MACRA

And So Now We Have MACRA...

Get aboard the train because it's leaving the station.

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Tips from the Trenches features practice management issues, and is written exclusively for PM by members of the Institute for Podiatric Excellence and Development (IPED). IPED's mission is to motivate, inspire, and synergistically bridge the gap between students, residents, new practitioners, and seasoned veterans in the field of podiatric medicine. They are committed to the idea that mentors with passion to share and mentees eager to learn make a powerful combination that allows IPED to bring and renew a full life to podiatric physicians, their practices, and their well-being throughout the U.S. and beyond. Visit www.podiatricexcellence.org.

MACRA has been described as a program whose focus was to change the dynamics of healthcare delivery, from the current fee-for-service to bundled payments based up quality outcomes. The bottom line was that the insurance industry and the Center for Medicare and Medicaid Services (CMS) were no longer going to take all the risk in the healthcare market but were now going to move to a model of 'shared risk'. In such a scenario, providers would no longer bill for services performed on an individual basis but would be paid a flat rate with reward for 'quality' outcomes. So shall end the traditional fee-for-service model and begin the 'value-based' approach. Yes, the train had quietly left the station, with the conductors being CMS and the private insurance industry. The following cars in the train held providers and patients right to the caboose. The details of the program did not emerge until November when the final rule was released.

In preparation for the arrival of this new program, which started in January 2017, many webinars were assembled by leaders in our profession sponsored by the APMA. Highly qualified speakers from the insurance and coding components tried feverishly to get the word out to the rank and file as to what was impending. Meetings were held with stakeholders and numerous conference calls were conducted at all levels of the profession. Much speculation developed as to whether the roll-out would occur or be delayed. As the election drew closer, more concern circulated that MACRA would be postponed.

As of this writing, we have concluded two weeks of a new presidential administration. There have been suggestions that with the roll back of the Affordable Care Act (ACA) as proposed by the Trump administration, there would be a resultant delay of MACRA and the process of bundled payments. Be cautioned that this will most likely not be the case.

It must be realized by all involved that this concept had been in the making for at least two previous administrations: "The program to reward providers based on the quality of their care is the culmination of efforts that date back to early in the George W. Bush administration" (*Washington Health Policy Week* in Review Commonwealth Fund: 3/12/12). Therefore, the foundation of VBP has a history extending prior to the Obama administration, with bipartisan support. This is key to appreciating that yes, Value-Based Payments (VBP) is in the ACA, but it is not dependent on the ACA.

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The driver of VBP is tied directly to two major cornerstones: quality and cost. How quality is measured is a point of contention between physicians and payors. That being said, quality measures and a matrix have been established and employed over the years to serve as benchmarks for evaluating and then incorporating

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costs. Performance with better quality measures were rewarded with increased reimbursement and so developed the early pay for performance (P4P) models. P4P rolled out in 2007 as PQRS for the Medicare population. PQRS has continued through 2016, now to be modified to become a new matrix.

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As MACRA is designed, there are two tracks that physician participation will take: The Advanced Alternative Payment Model (APM) or The Merit-based Incentive Payment System (MIPS). Of these two tracks, most physicians will find that they will follow the MIPS model.

MIPS for simplification is comprised of four components: Quality, which replaces PQRS. Advancing Care Information (ACI) which will be replacing Meaningful Use. Clinical Practice Information (CPI) which is a new concept yet to be defined. And finally, the last component is cost, which will be based on Medicare claims data. These four pillars of information and measures will lead to the development of a final "scorecard". Everyone is to be measured equally, based upon their specialty and as it relates to their peers. The end result will be a score, which will be publicly reported and reviewable to both patients and peers. If you score above a certain numerical value, you will have the opportunity to receive compensation at the current level, or possibly at an enhanced level.

Additionally, if your score is below a threshold, one would receive a reduced level of compensation. The important take away is that the program is based on a budget-neutral formula, meaning there will be some winners and some losers. The incentive is to improve quality outcomes and reward those by higher levels of compensation.

This is the bitter reality of the train as it goes down the tracks. Participation in MIPS will be essential for any participating provider. It is being rolled out by CMS, but in reality all payors are following the design and implementation as VBP. As mentioned, the program is based on a budget-neutral formula. That being said, scoring on measures will be related to peer performance. It is still unclear how this data will be shared.

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As we continue to witness cabinet appointments, clarity has come for the head of Health and Human Services (HHS) and CMS—Dr. Tom Price. By training an orthopedic surgeon, he is someone familiar with healthcare, its changes and evolution, as well its struggles over the years. He is described as a conservative, voting for MACRA while in Congress. However, he had been actively pressuring the previous administration to provide more regulatory relief for physicians as well as expressing concerns about MACRA.

Needless to say, the next six to nine months should be a most interesting period. All who have read this article are hopefully engaged in the current process. Hopefully everyone will avail themselves of the most up-to-date and valid recommendations as this program continues. **PM**

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