How to Prepare

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Paying for Value and Quality

ASCO, along with other medical societies, supported the repeal of the Sustainable Growth Rate (SGR) formula:

- Y Imperfect fee-for-service program
- Y Unworkable adjustment formula
- Y Annual uncertainty
- Y Piecemeal approach to incentives

The promise of MACRA aligns with ASCO’s goals:

- Y Rewards quality and value-based care
- Y Allows practice payment system and reporting options
- Y Consolidated incentive programs
A NEW ACRONYM

Medicare Access and CHIP Reauthorization Act
Why is it Important Now?

• Completely changes basis for Medicare payment

• Built in Period of stability…….but things are moving now

• Moves to performance based updates

• Streamlines current reporting requirements

• Effective date 2019 …

…but measurements will be based on 2017 performance
Overview

• How does Medicare pay me now?
• How will it change?
• When will it change?
• What should I be doing to prepare?
• Where can I get help?
What is MACRA?

**Medicare Access and CHIP Reauthorization Act of 2015**

- Repeals the Sustainable Growth Rate (SGR) Formula
- Authorizes CMS to establish the new Quality Payment Program
  - More of the payment based on value, not volume
- Streamlines reporting programs into 1 new system: Merit Based Incentive Payment System (MIPS)
- Incentivizes involvement in Alternative Payment Models (APMs)
How Does Medicare Pay Me Now?

- **Physician Quality Reporting System (PQRS)**
- **Meaningful Use Electronic Health Records Incentive Program (MU)**
- **Value Based Modifier (VBM)**

[ASCO Logo]
How Does Medicare Pay Me Now?

**Adjustments**

- **PQRS**
- **MU**
- **VBM**

**Final Payment**

**Physician Fee Schedule Payment**
Current VBM Calculation

Value Based Modifier Scoring and Comparison

- Cost are risk adjusted based on patient factors and specialty-mix of the group
How Will it Change?

The **Merit Based Incentive Payment System (MIPS)**

**TODAY**
- Physician Quality Reporting System (PQRS)
- Meaningful Use (MU)
- Value Based Modifier (VBM)

**SUNSETS DEC 2018**

**JAN 2019**
- Adds Clinical Practice Improvement Activity (CPIA)
  - Consolidates penalties
  - Increases incentives
  - Ranks peers nationally
  - Reports publicly

**CPIA (2019)**
How is My Reimbursement Adjusted?

Physician Fee Schedule Payment + Adjustments = Final Payment

- MIPS Composite Score Adjustment
- MIPS Exceptional Performance
Payment Adjustments Timeline

Year 1 = Performance
Year 2 = Analysis
Year 3 = Adjustment
Will It Affect Me?

Medicare Part A
(Hospital, SNF, Hospice)
NO

Medicare Part B
(Physician Services)
YES

Medicare Part C
(Medicare Advantage)
NO

Medicare Part D
(OP Prescription Drugs)
NO
Will It Affect Me?

1\textsuperscript{st} time Part B Participant \textbf{EXEMPT}

Low Volume (\$10K) \textbf{EXEMPT}

Low Patient Count (100 Patients) \textbf{EXEMPT}

APM Qualified Participant \textbf{EXEMPT}
Is MIPS the Only Option?

- Exemption from MIPS
- 5% Lump Sum Bonus
- APM Specific Rewards

CMS Recognized Alternative Payment Models (APM)

Advanced APM

Qualifying Physicians
Any Advanced APMs in 2017?

- "Shared Savings Program"
- "Next Generation ACO"
- "Comprehensive ESRD Care"
- "Comprehensive Primary Care Plus"
- "Oncology Care Model (OCM) - two-sided risk track available in 2018"
How do Program Adjustments Differ?

MIPS Only
- MIPS adjustment

APMs
- Favorable Treatment in MIPS

Advanced APMs
- APM-Specific rewards
- 5% lump sum bonus
How Will My Payment Adjustments Differ?

Physician Fee Schedule Payment

Adjustments

- MIPS Composite Score Adjustment
- MIPS Exceptional Performance

or

- 5% Lump Sum APM Bonus

Final Payment
Most practitioners will be subject to MIPS

Subject to MIPS
Not in APM

In non-advanced APM

In APM, but not a QP

Qualifying Physician (QP) in APM

Some people may be in APMs but not have enough payments or patients through the APM to be a QP.

Note: Figure not to scale.
When is this all happening?

**APM Adjustment**
- 2015
- 2020
- 2025
- 2030+

**MIPS Max Adjustment**
- 2019
- 2020
- 2021
- 2022+

**APMs 5% Payment Bonus**
- 2020
- 2024
Rulemaking and Implementation

Nearly 3,100 stakeholders provided input on the 962 page MACRA proposed rule.

Final Rule expected November, 2016; things are still subject to change.
Step 1: Participate in 2016 Quality Reporting

Avoid 2018 penalties

- PQRS
  - Successfully report to avoid negative payment adjustment
- Medicare EHR Incentive Program
  - Must successfully attest to avoid negative payment adjustment
- Value Modifier
  - Receive an upward or neutral payment adjustment and avoid downward payment adjustment

Any applicable Value Modifier payment adjustment is separate from payment adjustments made under the Physician Quality Reporting System (PQRS) or EHR Incentive Program.
Step 2: Review your QRUR

Quality and Resource Use Reports (QRUR)
• Shows how you performed on quality and cost
  – QRUR is provided for each TIN (tax i.d. number)
• Annual QRUR available in the fall after the reporting period (fall 2017 for calendar year 2016)
• One person from your TIN must register to obtain your QRUR
What does your QRUR show?

**Your TIN’s Quality Composite Score: Average**

The graph below displays your TIN’s standardized Quality Composite Score.

![Quality Composite Score Graph](image)

**Average Range**

Standard Deviations from National Mean (Positive Scores Are Better)

**Your TIN’s Cost Composite Score: Average**

The graph below displays your TIN’s standardized Cost Composite Score.

![Cost Composite Score Graph](image)

**Average Range**

Standard Deviations from National Mean (Negative Scores Are Better)
What does your QRUR show?

The scatter plot below displays your TIN’s quality and cost performance (“You” diamond), relative to that of your peers.
What does your QRUR show?

**High-Risk Bonus Adjustment: Not Eligible**
The average beneficiary risk for your TIN is at the 77th percentile of beneficiaries nationwide.

Medicare determined your TIN’s eligibility for an additional upward adjustment for serving high-risk beneficiaries based on whether your TIN met (√) or did not meet (×) the following criteria in 2014:

√ Your TIN’s average beneficiary’s risk is at or above the 75th percentile of beneficiaries nationwide.

× Your TIN had strong quality and cost performance.

√ Your TIN met the criteria to avoid the PQRS payment adjustment as a group, or at least 50 percent of your TIN’s eligible professionals met the criteria to avoid the PQRS payment adjustment as individuals in 2016.
What does your QRUR show?

<table>
<thead>
<tr>
<th>Low Quality</th>
<th>Average Quality</th>
<th>High Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Cost</td>
<td>+1.0 x AF</td>
<td>+2.0 x AF</td>
</tr>
<tr>
<td>Average Cost</td>
<td>-0.0%</td>
<td>+1.0 x AF</td>
</tr>
<tr>
<td>High Cost</td>
<td>-1.0%</td>
<td>+2.0 x AF</td>
</tr>
</tbody>
</table>

Your TIN's Value Modifier: Neutral Adjustment

The highlighted payment adjustment will be applied to payments under the Medicare Physician Fee Schedule for physicians billing under in your TIN in 2016.
Step 3: Focus on Performance

- Review quality measure benchmarks and understand what is required for above average performance

- Implement practice strategies and clinical workflows to help meet your chosen quality measures for PQRS and the quality and cost measures used under the VM program
Performance Improvement Examples

• EHR Use
  – Implement workflows to introduce patients to patient portal and encourage utilization

• Cost measures
  – Establish processes to monitor hospitalizations and measure length of stay
  – Consider medical home-type services to reduce hospitalizations
Step 4: Ensure Data Accuracy

- Accuracy of comparison group critical: your performance is compared to others like you

- Check the NPI for each physician in practice
  - Is the specialty correct?
  - Is the address correct?
  - Is the group affiliation correct?

- Review your own information in Physician Compare
Step 5: ICD-10 Coding

• As we move to a risk-adjusted world, co-morbidities and other conditions become increasingly important

• Are you coding to the highest level of specificity?

• Are you coding all co-morbidities and other pertinent conditions for your patients?
Physicians Practicing in Hospital Groups

• Physicians practicing in hospital groups
  – All Medicare Part B physicians are subject to MACRA
  – Use hospital’s quality reporting system and pay for performance programs to measure participation in MIPS

• Hospitals that employ physicians
  – Will directly bear the cost of implementation and ongoing compliance
  – Will bear the risk of MIPS and adjustments
  – Will be called upon to participate in APMs in order for physicians to qualify from exemption
Essential to Practice Survival

- Practice Leadership
- Communication & training – organizational cultural readiness for value-based practice
- Payer Relationships

ASCO
American Society of Clinical Oncology
Making a world of difference in cancer care
Additional Considerations

- What is the impact of value-based payment on
  - physician compensation
  - contracts, professional services agreements with hospitals
  - commercial payer contracts

- Does your EHR support quality reporting, practice improvement?
  - Patient Portal
  - e-prescribing capability
  - Health Information Exchange (HIE) capability
MACRA Success for Oncologists

- More detailed practice data
- Compliance with Pathways as a quality measure
- Fully integrated tools to collect and monitor quality measures
- Support for practice transformation and expense
- Real time data acquisition
- Tools to help nurses proactively manage patients to decrease hospitalizations and costs
- Options and experience with two-sided risk options for hospitals and POs
- More resources in private, underserved and rural practices there are no resources available
ASCO’s Three-Pronged Strategy

**VOLUNTEER TASKFORCE**
- Committee task force leading key areas, including:
  - Focus on QOPI & performance measures
  - *Alternative payment model strategy (PCOP)*
  - Practice tools

**EDUCATION AND RESOURCES**
- Readiness assessment
- Webinars
- Workshops
- *ASCO Oncology Practice Conference: The Business of Cancer Care* launching in March 2, 2017

**INFLUENCING POLICYMAKERS**
- Filing Extensive Comments
- Meetings with CMS and Policymakers
- Congressional education, outreach and testimony
Quality Oncology Practice Initiative (QOPI)

- CMS deemed Qualified Clinical Data Registry (QCDR)
  - Includes Oncology Specific Measures
- Included measures may be used by QOPI users for reporting
- eQOPI will allow for easier reporting of quality measures
- Measures Task Force routinely updates and develops new measures
Education & Resources

MACRA: Learn the basics, get ready for a post-SGR world
- Webinar slides and recording available at [www.asco.org/macra](http://www.asco.org/macra)

MACRA Town Hall at Best of ASCO
- Chicago, June 24-25, 2016
- San Diego, August 12-13, 2016

New webinar series “Are You Ready for MACRA?”
REGISTER [HERE](http://www.asco.org/macra)
- How to prepare for MACRA, July 19, 2016
- Quality Reporting: PQRS and the VBM, August 16, 2016
- Meaningful Use and Clinical Practice Improvement Activities, August 30, 2016
- Alternative Payment Models and New Care Delivery Systems, TBD
Education & Resources

Practice transformation tools for MACRA
- Available Q3 2016

MACRA Workshop
- Are you ready for MACRA? Tools and resources to help you prepare
  - September 23, 2016 at ASCO HQ

Webinar December 2016
- The MACRA Final Rule: What’s next?