

Deconstructing MACRA

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Objectives

- Understand the fundamental components of MACRA
- Recognize the impact of the shift from fee-for-service reimbursement to value-based payment.
- Identify implications and considerations for trustees

MACRA

- Medicare Access and Children's Health Insurance Program Reauthorization (MACRA)
- Why
 - Repealed the sustainable growth rate (SGR)
 - Physician payment reform that rewards cost and quality performance
 - Alignment with value-based payment models

Quality Payment Program (QPP)



Payment Structure

MACRA 2015

Default enrollment path

Derive $\geq 25\%$ of Medicare payments or patients from an APM by 2019

MIPS

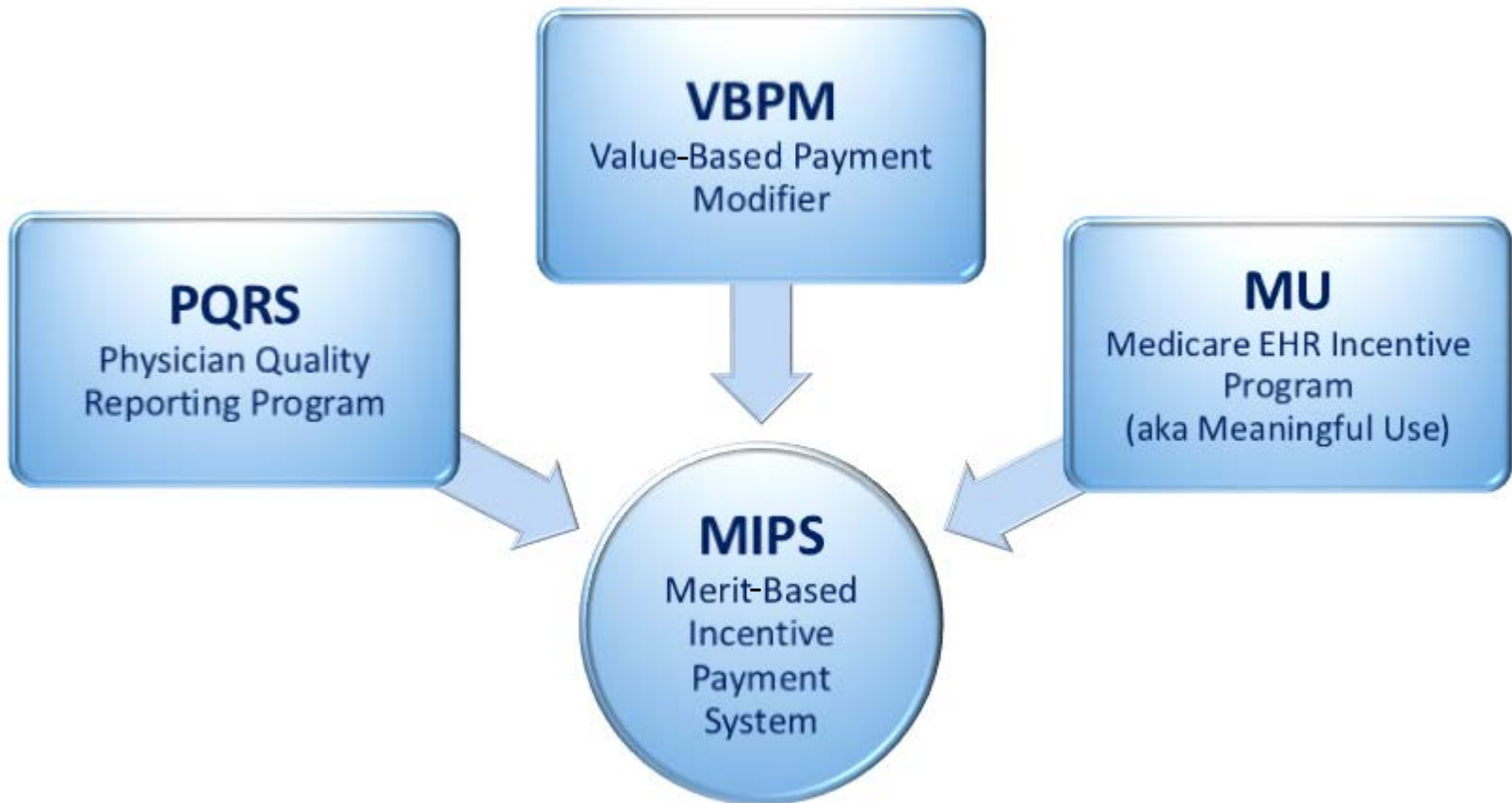
- Medicare payments for services provided annually increase or decrease 4-9% based on physician performance on a variety of measures including quality of care, resource use, clinical improvement, and EHR utilization

APMs

- Providers receive a bonus equivalent to 5% of their total Medicare payments
- Providers receive higher increases in their annual Medicare payments compared to those participating in MIPS



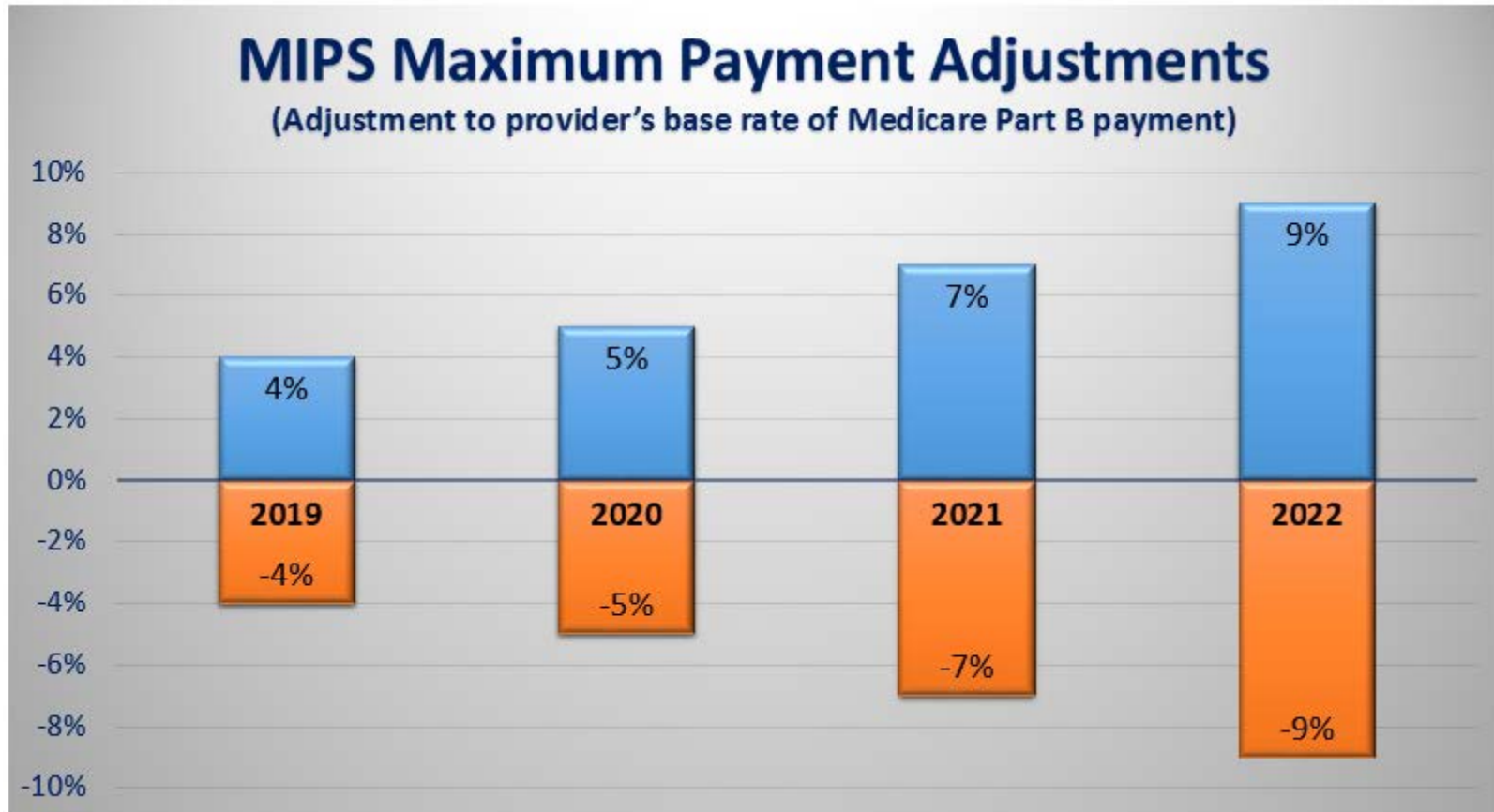
Merit-Based Incentive Program



Merit-Based Incentive Program

- Majority of eligible providers will report in this track
- Four reporting domains:
 - Cost
 - Quality
 - Improvement Activities
 - Advancing Care Information

MIPS Payment Adjustments



Advanced Alternative Payment Models (APM)

- Advanced Alternative Payment Models (Advanced APMs) enable clinicians and practices to earn greater rewards for taking on some risk related to their patients' outcomes

APM

- Comprehensive End Stage Renal Disease Care Model (Two-Sided Risk Arrangements)
- Comprehensive Primary Care Plus (CPC+)
- Shared Savings Program Track 2
- Shared Savings Program Track 3
- Next Generation ACO Model
- Oncology Care Model (Two-Sided Risk Arrangement)

Value-Based Payment

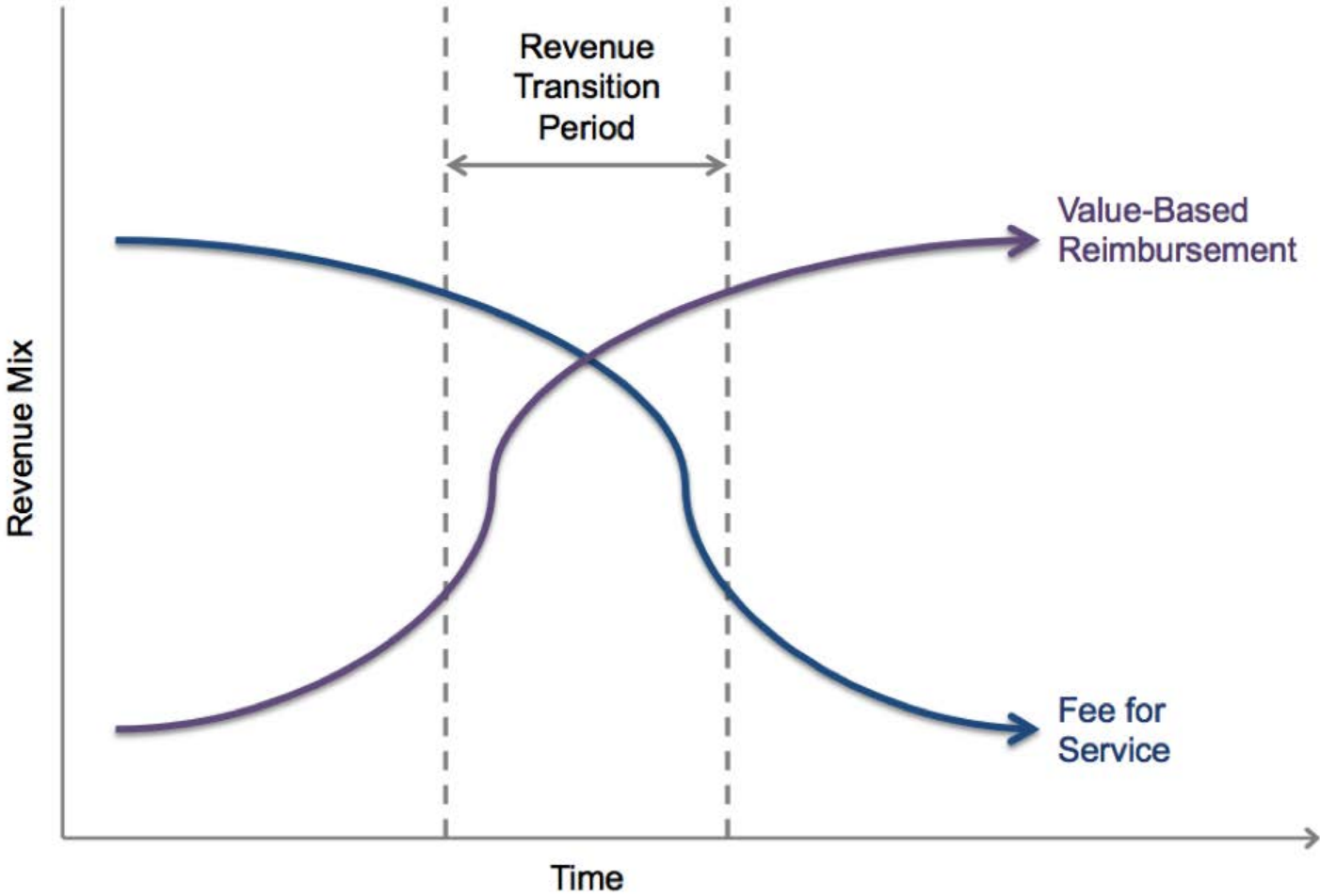
- Shifting from volume to value
- Managing panels of patients
- Attributed lives
- Individual management to population health management



Value-Based Payment

- Alignment with Triple Aim
 - Contain cost
 - Improve quality
 - Improve the care experience for patient and provider

Shift of Payment



Organizational Strategy

- Understand the impact of the program on long-range planning
- Evaluate the opportunity to align performance measures and incentives across the organization
- Understand the infrastructure needed to support physicians
- Understand the current level of integration with physicians

Trustee Considerations

- Physicians
 - Increased interest of community based physicians to join healthcare systems
 - Physician compensation—models that support quality
 - Impact to credentialing by third party payers
 - Potential HIT support

Trustee Considerations

- Patient
 - Increased transparency with cost and quality
 - Experience of care
 - Medical neighborhood

Trustee Considerations

- Community
 - Population health management
 - Community needs assessment
 - Partnering with community-based organization

Future Considerations

- Federal healthcare law
- Proposed changes in final consideration for year 2 (2018)
- Alignment with ACO
- Participation in APM
- Impact of MACRA on commercial payers



