Medicare Access and CHIP Reauthorization ACT (MACRA)

Merit-Based Incentive Payment System (MIPS)
And
Alternative Payment Models (APMs)
Milestones in Healthcare Transformation

• 2010 Patient Protection and Affordable Care Act
  • Healthcare expansion & Payment Reform
  • Transitioning payment for healthcare from volume based to value based will reduce the cost of care and bend the cost curve (ACOs, PCMH, SIMs, P4P, HC Innovation Awards, etc.)

• Obama Administration Payment Reform Goals
  • 30% of all Medicare payments will be tied to quality or value through Alternative Payment Models by the end of 2016 and 50% by 2018.

• 2015 Medicare Access and CHIP Reauthorization Act (MACRA)
  • Accelerates the pace and increases incentives for payment and delivery system reform.
MACRA: Get Ready, It’s Coming!

• Repeals the sustainable growth rate (SGR) formula.
• Implements the Quality Payment Program with two tracks:
  • Merit-Based Incentive Payment System (MIPS).
  • Alternative Payment Models (APMs).
• Sunsets the penalties for all current quality reporting programs at the end of 2018.
• Incentivizes development of and participation in Advanced Alternative Payment Models (APMs).
2019 - 2024
Alternative Payment Models
5% APM Incentive Payment

2019 ➔
Merit-Based Incentive Payment System
Consolidates and Replaces PQRS, VBP, EHR-MU
Penalties of up to -9% and bonuses up to 27%
Exceptional performance bonuses of up to 10% until 2024

July 2015 - 2019
.5% Payment Update

2019 - 2025
0% Payment Update

2026 ➔
.75% Payment Update
APM Participation

2026 ➔
.25% Payment Update
Non-APM Participation

# Merit-Based Incentive Payment System (MIPS)

<table>
<thead>
<tr>
<th>Year</th>
<th>Max Penalty</th>
<th>Max Bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>-4%</td>
<td>12%</td>
</tr>
<tr>
<td>2020</td>
<td>-5%</td>
<td>15%</td>
</tr>
<tr>
<td>2021</td>
<td>-7%</td>
<td>21%</td>
</tr>
<tr>
<td>2022 Onwards</td>
<td>-9%</td>
<td>27%</td>
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2017 “Pick Your Pace” Flexibility

• September 2016: CMS announced flexibility for participation in the first year of the Quality Payment Program (MIPS and APMs), which begins January 1, 2017.

• Four options to avoid 2019 penalty:
  1. Test Reporting for the Quality Payment Program;
  2. Partial-Year Participation in the Quality Payment Program;
  3. Full-Year Participation in the Quality Payment Program; OR
  4. Participation in an Advanced APM.
MIPS Performance Categories

- Composite score based on score in each of the following categories:
  - Quality
    - Builds off of the PQRS program and measures.
  - Resource Use
    - Builds off of the value-based payment modifier program.
  - Advancing Care Information
    - Builds off of the Meaningful Use program.
  - Clinical Practice Improvement Activities
    - Activities that improve the clinical practice or delivery of care. (i.e. RO-ILS and APEx)
    - Expanded practice access, population management; care coordination; shared decision-making; telehealth; patient safety and practice assessment; maintenance of certification; etc.
Proposed Weight of Categories

- Quality: 50%
- Advancing Care Information: 25%
- Clinical Practice Improvement Activities: 15%
- Cost: 10%
MIPS Categories: Quality

• Similar to existing PQRS program, and will adopt measures from existing program.

• Measures:
  • 6 measures
  • One cross-cutting measure
  • One outcome measure OR a high priority measure (appropriate use, patient safety, efficiency, patient experience, or care coordination)

• Can also choose to report a specialty measure set.

• Performance in measures = Quality Score
MIPS Categories: Resource Use

• CMS will use administrative claims data to attribute patients and costs to radiation oncologists.
• Radiation oncologists do not report any measures.
• Measures:
  • Episode-based measures.
  • Medicare Spending Per Beneficiary Measure
  • Total Per Capita Cost Measure
• Cost of care and resources = Resource Use Score
MIPS Categories:
Advancing Care Information (ACI)

• Eliminates Meaningful Use all-or-nothing scoring methodology for the entire category.

• Stage 3 Objectives:
  • Protect Patient Health Information
  • Electronic Prescribing
  • Patient Electronic Access to Health Information
  • Care of Coordination Through Patient Engagement
  • Health Information Exchange
  • Public Health and Clinical Data Registry Reporting

• Base Score + Performance Score + Bonus Point = ACI Score
MIPS Categories: Clinical Practice Improvement Activities (CPIA)

• Providers can select from over 90 activities:
  • Participating in a Qualified Clinical Data Registry (QCDR).
  • Participation in AHRQ patient safety organization – ASTRO RO-ILS program!

• Activities fall into two categories: medium (10 points) and high (20) weight.

• 60 total points required to receive 100% CPIA score.

• Many activities map to ASTRO’s Practice Accreditation program, APEx. APEx accreditation exceeds the 60-point threshold.
Alternative Payment Models (APMs)

• What is an APM?
  • A payment model which requires physicians to take responsibility for cost and quality performance and receive payments for providing high value (low cost/high quality) care

• Under MACRA, CMS identifies several avenues for APM development and participation:
  • CMS Innovation Center Model (i.e. Oncology Care Model)
  • Medicare Shared Savings Program
  • Health Care Quality Demonstration Program
  • Demonstration required by federal law
## APMs Continued

<table>
<thead>
<tr>
<th>CMS Designated Advanced APMs</th>
<th>MIPS APMs</th>
<th>Physician-Focused APMs</th>
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<tbody>
<tr>
<td>• Participate in certified EHRs.</td>
<td>• APM entities with an agreement with CMS.</td>
<td>• These are APMs that are reviewed by Physician-Focused Technical Advisory Board (PTAC) and then approved by CMS.</td>
</tr>
<tr>
<td>• Payment based on quality measures comparable to measures under MIPS.</td>
<td>• Include one or more MIPS eligible clinicians.</td>
<td>• Criteria include promoting payment incentives for higher value care, care delivery improvement and use of HIT.</td>
</tr>
<tr>
<td>• Bear a nominal amount of financial risk.</td>
<td>• APM bases payment on cost/utilization measures.</td>
<td></td>
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<tr>
<td>• Only Qualified APM Participants participating in an Advanced APM are eligible for the 5% APM bonus payment and exempt from MIPS.</td>
<td>• APM performance period must align with the MIPS performance period.</td>
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<tr>
<td></td>
<td>• A separate APM scoring standard.</td>
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Advanced APM Requirements

• At least 50% of eligible clinicians must use CEHRT to document and communicate clinical care. Threshold increases to 75% after the first year.

• Base payment on quality measures comparable to MIPS. At least one measure must be an outcomes measure

• Bear more than nominal financial risk
  • Financial Risk – risk for monetary losses in excess of the target
  • Nominal Standard Amount – risk born must be of a certain magnitude

• Eligible for 5% bonus payment
Nominal Risk, Maximum Confusion

The Maximum Amount at Risk (MAR) must be > 4% of Anticipated Expenditures. In this particular case the MAR is set at 5% or $50,000.

Marginal Risk (MR) is a portion of the expenditures in excess of the anticipated expenditures that the APM will have to pay back to CMS. The minimal level of MR required by CMS is 30%. In this model we set the MR at 30%, which is $45,000 of the Amount in Excess of the Anticipated APM Expenditure ($150,000).

Because the MAR is $50,000, the APM will be required to pay CMS a $45,000 penalty for exceeding the Anticipated APM Expenditures.

Amount in Excess of Anticipated APM Expenditures = $150,000

4% Minimum Loss Ratio (MLR) = $40,000 – Had excess expenditures been less than this amount no money would be owed to CMS

This is the point at which MAR and MR methodology is applied and reimbursement to CMS is calculated.
Qualifying Advanced APM Requirements

• QPs are the only physicians eligible for the 5% Advanced APM incentive payment and excluded from MIPS reporting requirements.

• The performance period for each payment year is the calendar year that is two years prior to the payment year (e.g., 2017 performance for 2019 payment).

• How to become a QP?
  • Must meet specific patient and payment thresholds tied to an Advanced APM. The threshold grows over time.
  • Thresholds are tied to Medicare beneficiaries and Part B payments in 2019 and 2020, then expand to private payers when the All Payer Advanced APM roles out in 2021.
MIPS-APM Requirements

• APM Entities participate in the MIPS-APM under an agreement with CMS
• APM Entities include one or more MIPS eligible clinicians on a Participation List; and
• The MIPS-APM bases payment on performance (either at the APM Entity or eligible clinician level) on cost/utilization and MIPS quality measures.

• MIPS-APM Scoring Standard:
  • The MIPS eligible clinician will receive a MIPS Composite Score and a separate APM Entity Composite Score will also be issued.
  • MIPS-APM participants are not eligible for the 5% APM bonus
Physician Focused Payment Model (PFPM) Requirements

- PFPMs must be processed through the Physician Focused Payment Model Technical Advisory Group (PTAC) and approved for implementation by CMMI.

- PFPM Criteria:
  - Payment Incentives for Higher-Value Care
  - Care Delivery Improvements
  - Information Availability and Enhancements (CEHRT)

- PFPM participating physicians are still required to participate in MIPS and are ineligible for the 5% Advanced APM bonus
ASTRO Reaction to Proposed MACRA Rule

• Too Complex, Too Fast
  • Proposed January 1, 2017 start limits ability of providers to prepare for MIPS or meaningfully commit to APMs.
  • ASTRO urges CMS to delay start of the performance period and consider a phased approach to implementation

• Failure to account for the significant investment in time and money necessary to succeed

• MIPS CPIA category should include full credit for APEx accreditation and RO-ILS participation.
  • Weight of CPIA Category should be increased because it is the only category that truly impacts patient care

• Comments available on ASTRO.org/Daily-Practice
Preparing for MACRA

Step 1: Don’t ignore current programs!

- Penalties are still in effect until the end of 2018.

<table>
<thead>
<tr>
<th>2016 Program</th>
<th>2018 Penalty</th>
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<tbody>
<tr>
<td>PQRS</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Meaningful Use</td>
<td>-4.0%</td>
</tr>
<tr>
<td>Value-based Payment Modifier</td>
<td>Max -4.0%</td>
</tr>
<tr>
<td>Total</td>
<td>-10.0%</td>
</tr>
</tbody>
</table>

- Participate in the 2016 Physician Quality Reporting System (PQRS) program.
- Demonstrate Meaningful Use in 2016, or apply for a hardship exception once available in 2017.
2016 ASTRO PQRSwizard

• The ASTRO PQRSwizard is an online tool that takes the hassle out of reporting.
  • A step-by-step guide to help you collect and report data.
  • An easy and secure way to upload patient data online.
  • Automatic data validation tool that takes the guesswork out of submission.
  • The ability to review your data before it is submitted to CMS.

• Deadline for submitting 2016 data is 5:00 p.m. ET, February 28, 2017.
• Visit www.astro.pqrswizard.com to start today!
Preparing for MACRA Cont’d

Step 2: Learn about the MIPS and APM programs
• Visit ASTRO.org/MACRA and other resources for news and tools to help you succeed.

Step 3: Determine if you are exempt
• Current plan: Physicians with $10,000 or less in Medicare charges and 100 or fewer Medicare patients are exempt from MIPS

Step 4: Develop a strategy for your practice
• Review your experience participating (or not) in PQRS and Meaningful Use
• Review your Medicare Quality and Resource Use Reports (QRURs)
• Review list of CPIAs and enroll in APEX and ROILS
• Examine whether you have the right systems in place. Registry?
• Find out what local health systems and referring physicians are planning
ASTRO MACRA Resources

- Visit ASTRO’s MACRA Toolkit at www.astro.org/MACRA.
  - General Program Requirements.
  - Details on how to satisfy each category.
  - Informational handouts and webcasts.
  - Regulatory updates.
  - ASTRO’s payment reform progress.

- Stay informed of any news and updates through ASTROgrams.
- Stay tuned for ASTRO webinars/video tutorials on MACRA this fall and winter.
What Happens Next?

• Start your engines!
• The final rule will be issued by November 1.
  • We anticipate the basic framework for the MIPS and APM programs will remain the same. But we expect CMS will...
    • Modify the MIPS measures requirements
    • Reweight the categories
    • Adjust the “nominal risk” requirements for Advanced APMs
• ASTRO will keep you posted and continue to provide educational programs as new information becomes available.