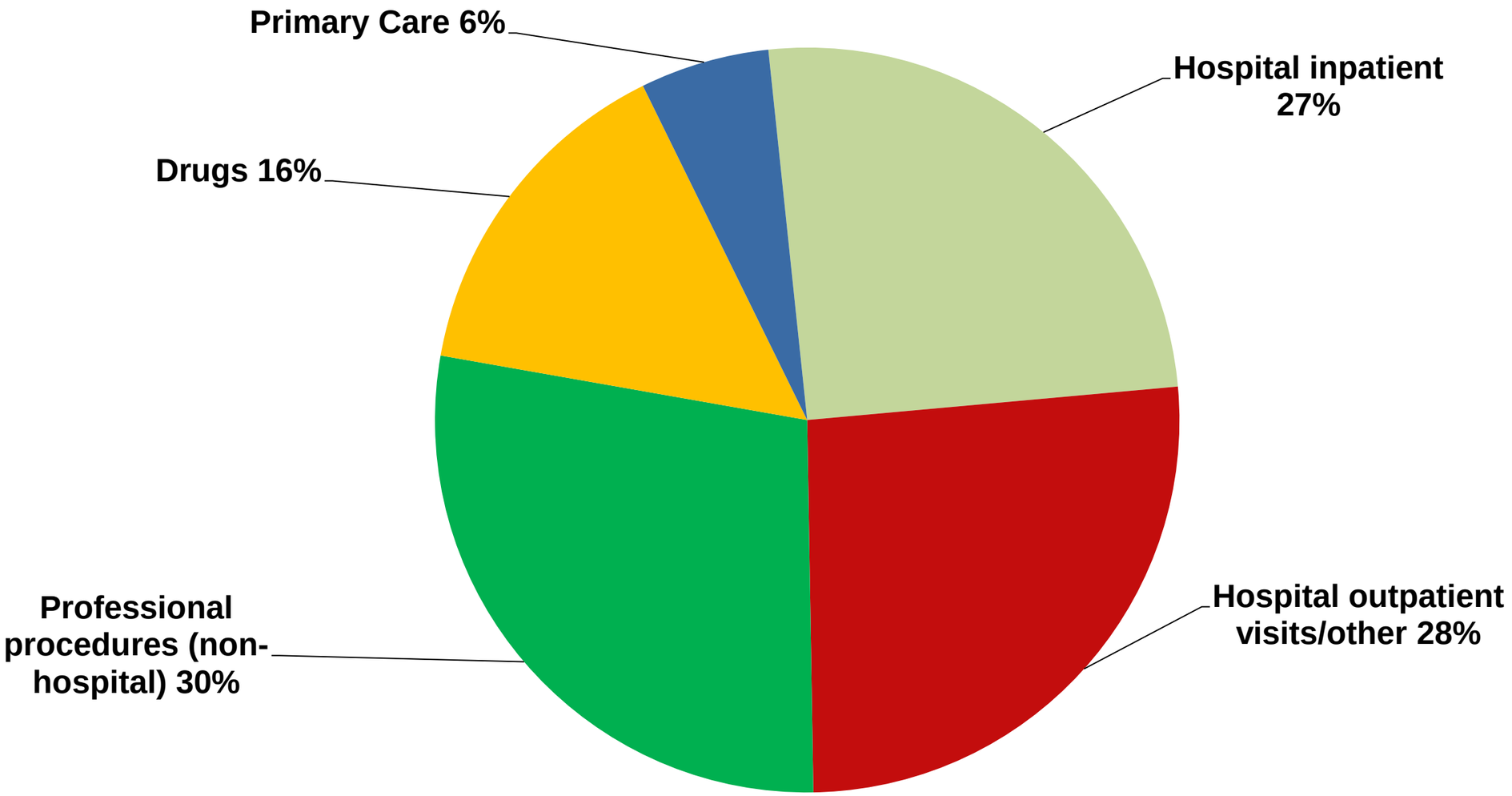
AAFP: MACRA-Ready Set Go

New Mexico Academy of Family Physicians Annual Meeting

July 27-30, 2017

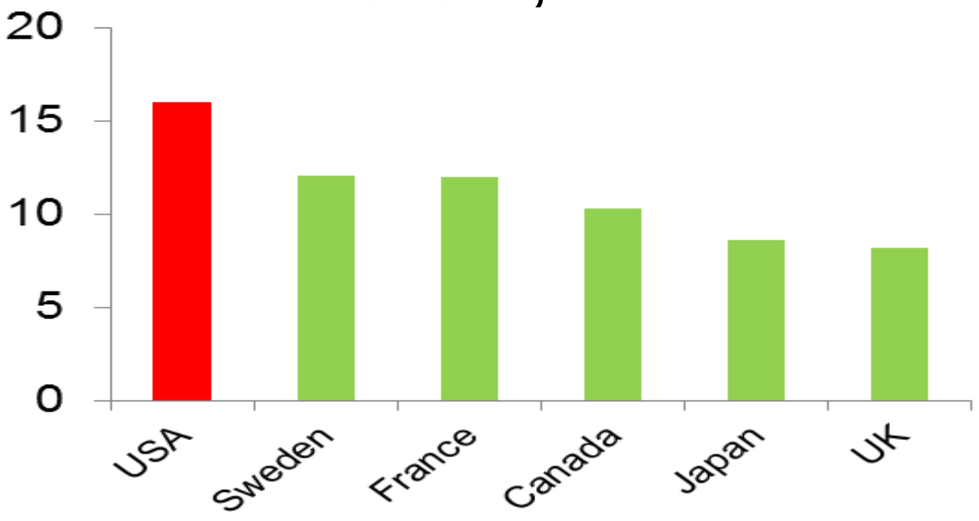
Robert L Wergin MD, Past President AAFP

Pay Now … Or Pay Later

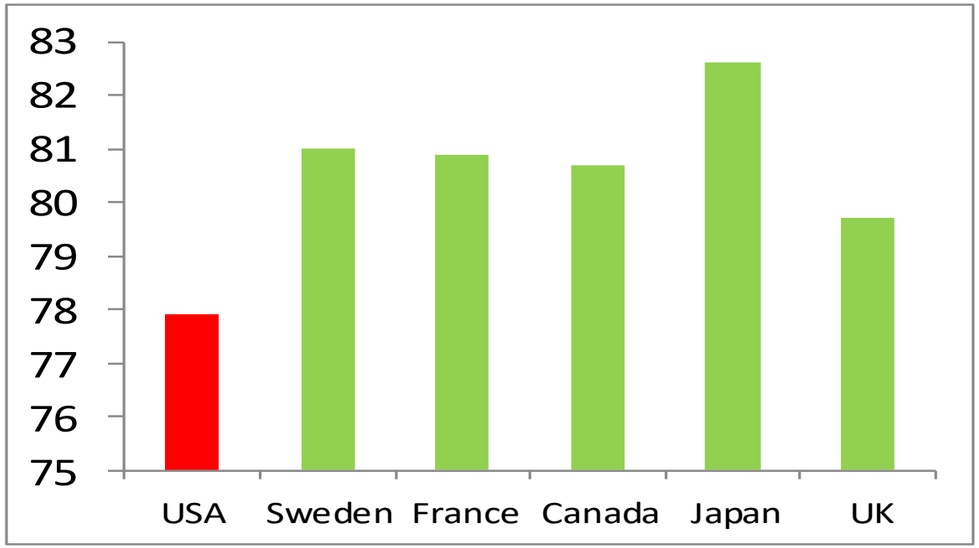


Healthcare Expenditures vs. Outcomes

Healthcare Expenditures as % of GDP, 2005*



Average life expectancy, 2007



*Bradley EH, et al. Health and Social Services Expenditures: Associations with Health Outcomes. BMJ Qual Saf (2011).
*McGinnis JM, Russo PG, Knickman JR. The case for more active policy attention to health promotion. Health Aff (Millwood) 2002;21(2):78–93

U.S. HEALTHCARE WASTE = NETHERLANDS GDP

$210bn
Unnecessary Services

$130bn
Inefficient Delivery of Care

$55bn
Prevention Failures

$765bn
in wasted spending

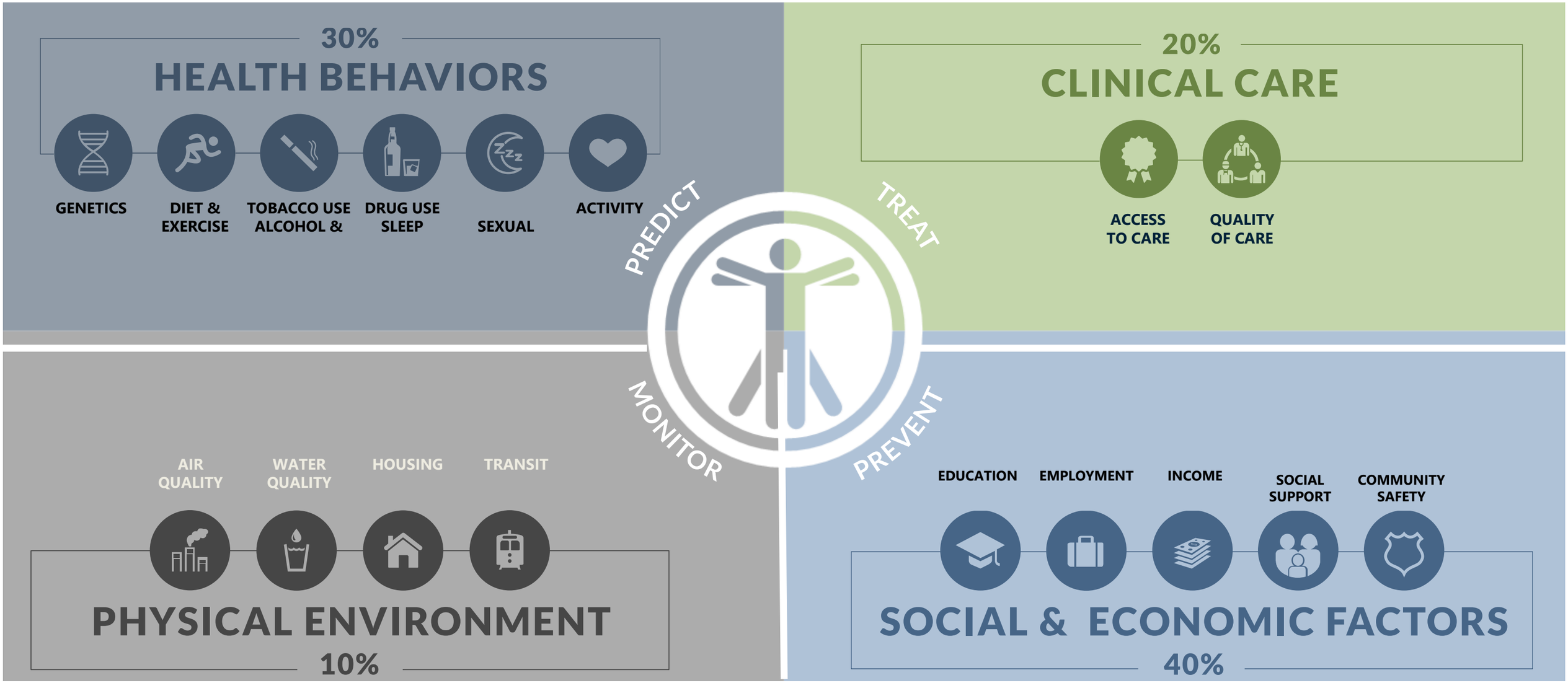
$105bn
Inflated Prices

$75bn
Fraud

$190bn
Administrative Costs

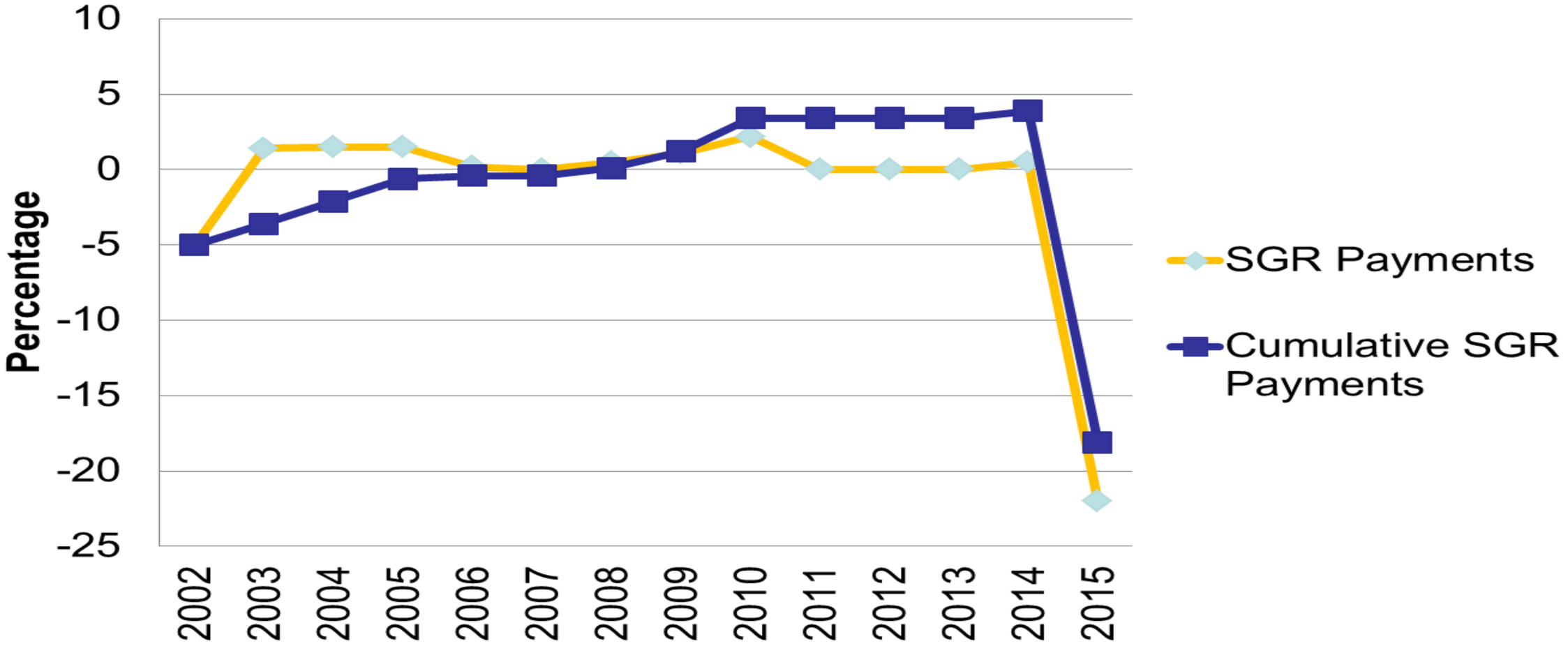
Source: Institute of Medicine (2009 data); The World Bank (2009 data)

THE FUTURE HEALTH ECOSYSTEM WILL FOCUS ON THE TRUE DRIVERS OF OUTCOMES



Source: RWJF/UWPHI.

Sustainable Growth Rate
2002-2015



MACRA ready

The Shift to Value-Based Payment

MACRA: Medicare's Shift to Value-based Delivery & Payment Models

AMERICAN ACADEMY OF FAMILY PHYSICIANS

Current as of 11/1/2016

Current State

Over Utilization

Volume over Value

Silos of Care

Fee for Service

Push Toward Value & Quality

85% 

- Medicare payments tied to quality or value by end of 2016

30% 

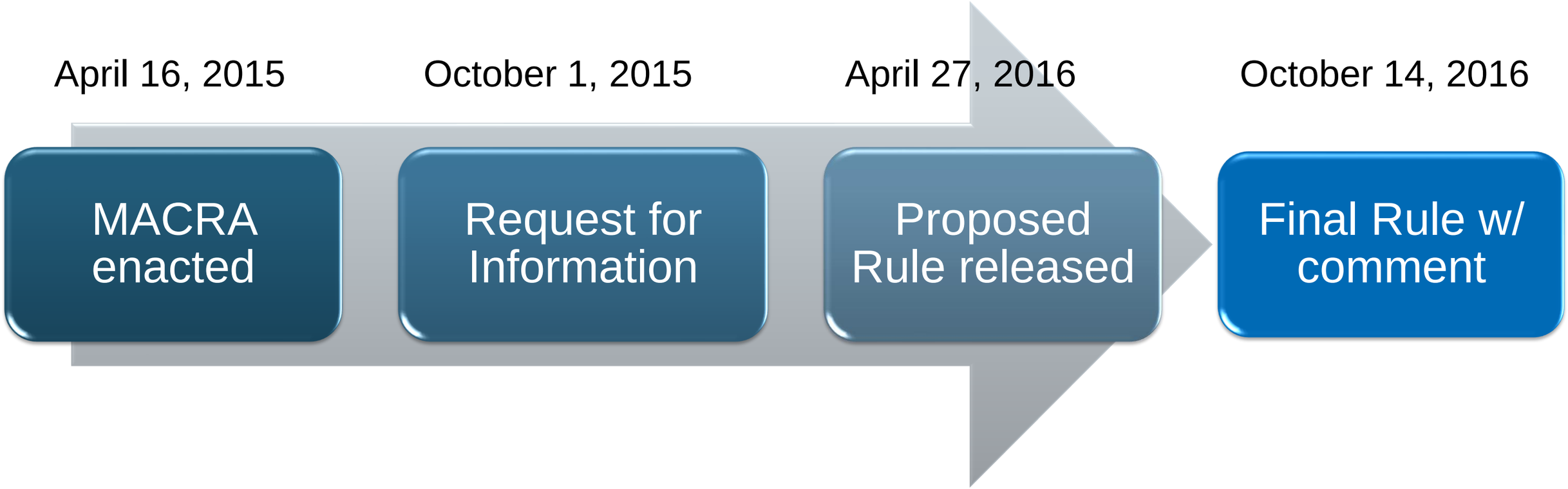
- Of those through alternative payment models (APMs**)** by end of 2016

75%

- Private payer business through value-based arrangements by 2020

Landmark Legislation Alters How Medicare Will Reimburse Physicians

MACRA Legislative Timeline



**Medicare physician fee schedule published separately*

What Does MACRA Do?

- Repeals the Sustainable Growth Rate (SGR)
- Extends Children's Health Insurance Program (CHIP) funding for 2 years
- Creates 2 payment pathways
- Provides Annual Baseline Fee Schedule Updates 2016-2018

"The difference between what's made available to me as a surgeon and what's made available to our internists or pediatricians (or family physicians) or HIV specialists is not just shortsighted – it's immoral"

Atul Gawande

The Heroism of Incremental Care

Annals of Medicine, January 23, 2017

This is the Macarena

In 2019 Physicians Must Choose One of Two Paths Forward

A More Accurate Scenario

How Some Members Will See It

Streetlight Effect = Observational Bias

A policeman sees a drunk man searching under a streetlight and asks what he has lost. The drunk says he lost his keys, and they both look under the streetlight together.

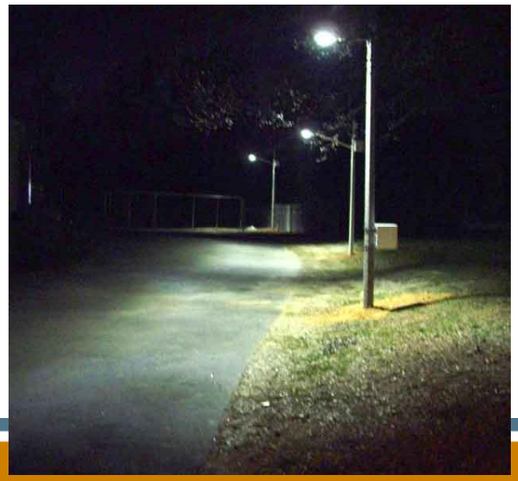
Streetlight Effect = Observational Bias

After a few minutes, the policeman asks, “Are you sure you lost them here?”

The man replies, “No, I lost them in the park.” The

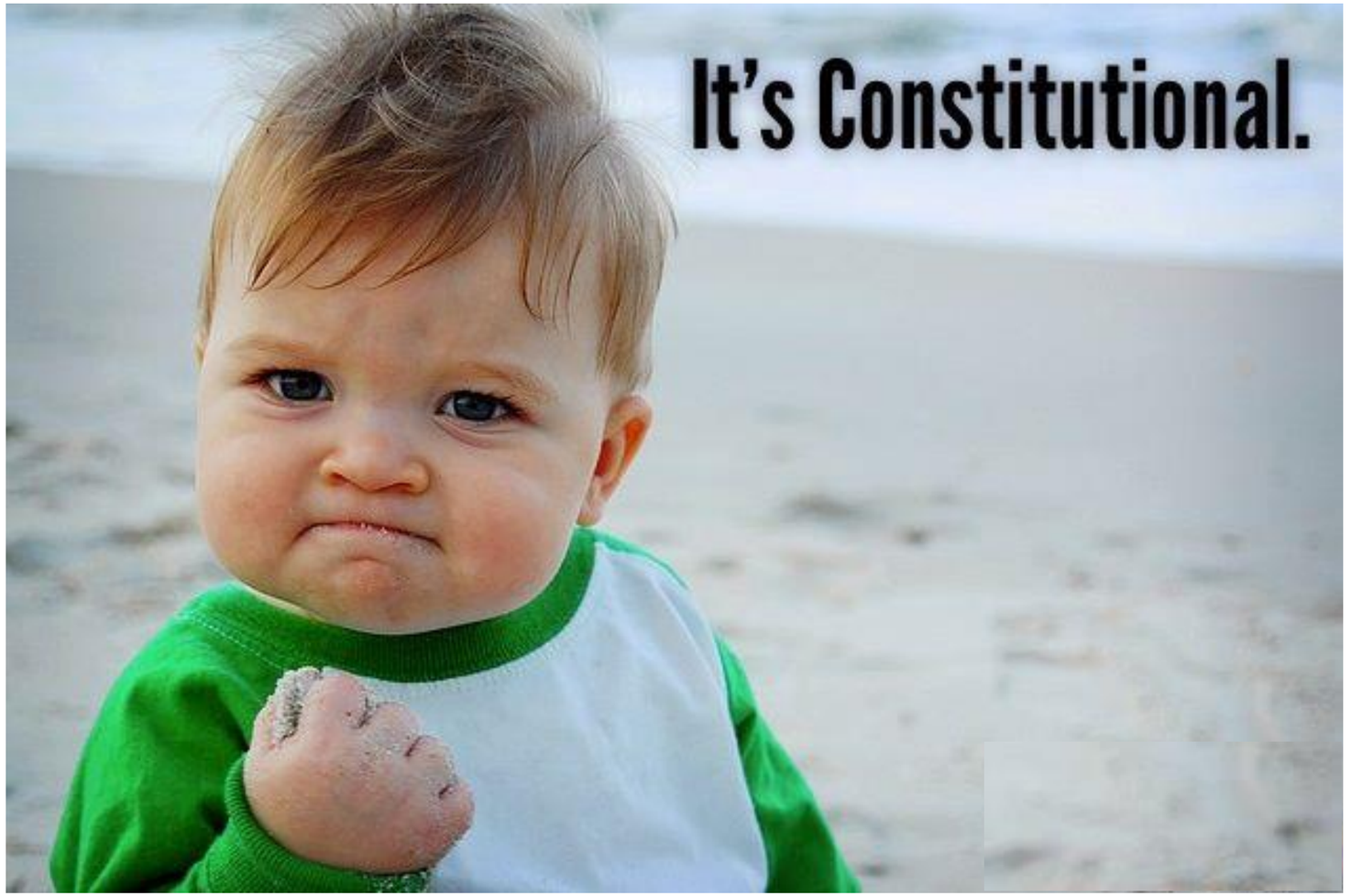
policeman asks, “why are you searching here?”

The drunk replies, "this is where the light is.”



Current “Quality” Metrics

- Are too numerous
- Are often inappropriately applied at the level of individual clinicians
- Lack evidence that they correlate with better health
- Compromise the patient-physician relationship
- Motivate diversion of resources and efforts away from more meaningful interventions
- Do not typically address harms associated with overtreatment
- Were often developed by prioritizing expediency


It's Constitutional.

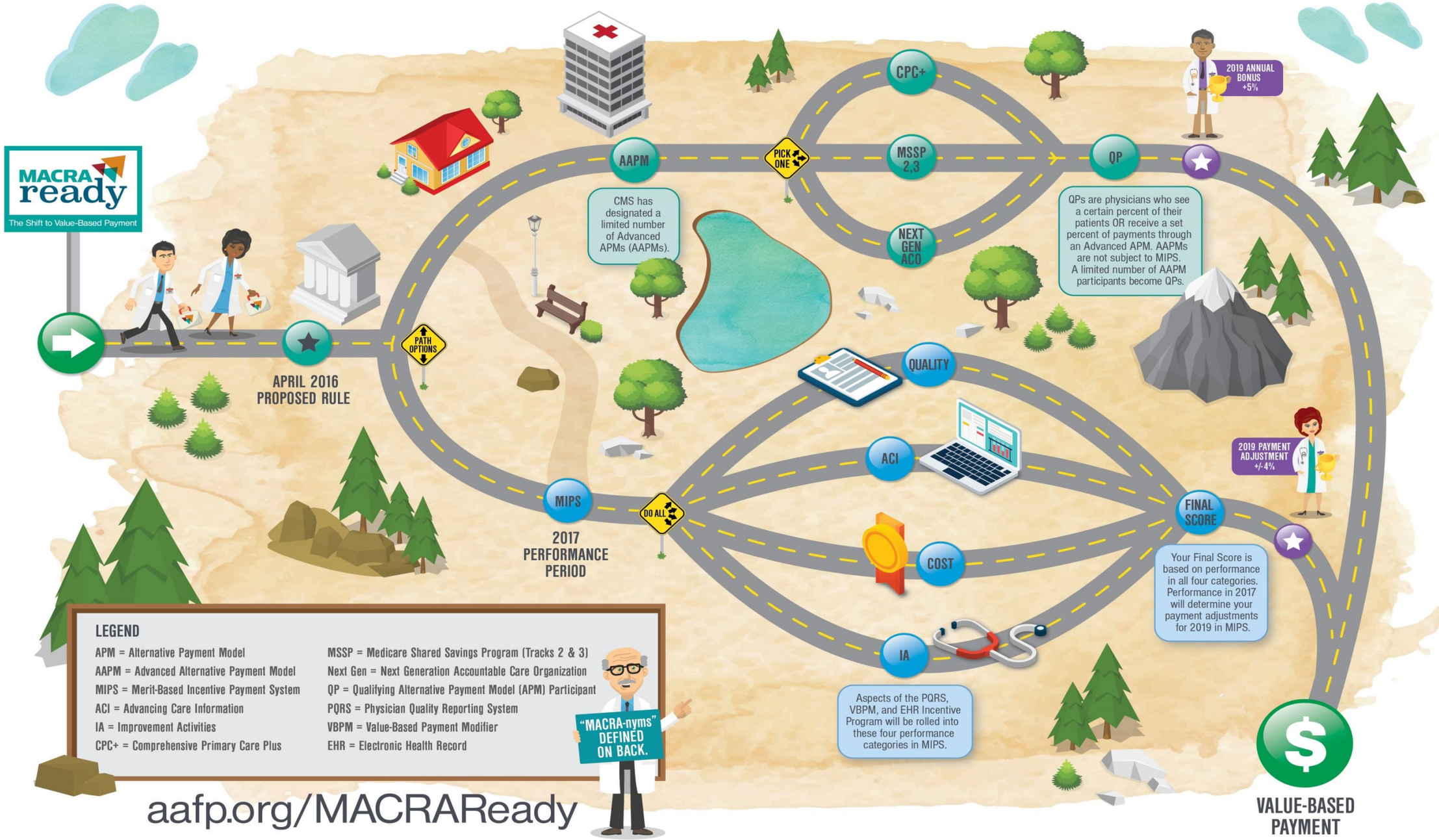
What Does MACRA Do?

Merit-Based Incentive Payment System (MIPS)

- Consolidates quality programs

Advanced Alternative Payment Models (AAPM)

- Potential for bonus payment for participation


MACRA ready
The Shift to Value-Based Payment
APRIL 2016 PROPOSED RULE
PATH OPTIONS
AAPM
CMS has designated a limited number of Advanced APMs (AAPMs).
PICK ONE
CPC+
MSSP 2,3
NEXT GEN ACO
QP
QPs are physicians who see a certain percent of their patients OR receive a set percent of payments through an Advanced APM. AAPMs are not subject to MIPS. A limited number of AAPM participants become QPs.
2019 ANNUAL BONUS +5%
MIPS
2017 PERFORMANCE PERIOD
DO ALL
QUALITY
ACI
COST
IA
Aspects of the PQRS, VBPM, and EHR Incentive Program will be rolled into these four performance categories in MIPS.
FINAL SCORE
Your Final Score is based on performance in all four categories. Performance in 2017 will determine your payment adjustments for 2019 in MIPS.
2019 PAYMENT ADJUSTMENT +/-4%
VALUE-BASED PAYMENT
LEGEND
APM = Alternative Payment Model
AAPM = Advanced Alternative Payment Model
MIPS = Merit-Based Incentive Payment System
ACI = Advancing Care Information
IA = Improvement Activities
CPC+ = Comprehensive Primary Care Plus
MSSP = Medicare Shared Savings Program (Tracks 2 & 3)
Next Gen = Next Generation Accountable Care Organization
QP = Qualifying Alternative Payment Model (APM) Participant
PQRS = Physician Quality Reporting System
VBPM = Value-Based Payment Modifier
EHR = Electronic Health Record
"MACRA-nyms" DEFINED ON BACK.
aafp.org/MACRAReady

QPP Participants

MACRA defines eligible clinicians as:

- **Physicians (MD/DO)**
- **Physician Assistant**
- **Nurse Practitioner**
- **Clinical Nurse Specialist**
- **Certified Registered Nurse Anesthetist**

Merit-Based Incentive Payment System

(MIPS)

AMERICAN ACADEMY OF FAMILY PHYSICIANS

MIPS Highlights

Consolidates existing quality and value programs

- Adds a category for Improvement Activities

Establishes a Final Score

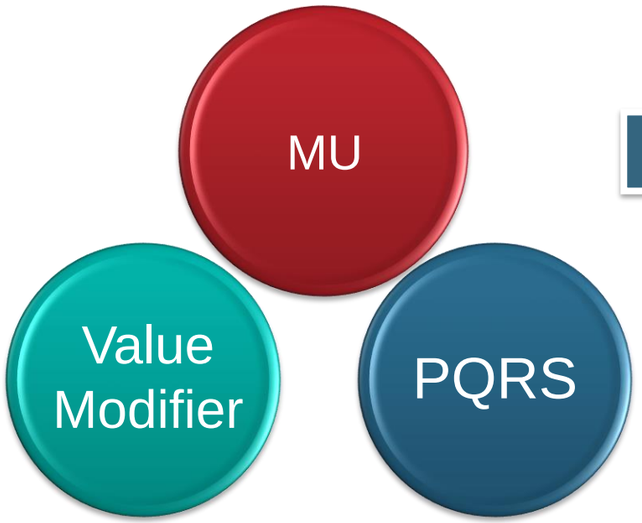
- Weighted scoring by category

Provides opportunity for payment adjustments

- Both positive and negative

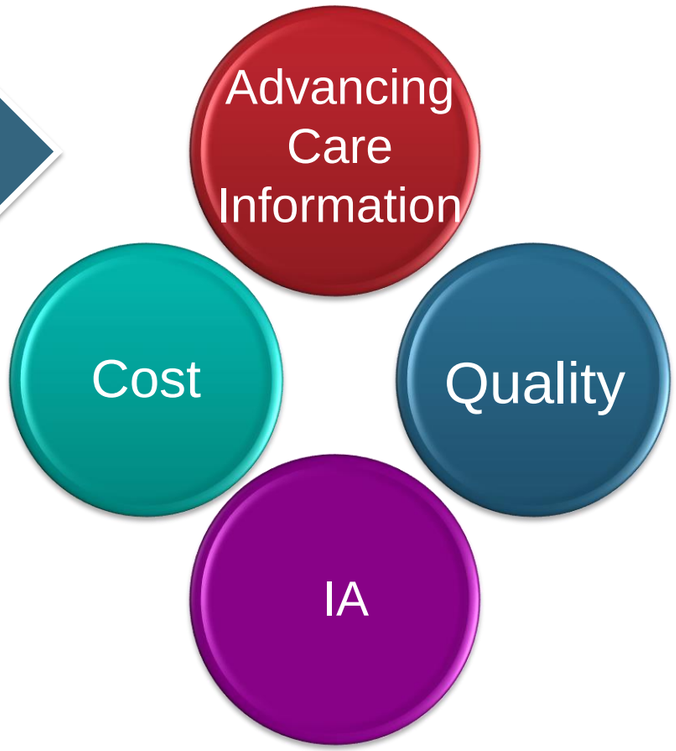
What's it called?

MACRA – April 2015



Proposed Rule – April 2016

Final Rule– October 2016



MIPS Final Score

Quality

Cost

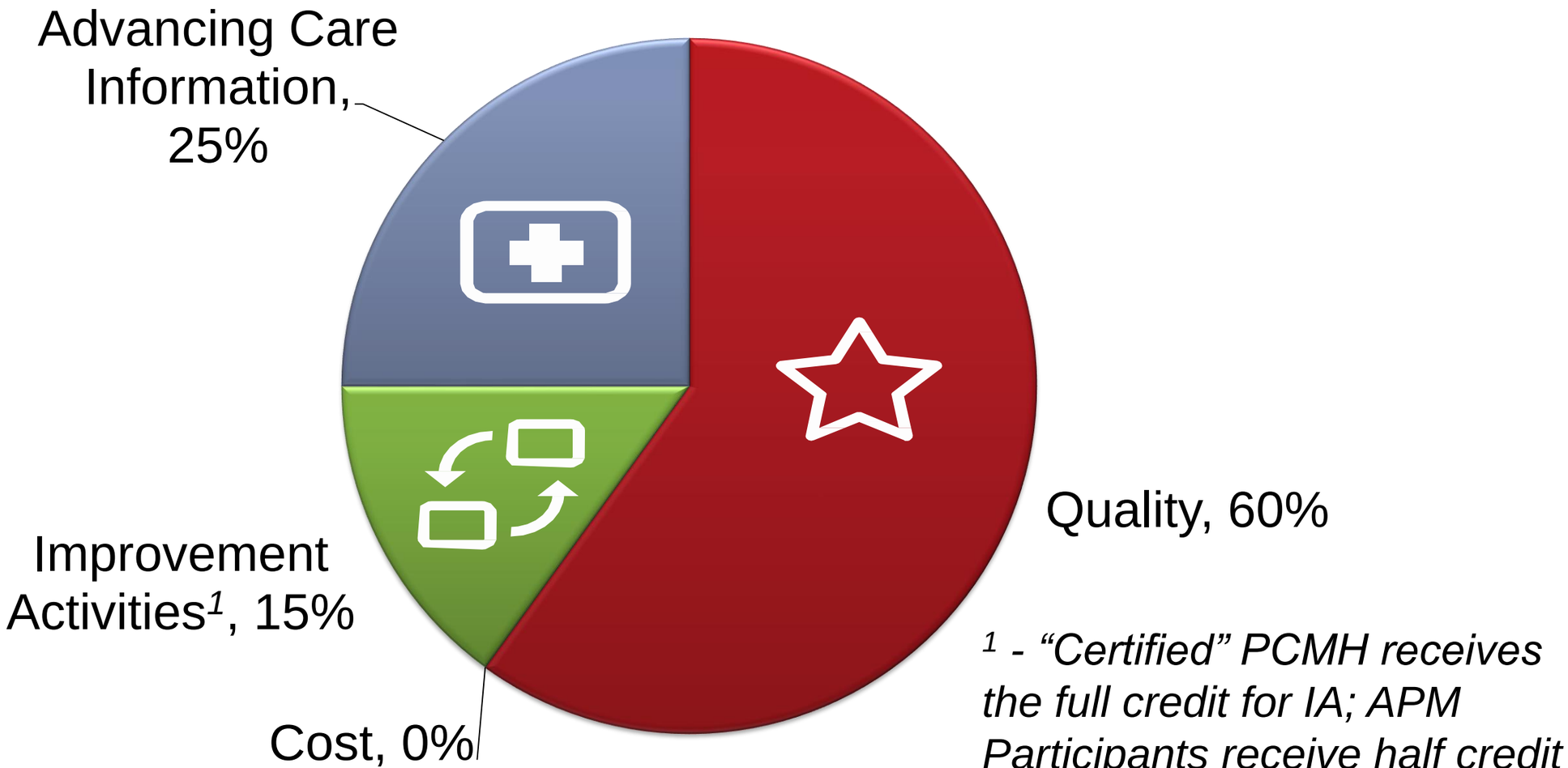
Advancing Care Information (ACI)

Improvement Activities

Improvement Activities – New!

- Expanded Practice Access
- Population Management
- Care Coordination
- Beneficiary Engagement
- Patient Safety and Practice Assessment
- Achieving Health Equity
- Emergency Response and Preparedness
- Integrated Behavioral and Mental Health

Weighting by Category - 2017



[1] - "Certified" PCMH receives the full credit for IA; APM Participants receive half credit

Weighting Progression

	2019	2020	2021
Quality	60%	50%	30%
Cost	0%	10%	30%
Advancing Care Information	25%	25%	25%
Improvement Activities	15%	15%	15%

‘Pick your Pace’ Options for 2017

Test	Partial Participation	Full Participation	Advanced APM
• Submit some data to QPP • No negative adjustment	• Report minimum 90 days • **Small** positive adjustment	• Report 90 days up to full year • **Modest** positive adjustment	• Qualifying Program & Qualified Participant • 5% incentive payment

NO NEGATIVE PAYMENT ADJUSTMENTS

“Pick Your Pace” Reporting

Test

- Report one quality measure, one improvement activity, or all four of the required measures within the advancing care information (ACI) category

Partial Participation

- Report a minimum of 90 days for more than one quality measure, more than one improvement activity, or more than four of the measures within the ACI category.

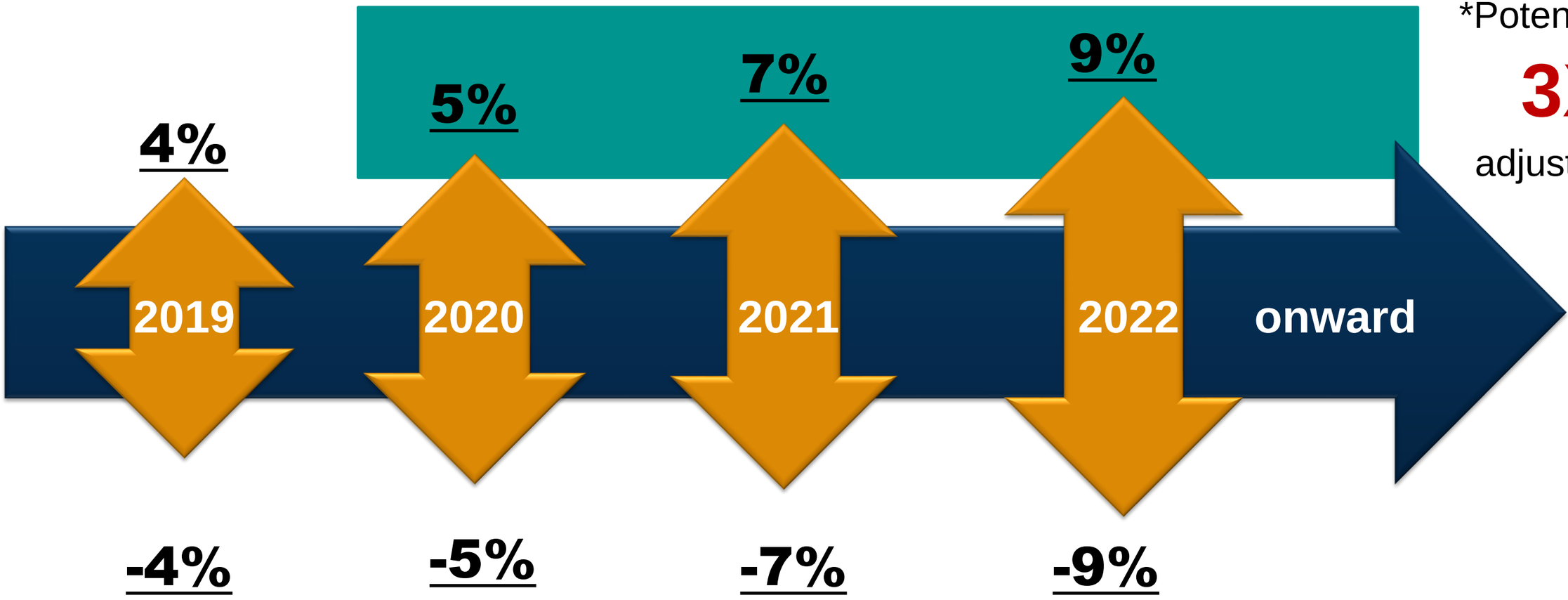
Full Participation

- Report to MIPS for a full 90-day period or full year

Annual Performance Threshold

- Established by Secretary years 1 and 2
  - **For transition year 2017, threshold is 3**
- Below = negative payment adjustments
- Above = positive payment adjustments

Adjust Payments



*Potential for

3X

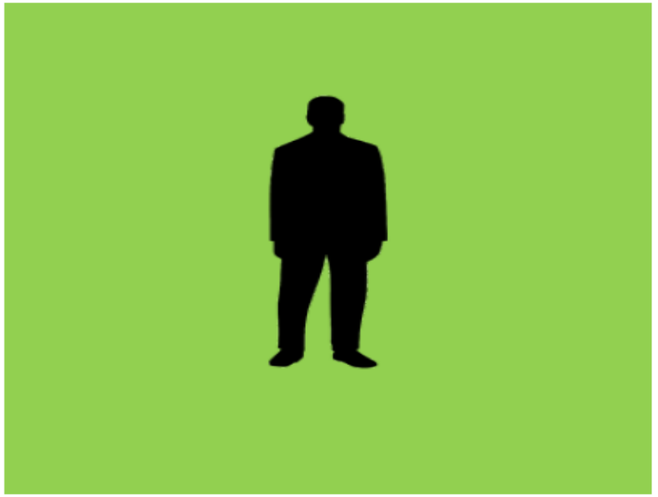
adjustment

**Adjustment to provider's base rate of Medicare Part B payment*

Adjustment Summary

Performance Score		Payment Adjustment
Exceptional Performers (Final Score over 70)	=	Eligible for up to 10% positive adjustment in 2019
25th Percentile or below	=	Maximum negative adjustment
At threshold	=	Stable Payment

MIPS Exemptions



- Year 1 Medicare
- Eligible Advanced Alternative Payment Model with Bonus
- Below low volume threshold
  - Less than or equal to $30,000 Medicare payments; or less than or equal to 100 Medicare beneficiaries

Advanced Alternative Payment Models

(AAPMs)

AMERICAN ACADEMY OF
FAMILY PHYSICIANS

Definitions

Qualifying APM

- Based on existing payment models

Advanced APM

- Based on criteria of the payment model

Qualifying AAPM Participant

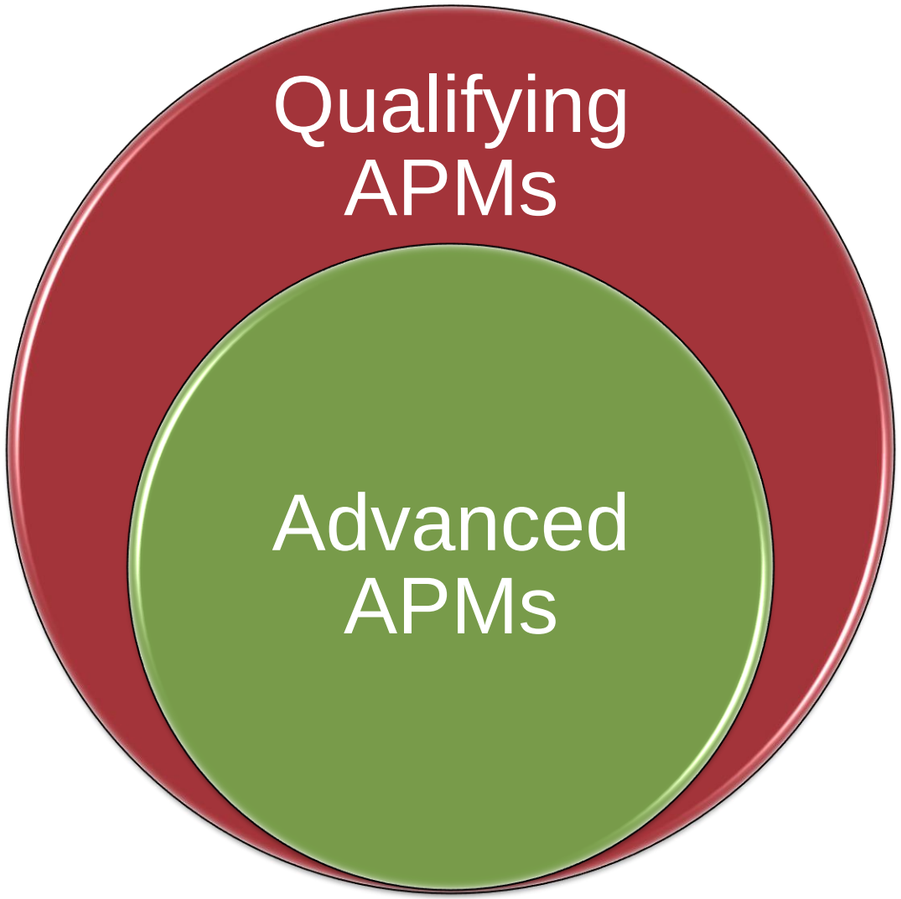
- Based on individual physician payment or patient volume

Qualifying APMs

- MSSP (Medicare Shares Savings Program)
- Expanded under CMS Innovation Center Model*
- Demonstration under Medicare Healthcare Quality Demonstrations (MHCQ) or Acute Care Episode Demonstration
- “Demonstration required by Federal Law”

Advanced APM Eligibility

- Quality measures comparable to MIPS
- Use of certified EHR technology
- More than nominal risk **OR** Medical Home model expanded under CMMI authority

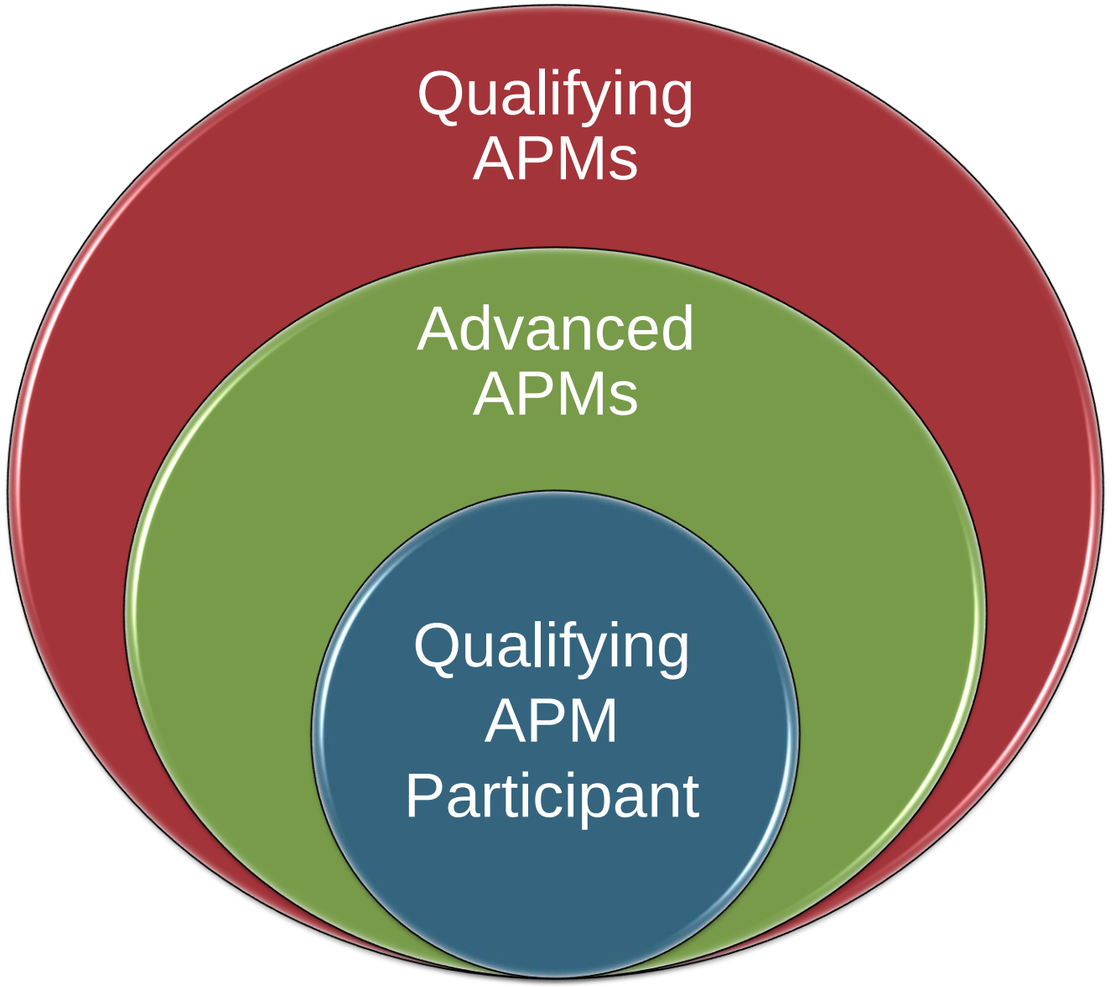


Primary Care Advanced APMs

- Shared Savings Program (Tracks 2 & 3)
- Next Generation ACO Model
- Comprehensive Primary Care Plus (CPC+)

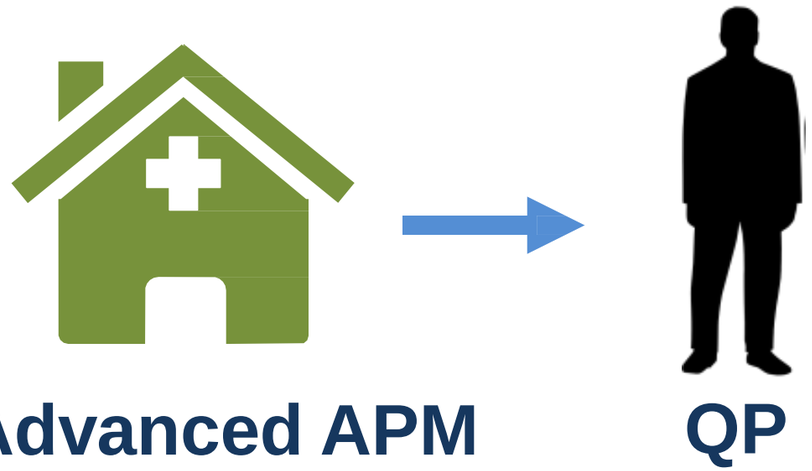
Qualifying APM Participant

- Percentage of patients or payments thru eligible APM
- In 2019, the threshold is 25% of Medicare payments or 20% of beneficiaries
- QP status will be determined at the group level



Additional Rewards for Qualifying Participants

- Not subject to MIPS
- 5% bonus 2019-2024
- Higher fee schedule update to 0.75% 2026



What if ???

MIPS APM

(MIPS) APM Scoring Standard

Quality

- Measures report through APM

Cost

- 0% Indefinitely

ACI

- Must report – same as all eligible physicians

Improvement Activities

- Automatic 100% (annual review of model)

*CMS will calculate the final score for MIPS APM at the APM Entity level.

MACRA Timeline

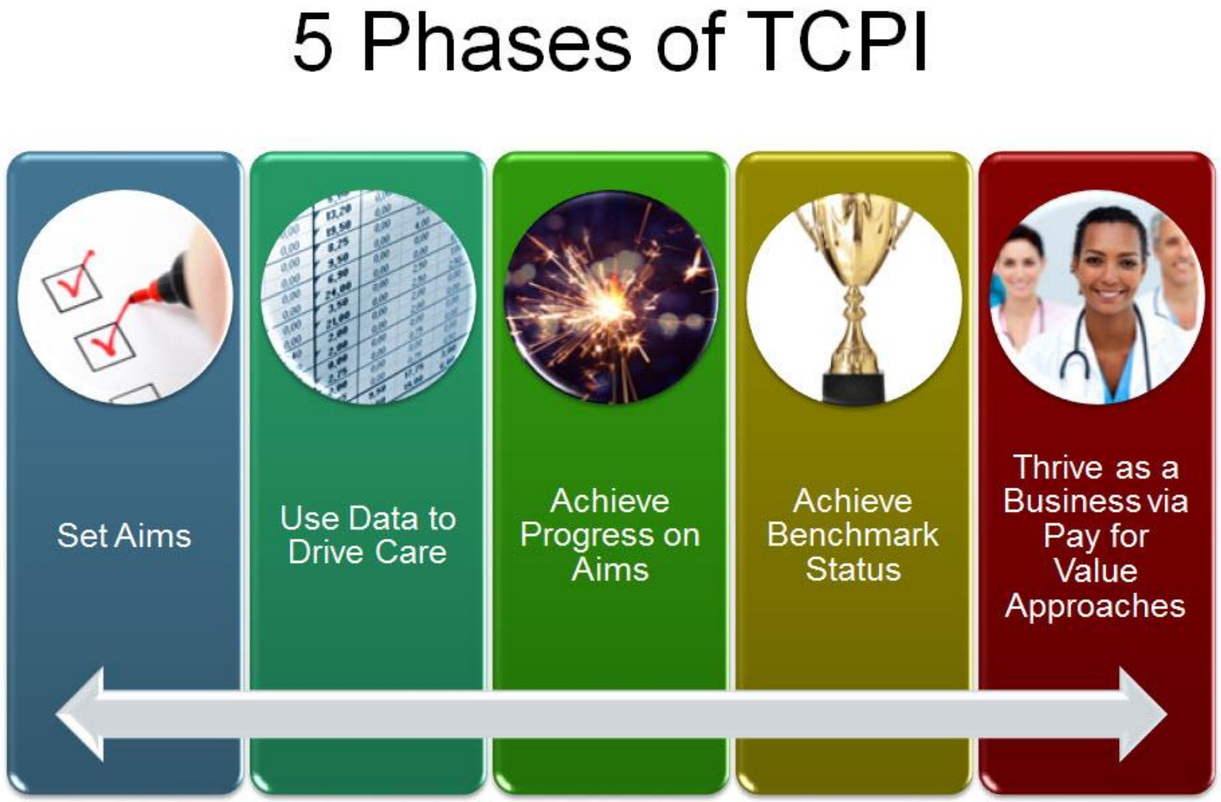
2017	2018	2019	2020	2021	2022-2024	2025	2026
Medicare Part B Baseline Payment Updates							
+0.5%	+0.5%	+0.5%	0%	+0%			+0.25%* +0.75%**
			**Non-qualifying APM Conversion Factor* ***Qualifying APM Conversion Factor*				
Merit-Based Incentive Payment System (MIPS)							
PQRS, Value-based Modifier, & Meaningful Use		*Quality, Cost, Advancing Care Information, & Improvement Activities*					
-9%	-9%?	0 or +/-4%* *"Pick Your Pace"*	+/-5%	+/-7%	+/-9%		
Qualifying APM Participant							
		5% Incentive payment					
		Excluded from MIPS					

What Can I Do Right Now?

‘Pick Your Pace’

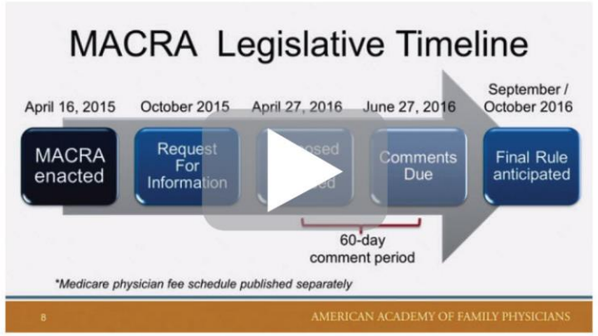
Assistance is Available

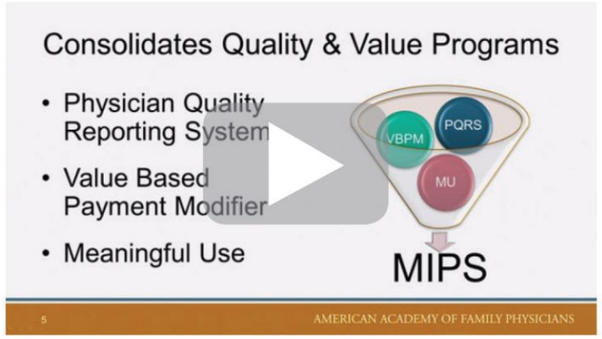
- Find a PTN
  - Go to aafp.org/tcpi
  - Click “Find a PTN” to find a practice transformation network in your area
  - Email tcpi@aafp.org with any questions.

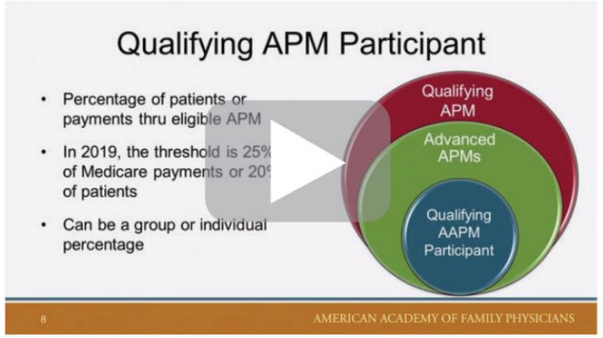


MACRA ready

The Shift to Value-Based Payment







Landmark Legislation Alters How Medicare Will Reimburse Physicians

The **Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)** passed by an overwhelming bipartisan majority in Congress and was signed into law by President Barack Obama on April 16, 2015.

As further rules are proposed and final regulations are enacted, we'll get a clearer picture of the impact of the legislation and continue to keep our members updated. For now, here's what we do know.

House (392-37)

Senate (92-8)

THE LAW ACCOMPLISHES THREE GENERAL OBJECTIVES:

REPEALS | EXTENDS | SHIFTS

MACRA permanently repeals the flawed sustainable growth rate (SGR) formula, preventing a 21 percent cut to Medicare reimbursement rates. It also extends the Children's Health Insurance Program (CHIP) for two years and it sets up a new, two-track Medicare physician payment system that emphasizes value-based payment models.

Rules will evolve

As currently written, MACRA is a general framework for payment reform and lacks details on many key concepts. The Centers for Medicare and Medicaid Services (CMS) has solicited public comments to help clarify finer points of the law. To help improve details of the law and advance members' interests, the American Academy of Family Physicians (AAFP) responded to 126 questions from CMS. A proposed set of rules should be released in spring 2016, and the final rule is anticipated in fall 2016.

Physicians will enter one of two new payment tracks:

Merit-Based Incentive Payment System (MIPS) | Alternative Payment Models (APMs)

EXISTING SYSTEM

Three separate quality reporting programs

Meaningful Use of Electronic Health Record (EHR)

Physician Quality Reporting System (PQRS)

Value-Based Payment Modifier (VBPM)

NEW SYSTEM

Consolidates existing programs, plus additional performance category to generate a composite score

Quality

Resource Use

Meaningful Use of Electronic Health Record (EHR)

Clinical Practice Improvement Activities (CPIA)

Incentive payments will be available to qualified professionals who practice in a qualified and eligible APM. Examples of APMs include:

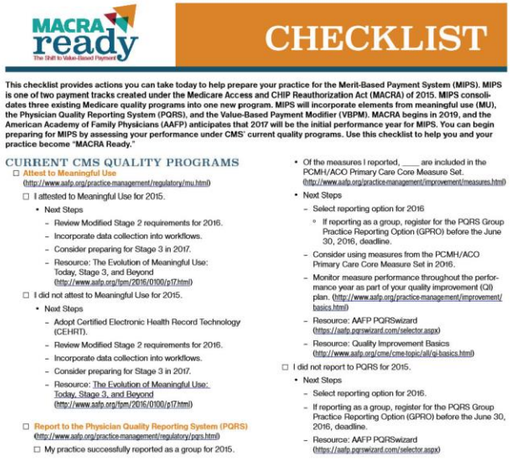
CMS Accountable Care Organizations (ACOs)

Medical home model could be expanded under the Center for Medicare & Medicaid Innovation (CMMI)

Demonstration required by federal law

BE PREPARED

Performance in 2017 may determine Medicare payment adjustments by 2019.



MACRA ready

The Shift to Value-Based Payment

CHECKLIST

This checklist provides actions you can take today to help prepare your practice for the Merit-Based Payment System (MIPS). MIPS is one of two payment tracks created under the Medicare Access and CHIP Reauthorization Act (MACRA) of 2015. MIPS consolidates three existing Medicare quality programs into one new program. MIPS will incorporate elements from meaningful use (MU), the Physician Quality Reporting System (PQRS), and the Value-Based Payment Modifier (VBPM). MACRA begins in 2019, and the American Academy of Family Physicians (AAFP) anticipates that 2017 will be the initial performance year for MIPS. You can begin preparing for MIPS by assessing your performance under CMS' current quality programs. Use this checklist to help you and your practice become "MACRA Ready."

CURRENT CMS QUALITY PROGRAMS

☐ Attest to Meaningful Use (http://www.aafp.org/practice-management/regulatory/mu.html)

☐ I attested to Meaningful Use for 2015.
- Next Steps
  - Review Modified Stage 2 requirements for 2016.
  - Incorporate data collection into workflows.
  - Consider preparing for Stage 3 in 2017.
  - Resource: The Evolution of Meaningful Use: Today, Stage 3, and Beyond (http://www.aafp.org/fpm/2015/0100/p17.html)

☐ I did not attest to Meaningful Use for 2015.
- Next Steps
  - Adopt Certified Electronic Health Record Technology (CEHRT).
  - Review Modified Stage 2 requirements for 2016.
  - Incorporate data collection into workflows.
  - Consider preparing for Stage 3 in 2017.
  - Resource: The Evolution of Meaningful Use: Today, Stage 3, and Beyond (http://www.aafp.org/fpm/2015/0100/p17.html)

☐ Report to the Physician Quality Reporting System (PQRS) (http://www.aafp.org/practice-management/regulatory/pqrs.html)

☐ My practice successfully reported as a group for 2015.
- Of the measures I reported, ____ are included in the PCMH/ACO Primary Care Core Measure Set. (http://www.aafp.org/practice-management/improvement/measures.html)
- Next Steps
  - Select reporting option for 2016
    - If reporting as a group, register for the PQRS Group Practice Reporting Option (GPRO) before the June 30, 2016, deadline.
  - Consider using measures from the PCMH/ACO Primary Care Core Measure Set in 2016.
  - Monitor measure performance throughout the performance year as part of your quality improvement (QI) plan. (http://www.aafp.org/practice-management/improvement/basics.html)
  - Resource: AAFP PQRSwizard (https://aafp.pqrswizard.com/selector.aspx)
  - Resource: Quality Improvement Basics (http://www.aafp.org/cme/cme-topic/all/qi-basics.html)

☐ I did not report to PQRS for 2015.
- Next Steps
  - Select reporting option for 2016.
  - If reporting as a group, register for the PQRS Group Practice Reporting Option (GPRO) before the June 30, 2016, deadline.
  - Resource: AAFP PQRSwizard (https://aafp.pqrswizard.com/selector.aspx)

Resources available | aafp.org/MACRAReady


MACRA
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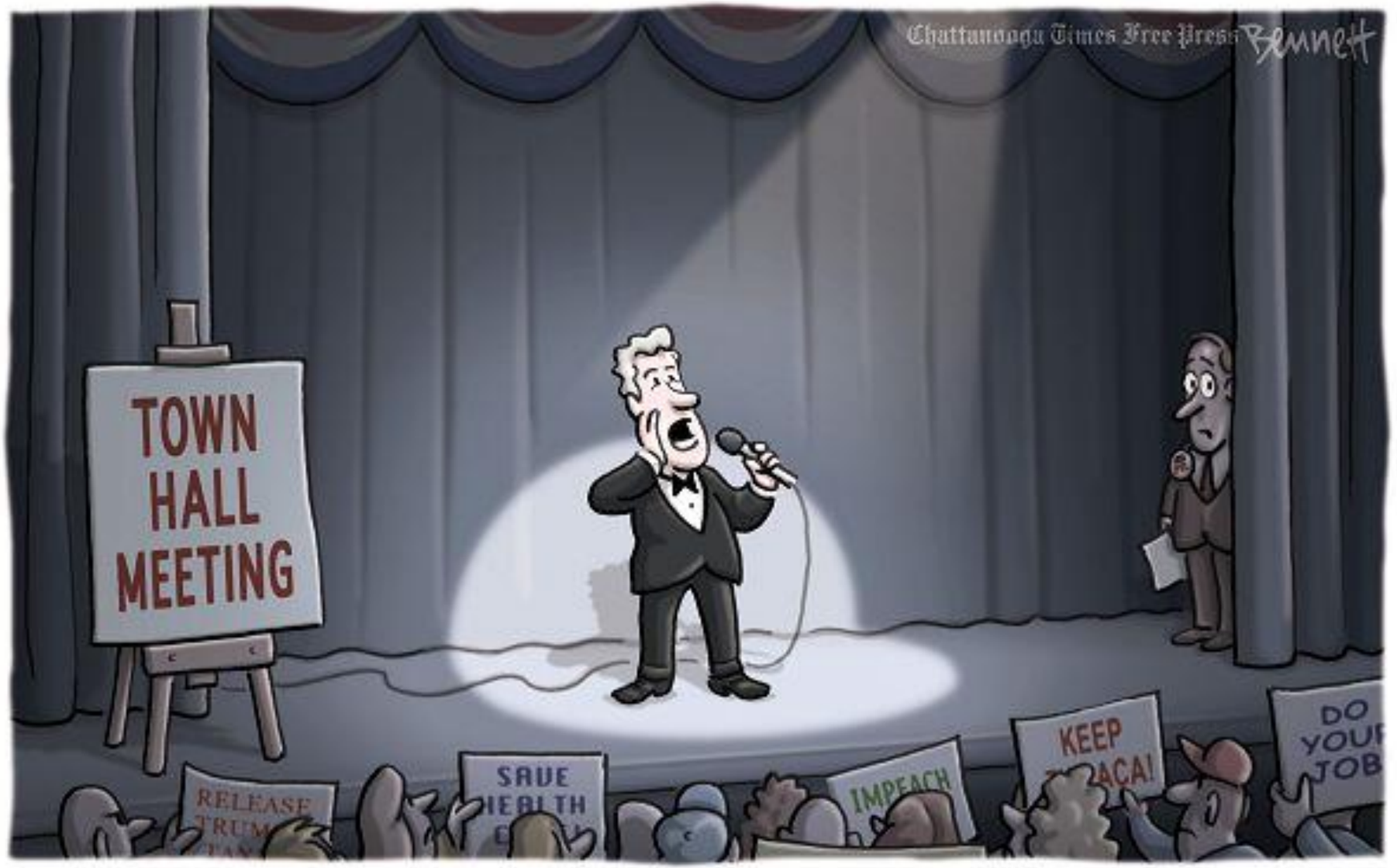
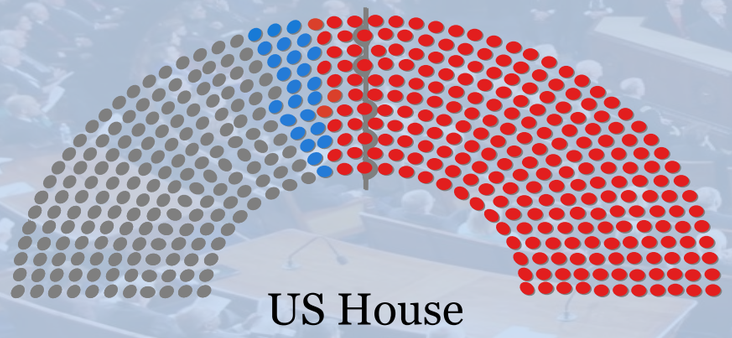
The Shift to Value-Based Payment

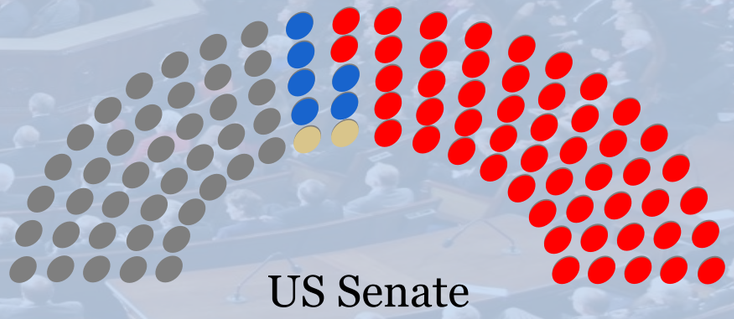


'Let's get ready to RUMBLE!'

The Affordable Care Act: Full Repeal and Replace?

Almost impossible





Supermajority in Senate needed to override a filibuster for ‘normal’ legislation

Questions to Consider

- How politically important are the coverage numbers?
- How much policy can be passed using the tactic of reconciliation?
- Will there be enough repeal to call the ACA “repealed”?
- How will political balance be achieved between states who expanded Medicaid and those that didn’t?

Key Issues in Health Reform

- Coverage Numbers
- Cost Estimates
- Subsidies
- Premium Costs
- Preexisting Conditions
- Essential Health Benefits
- Medicaid Expansion States v. Non-Expansion States

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From hospitals, doctors and patients, a last gasp of opposition to the Senate health-care bill

By Juliet Eilperin and Paige Winfield Cunningham July 12 at 9:31 PM

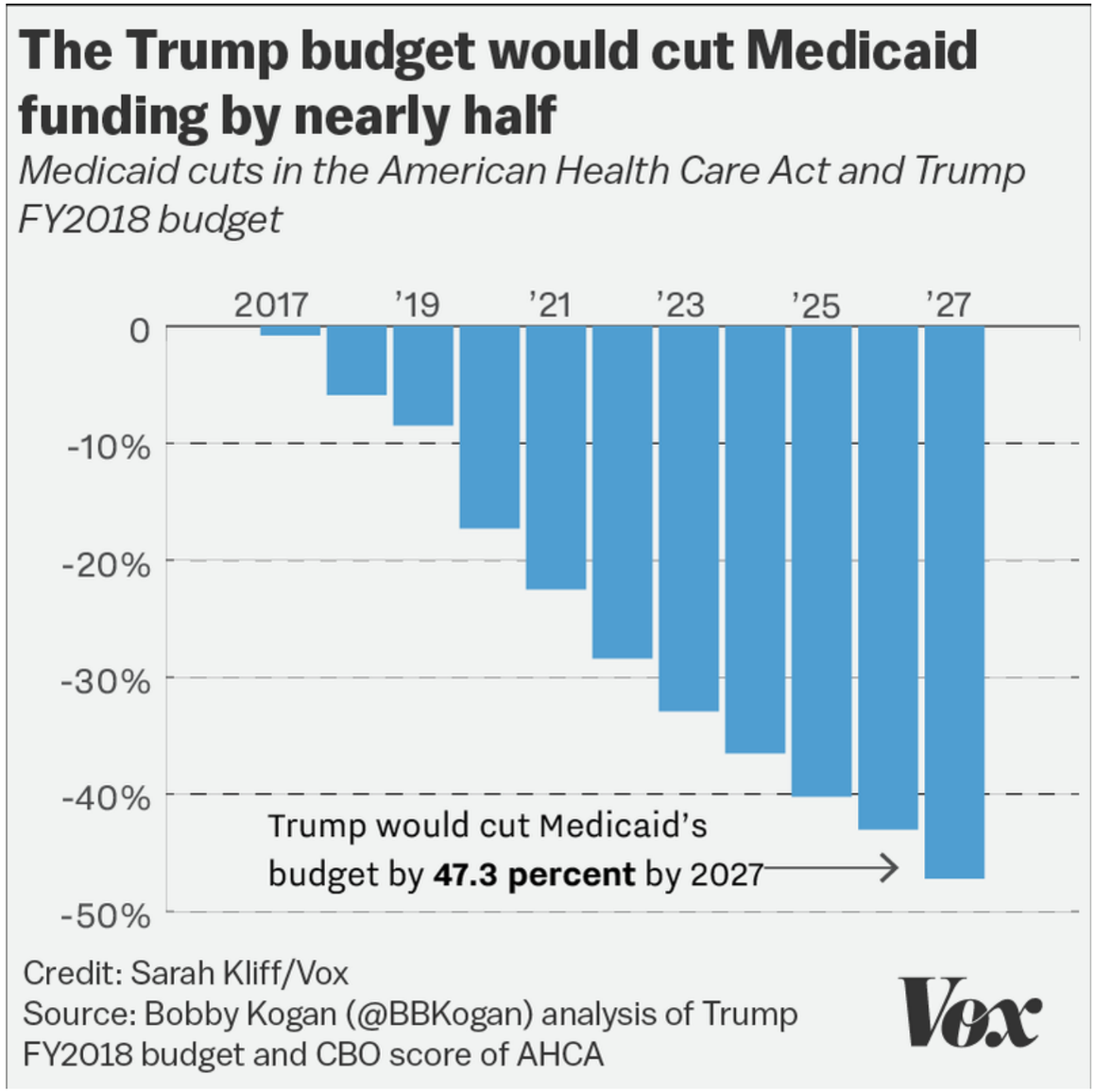
Just four days after Senate GOP leaders revealed their health-care bill this summer, Tucson Medical Center hosted a town hall thousands of miles away drawing roughly 700 people in person and 1,900 online. In its aftermath, hospital employees, doctors and members of the public sent nearly 2,900 emails to the state's two senators, Republicans John McCain and Jeff Flake, urging them to reject any legislation that would jeopardize patient health care.

The move was like nothing the hospital had done before, said Julia Strange, the center's vice president for community benefit. While they had sponsored educational sessions on issues such as cardiac arrest and opioid abuse, "this was clearly different," she said — and when triple the number of expected attendees showed up, "We had to order extra cookies."

Most corners of the U.S. health-care industry have stood steadfastly opposed for months to Republican efforts to revise the Affordable Care Act. Patient advocate groups and Democratic organizers have crowded town halls since February to grill lawmakers. But in recent weeks, a last gasp of advocacy has come from an even wider range of groups and individuals trying to block the Senate health-care bill. Community hospitals have held information sessions. Pediatricians have starred in videos. Patient associations have flown in hundreds of Americans with chronic illnesses to meet with lawmakers and their aides.

These events, in turn, have generated tremendous public pressure on the senators who will decide over the next week whether

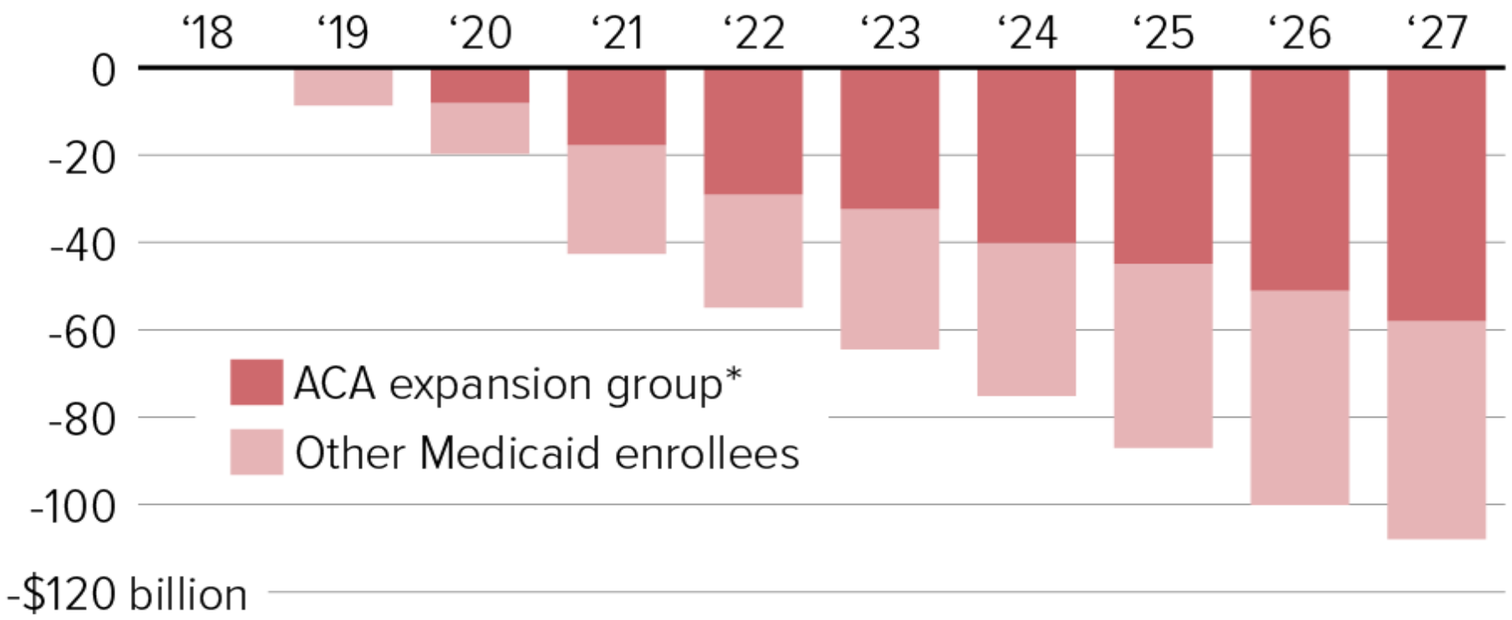
AHCA + FY'18 Budget Impact on Medicaid



AHCA Impact on Medicaid

Medicaid Cuts in House GOP Plan Would Total More than $500 Billion Over 10 Years and Grow Over Time

Cut in federal Medicaid funds, relative to current law



*Enrollees under the Affordable Care Act's Medicaid expansion

Source: CBPP analysis using Jan. 2017 Congressional Budget Office Medicaid baseline and Bureau of Labor Statistics' inflation estimates.

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Rolling Back the Affordable Care Act

What is actually possible?

Dismantle Federal Revenues

Congress has begun the process known as budget reconciliation to repeal provisions which affect federal revenues.

Eliminate:

- ACA Subsidies
- Medicaid Expansion
- Medical Device Tax
- Cadillac Tax

Limit Funding

Block payments meant to offset the financial risks faced by insurers.

Taking away payments through the risk corridor or risk adjustment programs disincentives insurers from participating in the exchanges.

Limit funding meant to promote sign-ups during open enrollment.

Stop Enforcing Regulations

Stop implementing or enforcing some of the ACA's regulations.

Such as:

- Restrictions on insurers offering plans with limited benefits
- Grant waivers to allow states to opt out of parts of the law
- Broaden hardship exemption to allow people to remain uninsured

Stop defending the ACA in court

The Trump administration could choose to stop fighting the lawsuit the House GOP brought against the Obama administration.

This would shut off subsidies for low-income patients. Without these incentives, insurance companies could drop out of the markets, essentially ensuring their collapse.

The Affordable Care Act

What is Worth Protecting?

Physician workforce strategy where primary care is fundamental

No patient should lose their coverage due to an action or inaction of Congress

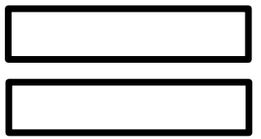
No discrimination based on pre-existing conditions, health care condition, family history, race, gender, or income

Contraception and maternity care should be covered essential benefits

Health insurance products should have uniform set of minimum benefits

No annual or life-time caps

Preventive care services and vaccines should be provided with no out-of-pocket costs



Viable and equitable safety-net program for low-income individuals

What's next for health care?

Will there be any more serious attempts to replace the ACA?

- Maybe. Any serious attempt would likely be a more minor, bipartisan, legislative fix to ACA

Will Trump's administration undermine ACA?

- Possibly. However, if Trump's administration does cause the law to collapse, there will likely be significant political consequences

Will Planned Parenthood be defunded in the government shutdown fight?

- Unknown. House will require, but legislation defunding PP will not pass the Senate

Will CHIP be reauthorized in time?
Will UFAs be negotiated in time?

- CHIP and other Medicare extenders will probably be passed together with FDA user fee agreements in a must-pass bill
- Reauthorization might be linked to revisitation of ACA – this could prove very difficult and endanger the rest of the package

What about entitlement reform and drug pricing legislation?

- Medicare/Social Security reform is unlikely to occur in the next two years
- Drug pricing legislation is possible, but unlikely in the short term due to a number of other legislative priorities (e.g. tax reform, infrastructure)

Will ACA taxes be repealed through tax reform?

- Unlikely – if tax reform is to be passed through budget reconciliation, the legislation must be budget neutral. As the GOP was unable to cut the programs that these taxes fund, they will also be unable to cut the associated taxes

Teaching Health Centers

- Started with 63 residents; now have 742 residents and 59 THCs in 27 states
- 55% of residents stay in underserved area (vs. 26% nationally); 82% practice primary care (23% nationally)
- Expires 09/30/17; MACRA extended for 2 years
- 91 Members of the House request at least three year reauthorization in 04/12/17 letter

"OK, folks! ... It's a wrap!"

The Far Side®

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