The Physician Society has taken up a **Bold Goal** to ensure no MemorialCare physician is “left behind” in understanding how to best leverage the new MACRA legislation in their practice setting. The final rule—Medicare Access and CHIP Reauthorization Act—was published in October, 2016, repealing the Sustainable Growth Rate (SGR), locking in Medicare Physician Fee Schedule reimbursement rates at near-zero growth from 2016 to 2026 and beyond, and implementing the **Quality Payment Program (QPP)** which introduces two new payment tracks. These tracks include participation in an Advanced Alternative Payment Model (Advanced APM, such as the Next Generation ACO) or the Merit-Based Incentive System (MIPS) which streamlines several legacy reimbursement programs. **Passed by a vast majority in both the Senate (92-8) and House (392-37), repeal or delay of MACRA is thought by most policy experts to be extremely unlikely.**

A key to understanding the impact of MACRA is to realize that, before this, many physicians were subject to three separate performance programs: the Physician Quality Reporting System (PQRS), the Value Based Payment Modifier (aka budget neutral quality and cost measurement program), and the Medicare Meaningful Use program. Each of these programs totaled to a possible Part B penalty of 10%. With MACRA, the starting max penalty for 2017 performance (then applied in 2019) is limited to a downside of 4%. In other words, **physicians can get a “raise” with MACRA in year 1**, depending on how they leveraged the prior three programs. And you can take advantage of the point system that the QPP puts in place to earn even more.

**How it Works Overall**: Courtesy of The Advisory Board, the graphic to the right displays the key changes to both the annual update and then the addition of MIPS and Advanced APM bonuses and penalties.

- **To qualify for the Advanced APM, physicians need to be significantly participating (designated as a Participating Provider) in an APM, e.g. taking downside risk. Note: this will generally then not include physicians who are part of a broader participating network but who are not taking downside risk.**

- **The majority of physicians and other providers included in the Rule (NPs, PAs, Clinical Nurse Specialists, CRNAs) are predicted to be in MIPS.**

**Growth in MIPS upside and downside over time**: The possible downside/upside grows from +/-4% to +/-9% for the first four years, with an additional bonus pool available to high performers since the program is required to be revenue neutral to CMS. In year 1, high performers could therefore potentially earn up to +12%, and that grows to +27% through 2022.

**Exclusions to MIPS**: Exclusions include physicians who, in 2017 and beyond, bill either < $30,000 in Medicare Part B or bill for < 100 Medicare Beneficiaries. For example, if you end up billing $29,000 on 99 patients, you would be excluded. Of course you won’t know that until the end of the year and it will be Medicare who calculates that number, so if you think you will run close, it would be best to assume you are in MIPS. Additional exclusions include physicians who are in their first year of practice billing Medicare, and the Advanced APM Participating Providers. **Note this only includes FFS, and not Medicare Advantage.**

**Year 1 Pick Your Pace**: One of the MOST IMPORTANT leverage points in the final rule is the Pick Your Pace participation level for 2017. Every physician can avoid the 4% penalty by submitting something in Year 1. 4 Pick Your Pace options:

1. **If you do nothing**, you will incur the max penalty of 4% for your 2017 performance, affecting your 2019 payment.
2. **If you submit something for 2017**, even attesting to an Improvement Activity, you will end up neutral or even earn a small payment adjustment in 2019.
3. **If you submit data for 90 days or a partial year for 2017**, you will likely receive a small positive payment adjustment in 2019.
4. **If you fully participate for 2017**, you will likely receive a modest payment adjustment which can then grow, depending on your actual performance in 2019.

The point system for MIPS is designed around earning points assigned to four categories: Quality, Cost, Improvement Activities and Advancing Care Information (the new term for Meaningful Use for Medicare). The % weights change over time. **Note that MU for Medicaid still exists, so providers who have taken care of Medi-Cal patients should continue their efforts to comply with the Medicaid program if so desired.**
“Non-Patient-Facing” and “Hospital-Based” clinicians: For Non-Patient Facing (perform fewer than 100 procedures annually with patient facing codes) and Hospital-Based (75% or more of covered professional services provided in a location code of Inpatient, On-Campus Outpatient Hospital or Emergency Room), certain MIPS categories can be waived.

How You Can Earn Points—The Devil Really is in the Details. Click here for full information on the Quality Payment Program.

The Table to the right includes a synopsis of CMS Webinar slides on the scoring details for each category. The Webinar slides and the actual taped recording can be found on the qpp site above.

Group* “vs” Individual? Unless you let Medicare know you want to participate as a group, they will assume you are participating, if eligible, under your individual NPI. CMS will be identifying how to attest to this, with the deadline of July 2017.

MIPS Readiness Checklist: As Medicare unveils further information, we will keep you posted through our Town Halls and the Member Update. Some key activities to keep in mind as this progresses include:

- **Determine your eligibility**—do you bill Part B for $30K and for 100 or more patients? Are you patient-facing or non, or hospital-based?
- **Gauge you own readiness and choose your Pace**—You’ll want to consider how to Pick Your Pace for Year 1, 2017.
- **Group or Individual?** Decide if you will be reporting as an Individual or a Group.
- **Key Dates:** Keep up-dated with the program timeline and key dates.
- **Data Submission:** Choose a data submission option—more information will be provided as we find out more.
- **Selecting Quality and IAs to choose from:** To help with this, a team from MemorialCare’s Physician Society and MC*21/MU are meeting in February to perform a gap analysis to help our clinicians choose the measures that will aid in earning points.

### MIPS Readiness Checklist:

**Key Dates**

<table>
<thead>
<tr>
<th>Month</th>
<th>Location</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 8</td>
<td>Orange Coast, Doctor’s Dining Room</td>
<td>For information—click here to access and review your current QRUR report.</td>
</tr>
<tr>
<td>March 9</td>
<td>Long Beach, Van Dyke</td>
<td>CMS electronically “end to end”.</td>
</tr>
<tr>
<td>March 10</td>
<td>Saddleback, CR 1</td>
<td>Interface Reporter, more points are potentially achievable for the Quality section vs other individual submission mechanisms.</td>
</tr>
</tbody>
</table>

### Improvement Activities—IA

**15% of 2017 score**

Over 90 activities to choose from in 9 categories, with some activities are weighted higher than others. Examples of IAs include shared decision-making, patient safety, coordinating care and increasing access.

- **Test Pace:** Submit one improvement activity of either Medium or High weight for 2017.
- **Partial or Full Pace:** Choosing and submitting for one of: a) 2 High-weighted activities, b) 1 High-weighted and 1 Medium-weighted activities, or c) at least 4 Medium-weighted activities.
- **KEY**: The IA portal will open up at some point in the future and is an Attestation. Clinicians who enter one improvement activity in 2017 will AVOID the 4% penalty in 2019.

**Cost**

Clinicians assessed on Medicare claims data for total per capita costs for all their attributed beneficiaries.

- **No longer a component of MIPS performance in program year 2017**, however, this will be weighted at 10% in 2018 and 30% in 2019.

**Notes:** Please click here to access and review your current QRUR report.

### Advancing Care Information—ACI

**25% of 2017 score**

Meaningly using Certified EHR Technology. Applies to all clinicians, not just physicians.

- **Test Pace:** Submit all of 4 (Stage 2-equivalent) or 5 (Stage 3-equivalent) base score measures for 2017.
- **Partial or Full Pace:** Submit more than the base score for 2017.
- **Bonus Points:** Can earn 5% bonus for reporting on certain Public Health and Clinical Data Registry Reporting measures. Can earn 10% bonus for using CEHRT to report on certain Improvement Activities.

**Notes:**

1) CMS will automatically reweight ACI to zero for Hospital-Based MIPS clinicians, Non-Patient Facing Clinicians, NPs, PAs, CRNAs and CNSs. 2) There is the opportunity to apply for a significant hardship exemption and have this performance category reweighted to zero. More information will be shared as it is provided by CMS.

**Full list of measures at qpp.cms.gov**

For more information please contact Helen Macfie, Chief Transformation Officer, at hmacfie@memorialcare.org or Jill Guevara, Executive Director Physician Integration at jguevara1@memorialcare.org.