians (ECs)

- Physicians, PAs, NPs, CNS, CRNA
- After 2020, CMS may expand to other clinicians in Medicare FFS: PT, OT, NMW, CSW, Clinical Psychologists, Dieticians and Nutrition professionals



### Not covered by MACRA:

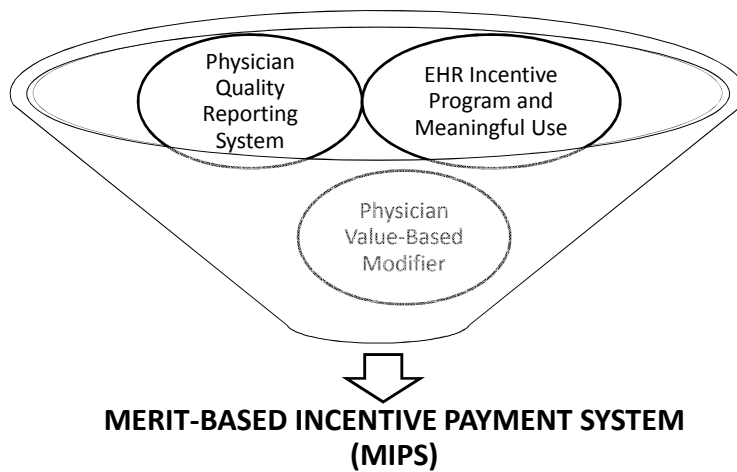
- Hospitals/Medicare Part A payments
- FQHCs/RHCs and Medicaid Providers

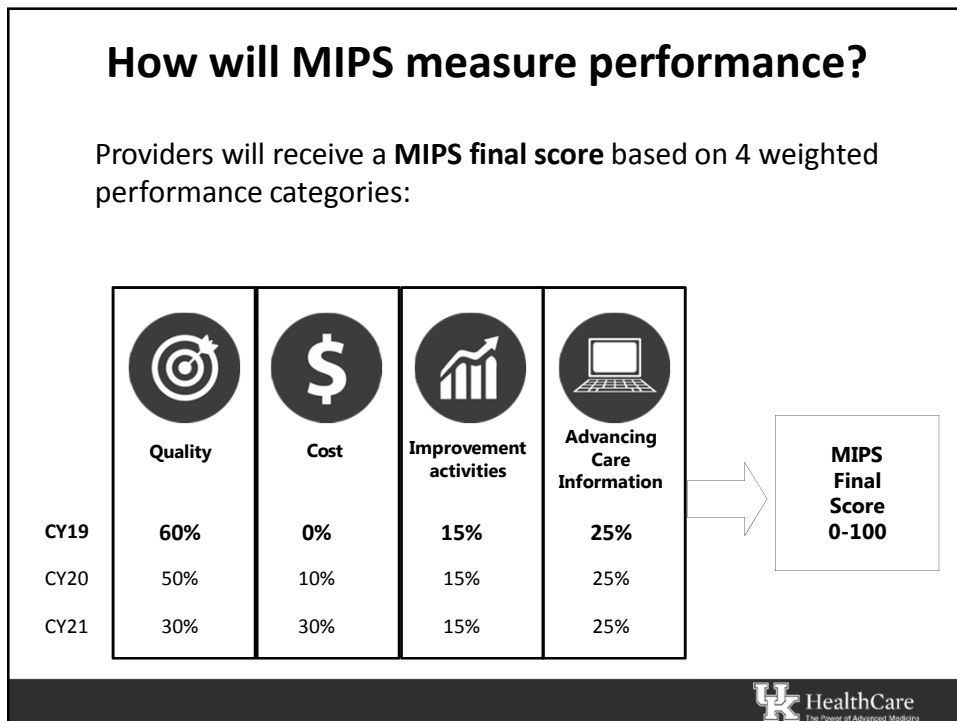
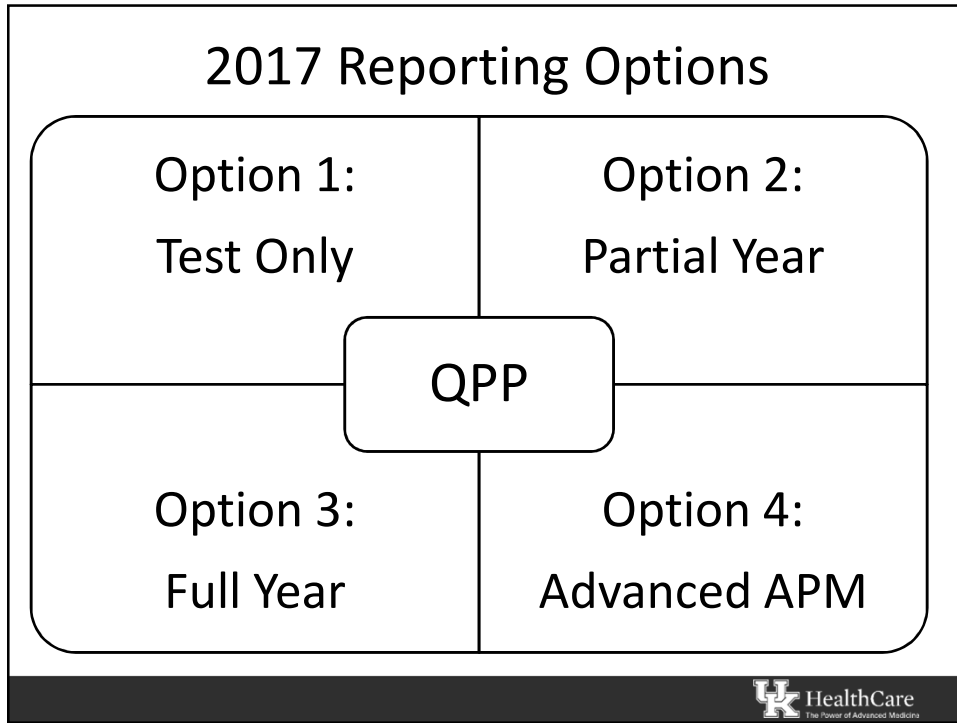
### Exclusions:

- 1<sup>st</sup> year ECs
- “Non-patient facing” provider
- Low volume providers who do not bill at least \$30,000 under the Medicare Physician Fee Schedule or care for more than 100 Medicare patients yearly
- Advanced APM Qualifying Provider



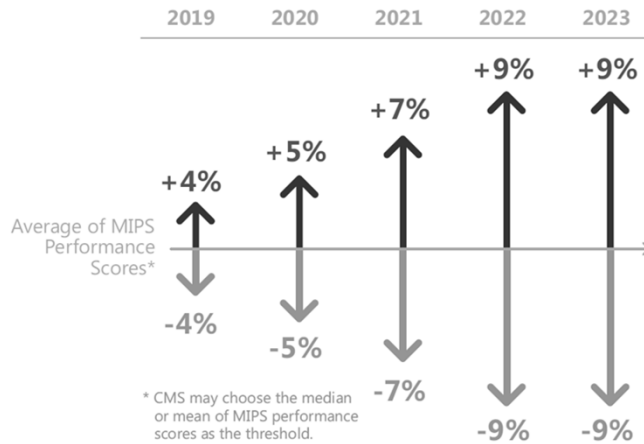
## MIPS: A Consolidation of Programs







## Maximum MIPS Payment Adjustments



Source: Leavitt Partners - MACRA: Quality Incentives, Provider Considerations, and the Path Forward



## MACRA Timeline

**October 14, 2016:**  
Release of Final Rule

**Jan – Dec 2017:**  
1<sup>st</sup> Performance Period for MACRA

**March 31, 2018:**  
Reporting Deadline for First Year

**Jan – Dec 2019:**  
1<sup>st</sup> Payment Year = +/- up to 4%



## What's the big deal about APMs?

Stated intention of CMS that more and more of its \$ will be spent in APMs over time

**5% Annual Participation Bonus** for *Advanced* APM participants from 2019-2025

Favorable scoring under MIPS for all APM participants

Annual update after 2025 is 0.75% for APM entities versus 0.25% for MIPS entities



## Advanced Alternative Payment Models

**Advanced APM participants are eligible for 5% bonus payment.**

But, only some APMs are risk-bearing Medicare payment models that qualify for this bonus payment.

In new MACRA NPRM, Advanced APMs include:

- ✓ Next Generation ACO Model
- ✓ Medicare Shared Savings Program – Tracks 2 & 3
- ✓ Comprehensive Primary Care Plus (CPC+)
- ✓ Comprehensive ESRD Care Model
- ✓ Oncology Care Model Two-Sided Risk Arrangement (in 2018)
- ✓ Cardiac & CJR Episode Model (in 2018)

- MACRA **does not change** how any particular APM rewards value.
- APM participants who are not “Qualifying Providers” (QPs) will receive **favorable** scoring under MIPS.



# Physician Compare

**Medicare.gov | Physician Compare**  
The Official U.S. Government Site for Medicare

**About Physician Compare**

About Physician Compare

➤ Information available on Physician Compare

About the data

Resources

Help

### Information available on Physician Compare


On Physician Compare, you can find:

- Addresses where the professional sees patients (always confirm the address when you make an appointment, some professionals work at more than one [location](#))
- Primary and secondary specialties
- Medicare assignment status
- American Board of Medical Specialties (ABMS) [board certification](#)
- Whether the individual or group participates in select Centers for Medicare and Medicaid Services (CMS) quality programs
- Gender
- Medical school education and residency information
- Groups that individuals work with (individual profile) or individuals who work with the group (group profile)
- Hospital affiliation


The information on Physician Compare comes primarily from the Provider, Enrollment, Chain, and Ownership System (PECOS). PECOS data is checked against Medicare claims data.

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Coming Soon – Your MACRA performance score!



## Impact of MACRA on Medicare Providers


 **Financial & Strategy Implications**

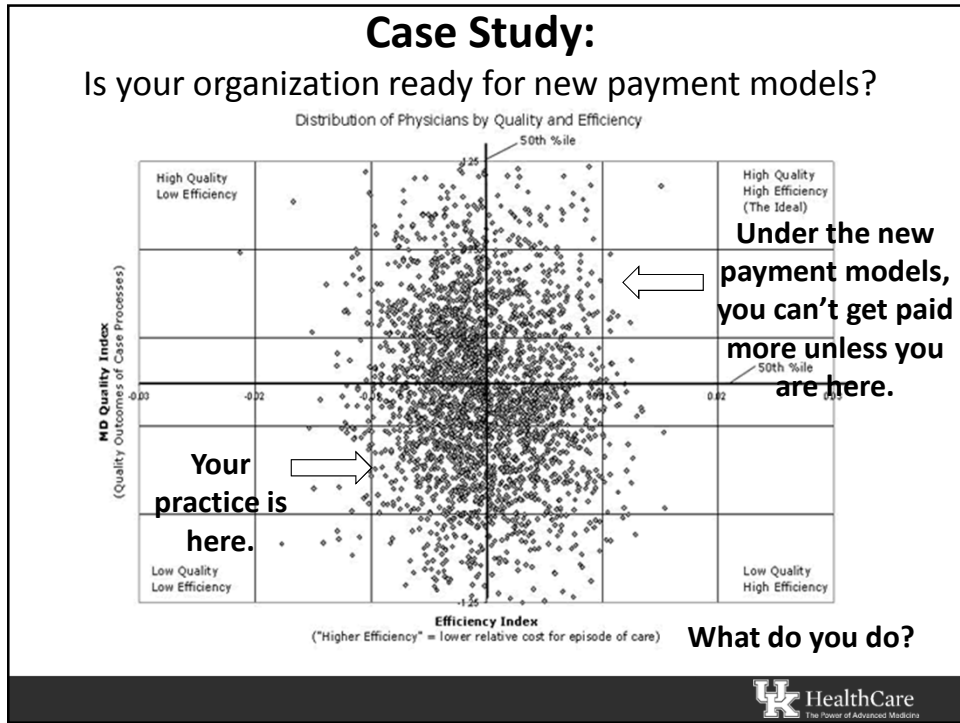
- MACRA moves Medicare payment from one size fits all to a meritocracy
- Market share will shift from low performers to high performers over time
- Laggards will have to make exponential leaps in value to catch up with those that perform better as thresholds increase over time

 **Reputational Status**

Publicly available scores on quality and value that compare organizations/professionals will affect:

- Health plan negotiations
- Talent recruitment
- Consumer choice





## VBP Integrity & Compliance Issues

- ✓ Reporting requirements & auditing
  - New security risk assessment, data blocking requirements
  - Claims edits, improper payment identification
- ✓ Patient attribution issues
  - Verification of attributed patients
  - Dumping & Cherry-Picking Patients across providers
- ✓ Referrals & waivers for services



Thank you!

Questions?

