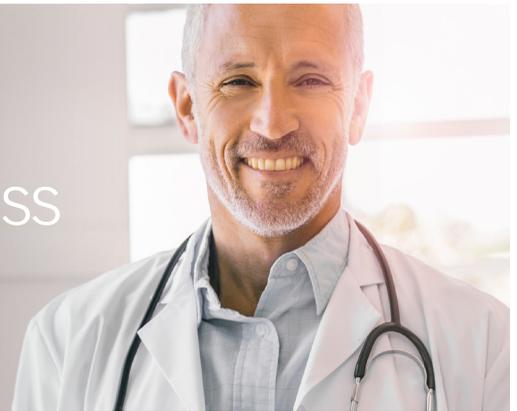


# Clinical Integration Educational Series

## Overview of the Medicare Access and CHIP Reauthorization Act



### What is MACRA?

MACRA (Medicare Access and CHIP Reauthorization Act) is a law passed by Congress in 2015 that changes how the Medicare program reimburses providers and aims to move them toward value-based care. The law discontinues the use of the Sustainable Growth Rate formula for determining Medicare payments to providers, and creates a new quality measurement and reimbursement framework.

MACRA's new reimbursement framework creates two payment tracks:

1. Merit-Based Incentive Payment System (MIPS)
2. Advanced Alternative Payment Models (APMs)

Starting in 2019, Medicare payment adjustments to clinicians will vary based on which track the clinician/clinician group is participating in.

Note: Clinician payment will not be impacted until 2019, but 2017 is the first performance year for determining how payments will be adjusted in 2019.

### Who does MACRA affect?

In MACRA's first performance measurement year (2017), the new payment system will apply to a range of clinicians, including physicians, physician assistants, nurse practitioners, clinical nurse specialists, certified registered nurse anesthetists, and groups that contain any of these clinicians.

It will apply to all Medicare Physician Fee Schedule Payments, but NOT payments under the Inpatient Prospective Payment System, the Outpatient Prospective Payment System, or the Ambulatory Surgical Center Payment System.

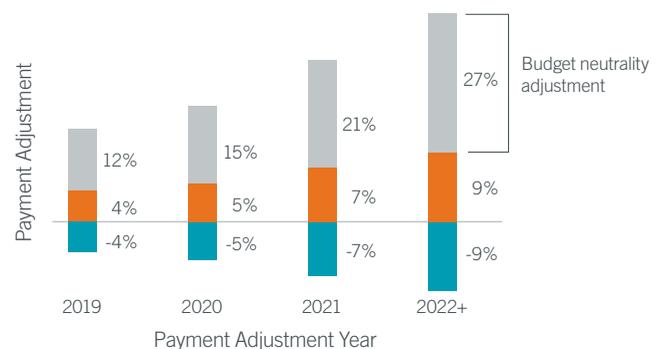
It will not apply to clinicians or groups that have fewer than 100 Medicare patients, \$30,000 or less in services billed to Medicare, or clinicians who are in their first year of billing Medicare.

### Two payment tracks: MIPS and Advanced APMs

#### 1. Merit-Based Incentive Payment System (MIPS)

MIPS combines parts of the Physician Quality Reporting System, the Value Modifier, and the Electronic Health Record Incentive Program into a single program in which clinicians are measured on quality, cost, improvement activities, and advancing care information.

Based on those measurements, clinicians could face potential penalties of up to 4% and potential bonuses of up to 12% in 2019. As illustrated in the graph below, that range widens as the years progress.



#### 2. Advanced Alternative Payment Models (APMs)

Some provider groups that participate in Medicare and commercial risk-based payment models may be eligible to receive bonus payments under the Advanced APM payment track. This track offers qualifying clinicians a 5% annual lump sum bonus from 2019 to 2024, as well as exemption from MIPS requirements. CMS's goal with this track is to incentivize providers, or networks of providers, to take on financial risk for defined patient populations.

For additional information on MACRA and other ongoing initiatives, be sure to attend SRQCN's town hall on Thursday, November 3 at 6 p.m.

This informational series will be distributed weekly to help providers stay updated on MACRA. Next week we will go into greater detail on the timeline of MACRA implementation. CMS released the MACRA final rule on October 14, and these updates reflect the provisions of that final rule.