

MAJOR CHANGES PUT REIMBURSEMENT FOR PROVIDERS AND HEALTH SYSTEMS IN JEOPARDY

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Under the Medicare Access and CHIP Re-Authorization Act (MACRA) major changes are coming that will continue to put your reimbursement in jeopardy. To benefit from MACRA, providers and health systems must understand the financial and reputational impact, act now to maximize reimbursement under value-based care and avoid significant penalties going forward.

MACRA's Quality Payment Program (QPP) has 2 tracks:

- Merit-based Incentive Payment System (MIPS)
- Advanced Alternative Payment Models (Advanced APMs)



MIPS is designed to tie physician performance to payment. Clinicians will be reimbursed under Medicare Part B based on their performance score for the following 4 categories:

- **Quality** -- which has the heaviest weighting
- **Improvement Activities (IA)**
- **Promoting Interoperability (PI)** (formerly Meaningful Use)
- **Cost**

The program is centered on rewarding clinicians for high quality care and penalizing non-compliance. MIPS payment adjustment is budget neutral, and will depend on how you perform compared to your peers. Low scores can amount to a loss of significant dollars, as well as reputation. The Centers for Medicare and Medicaid Services (CMS) will publish provider performance scores online.

The goal for providers should be a final MIPS score of 70 or above, making them eligible for their share of the \$500 million exceptional performance bonus pool. This bonus pool is over and above the budget neutral MIPS funding.

Three things providers should do now to get a MIPS score of 70 or above:

- **Evaluate past performance metrics.**
Review your Quality Resource Use Reports (QRUR) to determine which quality measures are most appropriate for MIPS. The key to selection is identifying high performance measures based on past performance in programs such as Physician Quality Reporting System (PQRS) and Value-based Payment Modifier (VM). CMS will be distributing MIPS Feedback reports this summer. This report will also give providers useful insight into performance going forward.
- **Be aware of CMS's 2018 Benchmarking System.**
It is important to understand that CMS is monitoring how well a provider does in a measure against how well everyone else does on that same measure. Hence, providers need to be cautious not to pick measures that are easy to excel in, even if those are the ones in which they previously performed well. Continually picking easy measures will make it harder to succeed as the program matures.
- **Enhance utilization of existing resources creatively.**
Utilizing resources more effectively, in particular staff and technology, will help in attaining this goal. Can your organization utilize medical assistants or nurse practitioners more effectively? The ultimate goal is to improve outcomes while decreasing costs.

There are even greater rewards for participating in APMs under MACRA. Qualifying providers who meet the requirements to participate in an Advanced APM receive a lump sum bonus of 5% and are not required to participate in MIPS. Under the MIPS APM track, providers are subject to MIPS reporting, but are scored on a special standard and granted MIPS points for participating in an Accountable Care Organization (ACO).

Under Advanced APMs, clinicians are incentivized for taking on risk related to patient outcomes. Clinicians must meet certain criteria in order to qualify to participate in Advanced APMs. One of the goals of MACRA's Quality Payment Program (QPP) is to increase adoption of Advanced APMs, which is why CMS has expanded the eligibility requirements in 2018.

Now is the time to secure your revenue by implementing a successful strategy for MACRA in 2018 and beyond. The program has increased its requirements from last year and the stakes are higher, with the pay-outs and penalties reaching new heights. Challenges many providers face include: identifying measures with the largest financial impact that they can attain, understanding the requirements, uncertainty about the program implementation dates, capturing the data needed to meet the quality reporting requirements, and having the administrative capacity to gather meaningful data to report.

Four steps to enhance your score under MACRA:

1. **Understand the requirements.** Each health care group should conduct staff education to ensure all staff understand the requirements, know how to maximize reimbursement, and avoid financial penalties.
2. **Conduct a rapid assessment.** To optimize your MIPS score, an assessment is crucial to identify deficiencies, determine the measures to be selected for Quality and PI, and validation of 2017 IA. The assessment will also confirm clinician eligibility, as well as the QPP track and participation status.
3. **Develop a strategy/plan for compliance.** Develop a strategy that aligns organizational goals with the requirements of MACRA. Leadership will need to evaluate which reimbursement track fits best for the vision of the organization and ensure that MACRA is a corporate priority.
4. **Implement your MACRA strategy.** Organizations need to implement their MACRA strategy quickly to avoid financial and reputational harm. Each year health care providers will need to review the regulatory changes under MACRA and amend their approach to maintain compliance and high scores as the requirements change from year to year.

CONCLUSION

To be on the winning side of MACRA, providers and health systems must take a proactive approach and act now. In 2018, non-compliance will result in a 5% reduction in Medicare Part B reimbursement. On the upside, high performers can receive up to 5% more in their Medicare Part B reimbursement.

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