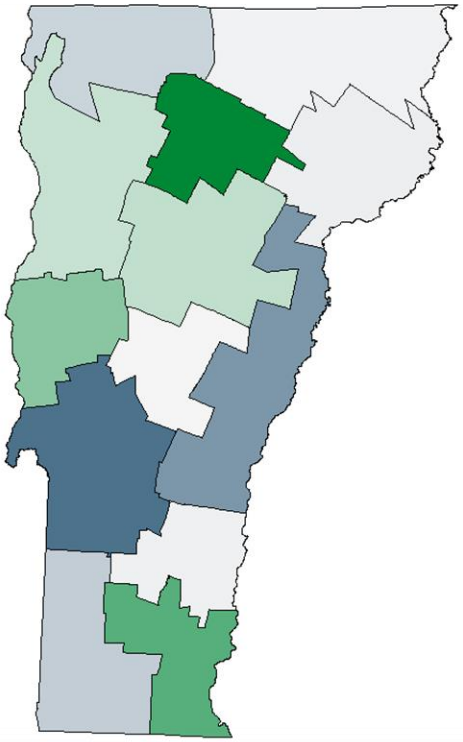

# Update: Medicare Access and CHIP Reauthorization Act (MACRA) and the VT All-Payer Accountable Care Organization Model

Green Mountain Care Board
November 30, 2017

VERMONT
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# Presentation Outline

- What is MACRA and the Quality Payment Program?
- How does the Quality Payment Program Promote Value-Based Payment Models?
- MACRA 2018 Final Rule

# What is MACRA?

The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) is a bipartisan legislation signed into law on April 16, 2015

MACRA created the Quality Payment Program that:

- Repeals the Sustainable Growth Rate formula
- Changes the way that Medicare rewards clinicians for value over volume
- Streamlines multiple quality programs under the new Merit Based Incentive Payments System (MIPS)
- Gives bonus payments for participation in eligible alternative payment models (APMs)

Fun Fact: MACRA also required CMS to remove Social Security Numbers (SSNs) from all Medicare cards by April 2019.

*Source: CMS.gov*

# Quality Payment Program

**Who is subject:**

- Physician
- Physician Assistant
- Nurse practitioner
- Clinical nurse specialist
- Certified registered nurse anesthetist

Medicare Part B Providers must bill Medicare a certain dollar amount and provide care for a certain number of patients each year.

# Quality Payment Program: Two Tracks

## Merit-based Incentive Payment System (MIPS)

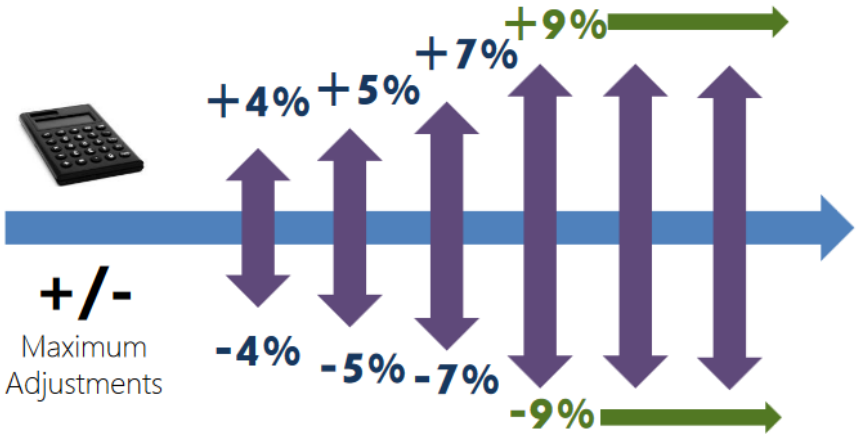
Participation in MIPS, means a performance-based payment **adjustment.**

## Advanced Alternative Payment Models

Advanced APMs are a subset of APMs, and let practices earn more for taking on some risk related to their patients' outcomes. **You may earn a 5% incentive payment by going further in improving patient care and taking on risk through an Advanced APM.**

# How much can MIPS adjust payments?

Based on a MIPS Composite Performance Score , clinicians will receive **+/- or neutral** adjustments **up to** the percentages below.




**Adjusted** Medicare Part B **payment** to clinician

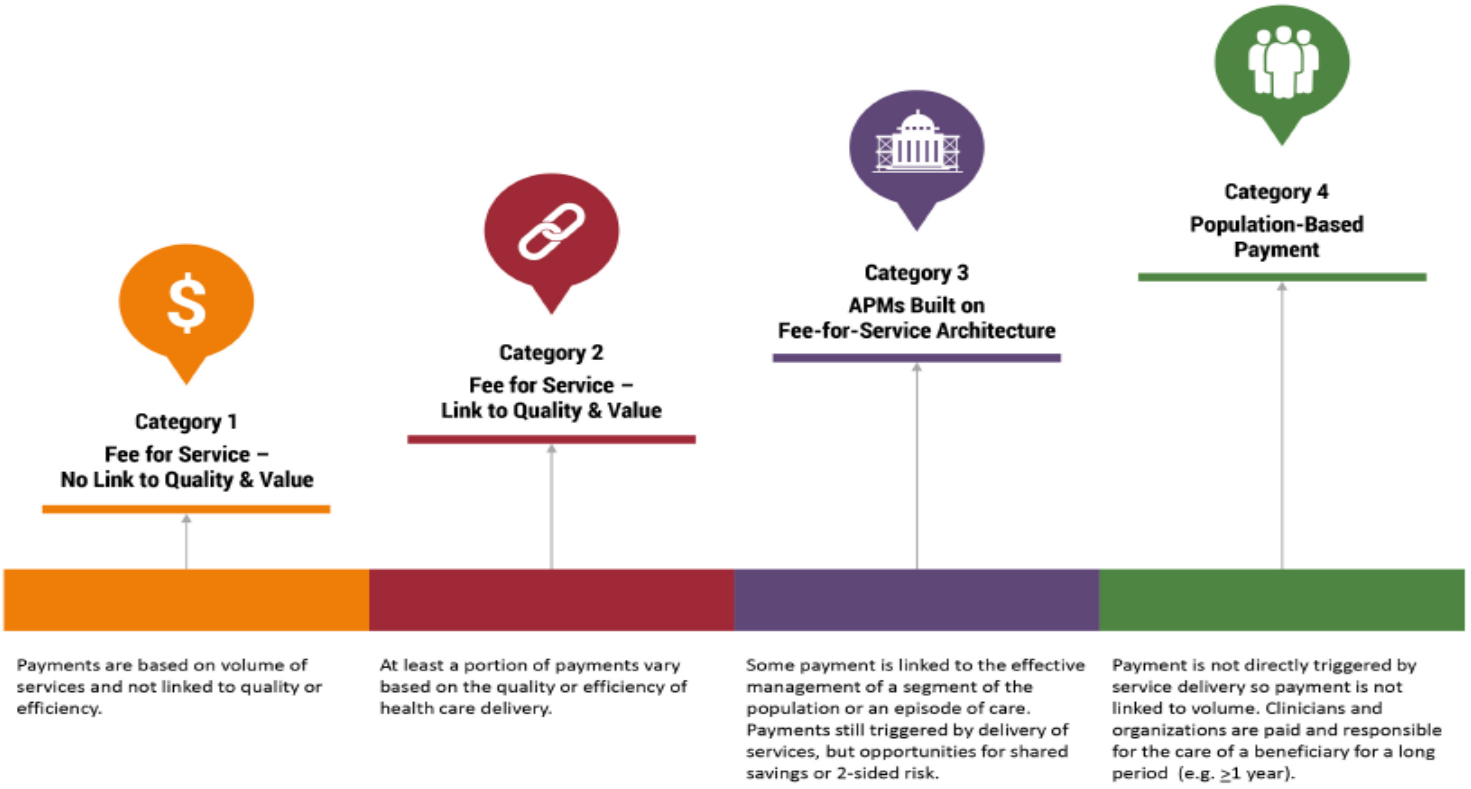
The potential maximum adjustment % will increase each year from 2019 to 2022

**2019 2020 2021 2022 onward**

Merit-Based Incentive Payment System **(MIPS)**

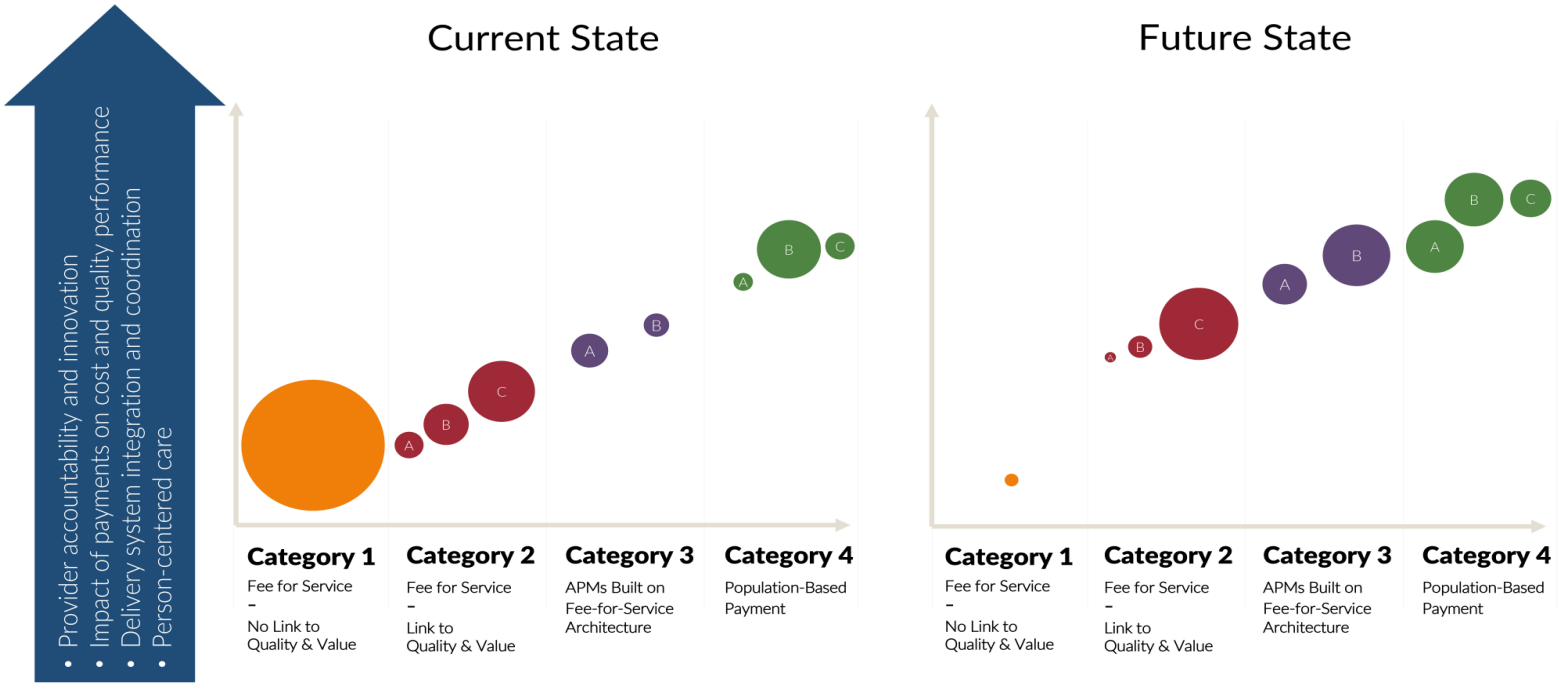
16

## Figure 2: CMS Payment Model




The CMS Framework assigns payments from payers to health care providers to four Categories, such that movement from Category 1 to Category 4 involves increasing provider accountability for both quality and total cost of care, with a greater focus on population health management (as opposed to payment for specific services).

## Figure 3: Payment Reform Goals




Note: The values presented in the above "current state" graphic are based on available data on private plans from Catalyst for Payment Reform and Medicare FFS allocations. This graphic is meant to represent recommendations for how the health care system should change, and it accounts for the likely impact of Medicare's Quality Payment Program and private initiatives. Values displayed in the graphic are not precise, and will depend on delivery capabilities, as described elsewhere in this document. The size of the various circles represents spending across various types of payment models. Payments are expected to shift over time from Categories 1 and 2 into Categories 3 and 4. Additionally and over time, APMs within a particular category will increase the extent to which payments are linked to provider accountability, enable more innovation in care, make a greater impact on quality and cost performance, increase coordination in delivery systems, and result in more value-based care.

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# Medicare Shared Savings Programs (MSSP) Track 1 vs. Advance Alternative Payment Models (2016 Results)

| Track 1 SSP (First 4 Years) | Track 2 SSP (First 4 Years) | Track 3 SSP (First Year) | Next Generation ACO (First Year) |
|---|---|---|---|
| Track 1 ACOs had overall **net costs** to Medicare relative to their aggregate benchmark. However, Medicare savings were achieved on beneficiary services relative to benchmark, but total bonus payments to eligible MSSP ACOs exceeded these savings. **Nearly one third of MSSP ACOs achieved enough savings to receive Medicare shared savings payments in 2016.** | Track 2 ACOs, which comprise a small fraction of MSSP ACOs, achieved modest net savings relative to their aggregate benchmark in the first three years, but nearly doubled net savings between the third and fourth years. **All Track 2 ACOs achieved enough savings to receive Medicare shared savings payments in 2016.** | Track 3 ACOs, which comprise a small fraction of MSSP ACOs, achieved modest net savings relative to their aggregate benchmark in the first year. **Over half of Track 3 ACOs achieved enough savings to receive Medicare shared savings payments in 2016.** | Next Generation ACOs achieved $63 million in net Medicare savings overall relative to benchmark levels. These net savings incorporate discounted benchmarks. **Of 18 ACOs, 11 received shared Medicare savings and 7 owed Medicare due to 2016 spending results.** |

Source: Kaiser Family Foundation Side-by-Side Comparison: Medicare Accountable Care Organization Models
http://files.kff.org/attachment/Evidence-Link-Side-by-Side-ACOs-20171110

# Advanced Alternative Payment Models (2017)

- Comprehensive ESRD Care (CEC) - Two-Sided Risk
- Comprehensive Primary Care Plus (CPC+)
- **Next Generation ACO Model**
- Shared Savings Program - Track 2
- Shared Savings Program - Track 3
- Oncology Care Model (OCM) - Two-Sided Risk
- Comprehensive Care for Joint Replacement (CJR) Payment Model (Track 1- CEHRT)

# MACRA 2018 Final Rule (Comment Due 1/1/2018)

| POLICY TOPIC | TRANSITION YEAR 1 (Final Rule CY 2017) | YEAR 2 (Final Rule CY 2018) |
|---|---|---|
| MIPS POLICY | | |
| **Low-volume threshold** | • You're excluded if you or your group has ≤$30,000 in Part B allowed charges OR ≤100 Part B beneficiaries. | • You're excluded if you or your group has ≤$90,000 in Part B allowed charges or ≤200 Part B beneficiaries. |
| **Cost** | **Weight to final score:**<br>• 0% in 2019 payment year. | **Weight to final score:**<br>•Finalized at 10% in 2020 payment year.<br>•30% in 2021 MIPS payment year and beyond. |

Note: The above chart highlights only two Policy Topics out of a total of 32
Source: CMS.gov: https://www.cms.gov/Medicare/Quality-Payment-Program/resource-library/QPP-Year-2-Final-Rule-Fact-Sheet.pdf