

Overview of Final MACRA Rule: Implications for ACOs



The webinar will start at 2:00 pm ET.
It is interactive, so please make sure that you are
connected to audio via your computer or phone.

Agenda



1. Housekeeping

2. Presentation:

- MACRA Background and Overview of Final Rule
- Advanced APMs
- Track 1+
- MIPS

3. Q & A

4. Follow-up

Housekeeping



1. Panelists will present for approximately 45 minutes
2. Q&A will take the remainder of the hour
 - You can submit written questions using the Questions tab (not chat) on your dashboard to the right of your screen at any time during the webinar
 - You may also use the “raise hand” feature on your dashboard to ask a live question. Please make sure you have dialed in on the telephone and used your audio pin to connect. We will call your name and unmute you when it is your turn to ask a question.
3. Webinar is being recorded
 - Slides and recording will be available at www.NAACOS.com/webinars.htm within 24 hours.

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SPH Analytics

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SPHA Solutions Supporting MIPS Categories

Leverage SPHA's QCDR platform and 22 years of quality improvement history to support all 3 MIPS Categories.

- **Quality (60% weight)**

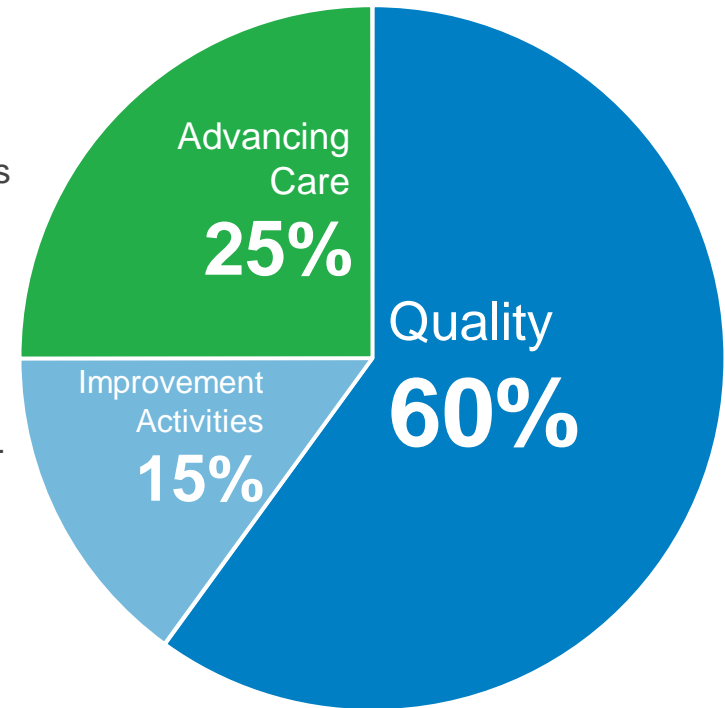
- Achieve full quality participation with SPH Analytics, a CMS-approved Qualified Clinical Data Registry (QCDR).
- Get maximum quality points for exceptional performance bonus opportunity (\$500M pool).
- SPHA will help you monitor eCQMs throughout the year and submit to CMS on your behalf.

- **Improvement Activities (15% weight)**

- SPHA supports many eligible activities through our QCDR, full-service ACO and CG CAHPS and beneficiary engagement services, and population health management application (MDinsight®), a 7th generation analytics tool managing 10M patients daily.

- **Advancing Care (25% weight)**

- Meet Clinical Data Registry Reporting and Specialized Registry Reporting measures, plus earn a bonus for Advancing Care Information, using our QCDR and MDinsight® applications.





SPHA's NEW Total ACO Patient Management for APMs

Improve Quality:

Population Profiling
and Quality Measures

- Stratify population risk to identify high risk/high cost groups
- Monitor changes in CMS-HCCs and gain insights with Milliman Advanced Risk Adjusters
- Measure quality throughout the year to close patient care gaps

Reduce Costs:

Financial and Utilization Analysis

- View monthly trends for per capita expenditures by beneficiary type and category
- Compare your PMPM costs to industry leader Milliman benchmarks
- Stop leakage with In/Out of network analysis
- Address increasing utilization rates by category (IP, OP, ED, Rx)

Improve Patient Satisfaction:

Monitor Patient Experience
Continuously

- Monitor annual ACO CAHPS results and elective CG CAHPS results in one application for continuous patient experience monitoring and improvement

For more information call 866-460-5691
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Speakers



Allison Brennan

Allison Brennan, MPP, is the vice president of policy for NAACOS where she helps develop and advocate for policies to benefit ACOs. Prior to NAACOS, she was a senior advocacy advisor at the Medical Group Management Association (MGMA) and worked as a program manager at the Brookings Institution. She began her career interning in the United States Senate and then worked at the National Patient Advocate Foundation. She has a bachelor's degree in government and economics from the College of William and Mary and holds a master's degree in public policy from Georgetown University, with a focus on health policy.

Clif Gaus

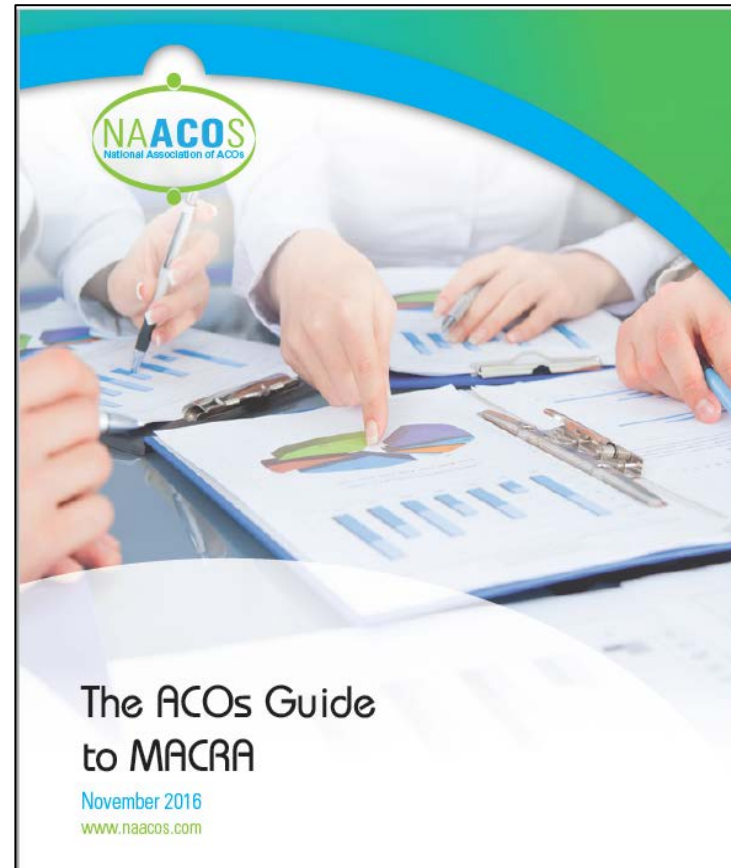
Clif Gaus, Sc.D. is currently president and CEO of the National Association of ACOs which he helped found in 2012. He has a diverse background as a public servant, entrepreneur and health executive. He served in senior health positions under Presidents Nixon, Ford, Carter, and Clinton. In the 1970's and 80's, as associate administrator of HCFA (now CMS), he directed the development of a broad range of innovations in health care financing and delivery and from 1994 to 1997 he was the Administrator of the Agency for Health Care Policy and Research (now AHRQ).

NAACOS MACRA Resource



Released just today, NAACOS new resource The ACOs Guide to MACRA is an in-depth guide that reviews everything that ACOs need to know regarding implementation of the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) and is based on the final MACRA rule CMS recently released. We intend to periodically update this document to reflect new CMS policies or clarifications and to incorporate member questions in our FAQ sections.

Members received an email this morning but anyone can access the resource by visiting our homepage www.naacos.com and clicking on the starburst on the homepage.





MACRA Background and Overview of Final Rule

Background



- The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) was signed into law April 16, 2015
- MACRA repealed the sustainable growth rate formula and stabilized payment updates
- Sets Medicare physician payments on a new course
- Emphasis on value-based care and quality
- **Two main paths:** Advanced Alternative Payment Models (APMs) and the Merit-Based Incentive Payment System (MIPS). Those in Advanced APMs are exempt from MIPS reporting.

Background

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Bipartisan effort in
Congress

Passed with a vote of:

- 392 to 37 in the House
- 92 to 8 in the Senate



MACRA Payment Updates



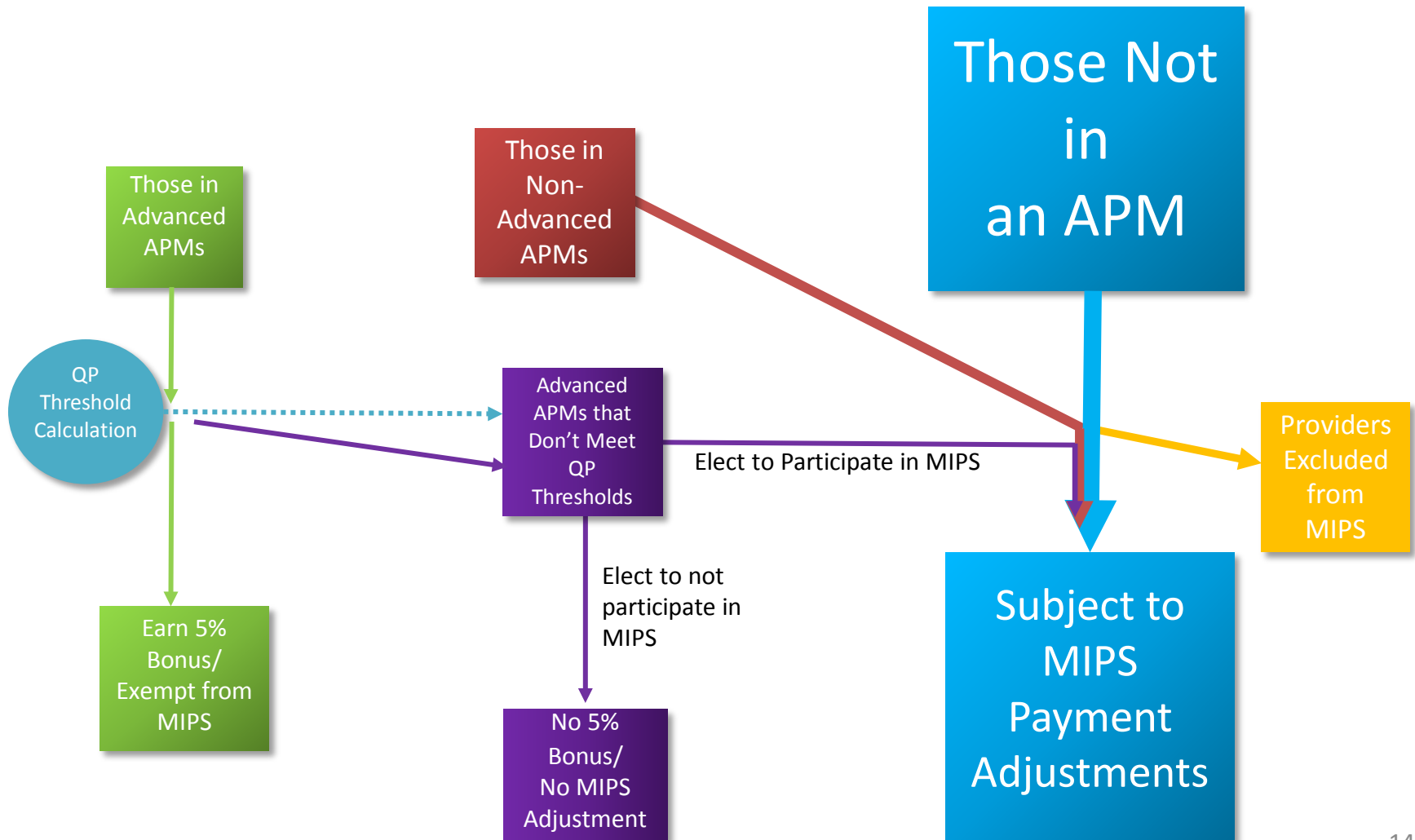
- Annual Medicare PFS updates of 0.5% 2015 through 2019
- No automatic annual updates 2020 through 2025
- Two paths for providers starting in 2019:
 - Advanced APMs, 5% bonuses for 6 years
 - MIPS payment adjustments +/- 4% in 2019
- 2026 and beyond: two automatic annual updates, 0.75% for those in Advanced APMs and 0.25% for all others
- Payment updates above are separate from those related to ACO participation in MSSP or Next Generation model

MACRA Final Rule



- Final MACRA Rule released Oct. 14 (available [here](#) along with CMS resources)
- Just released! NAACOS's resource: The ACO Guide to MACRA
- Final Rule with Comment Period (due Dec. 19)
- CMS finalized 2-year lag between reporting/payment
- **Initial reactions:** Pleased with favorable benefits for ACOs in Advanced APMs and MIPS. Disappointed that Track 1 ACOs not included in Advanced APM list but pleased that Tracks 2, 3 and Next Generation model are included. Pleased that CMS is developing Track 1+.

MACRA



2017 Transition Year



- **First Option: Test**

- Submit a minimum amount of MIPS data (e.g., one quality measure or one clinical practice improvement activity). Allows eligible clinicians (ECs) to avoid penalties but would not qualify them for bonuses.

- **Second Option: 90-day reporting**

- Submit MIPS information for a 90-day period. Allows ECs to qualify for a neutral or small positive payment adjustment.

- **Third Option: Participate for the full calendar year**

- Submit MIPS information for a full calendar year, allows ECs to qualify for a moderate positive payment adjustment.

- **Fourth Option: Participate in an Advanced APM**

- Providers participating in Advanced APMs that meet the QP threshold avoid MIPS reporting and qualify for a 5 percent in 2019.



Advanced APMs

APM Terms



- **APM Entity (ex. MSSP ACO)**
 - An entity that participates in an APM through an agreement with CMS
- **APM Entity Group (ex. ACO participant TIN)**
 - Group of ECs participating in an APM Entity, as identified by a combination of the APM identifier, APM Entity identifier, TIN, and NPI
- **Qualifying APM Professionals (QPs)**
 - ECs receiving a substantial portion of their revenue through Advanced APMs would receive 5% lump-sum bonus based on their Medicare covered professional services in the preceding year.
- **Partial QPs**
 - ECs in Advanced APMs which fall just short of QP thresholds. Partial QPs have the OPTION to report and be scored under MIPS.

Advanced APMs



To be an Advanced APM, an APM must:

- Require participants to use certified EHR technology
- Base payment in part on quality measures comparable to those in MIPS
- Meet financial/nominal risk standards/be an expanded Medical Home Model
- CMS will post the list of Advanced APMs on their website prior to/at the start of the performance period.

Advanced APM Risk



- Amount of risk must be at least:
 - For 2017 and 2018, 8% of the average estimated total Medicare Parts A/B revenues of a participating APM Entity (revenue-based standard) or
 - For all performance periods, 3% of the expected expenditures for which an APM Entity is responsible under the APM (benchmark-based standard)

Advanced APMs for 2017



- MSSP Tracks 2 and 3
- Next Generation ACO model
- Comprehensive ESRD Care Model (Large Dialysis Organization (LDO) arrangement and non-LDO two-sided risk arrangement)
- Comprehensive Primary Care Plus (CPC+)
- Oncology Care Model (two-sided risk arrangement)

QP Thresholds



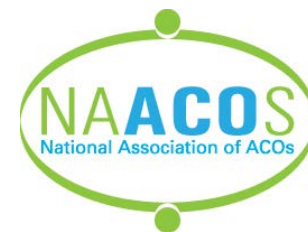
- Advanced APM Entities must meet another test before earning bonuses
- The Qualifying APM Professional (QP) threshold
- Requires that an Advanced APM Entity have a certain proportion of payments made “through” the APM.
 - CMS evaluates payments and patient counts for QP determination
 - Initially focuses just on traditional Medicare but will include all payers starting with 2019 performance/2021 payments

Advanced APM QP Thresholds



Payment Year	2019	2020	2021	2022	2023	2024+
QP Payment Threshold	25%	25%	50%	50%	75%	75%
Partial QP Payment Threshold	20%	20%	40%	40%	50%	50%
QP Patient Count Threshold	20%	20%	35%	35%	50%	50%
Partial QP Patient Count Threshold	10%	10%	25%	25%	35%	35%

Advanced APMs

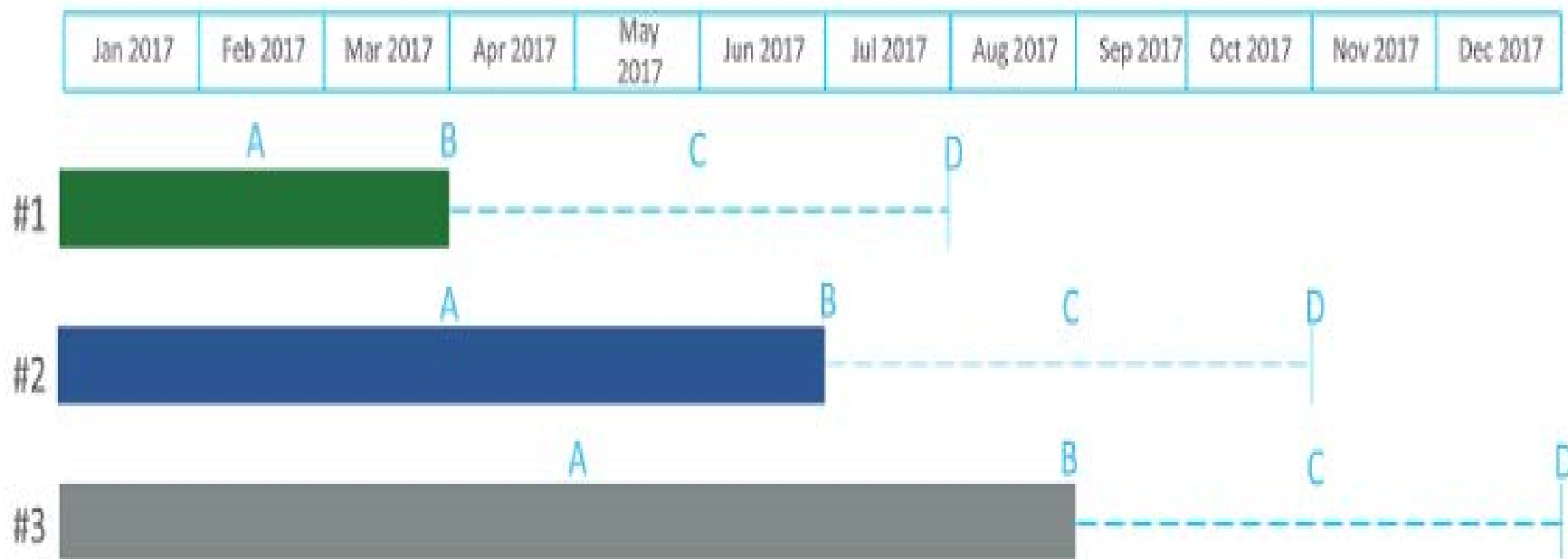
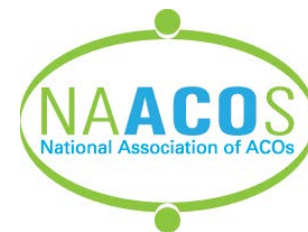


- CMS calculates this threshold in the following manner

$$\frac{\text{Attributed beneficiaries}}{\text{Attribution-eligible beneficiaries}}$$

- **Attributed beneficiaries:** those attributed to the Advanced APM Entity according to the Advanced APM's attribution rules, based on the latest available list of attributed beneficiaries
- **Attribution-eligible beneficiaries:** (similar to ACO assignable beneficiaries) min. of one claim for E&M service by an EC/group within an APM Entity during the QP performance period
- CMS QP determination is calculated at the Advanced APM Entity level collectively across all ECs
- These definitions do not change ACO attribution definitions/methods

QP Determination Timeframe



- Three opportunities to meet QP threshold
- ACO only needs to meet it once
- Based on eligible clinicians who reassign Medicare billing rights to MSSP ACO Participant TIN or those on Next Generation ACO participation list. It is an additive process.

Advanced APM Payments



- Advanced APM lump sum bonus available 2019 through 2024
 - 5% bonus calculated based on Medicare estimated aggregate payments for covered professional services during year before bonus is paid (ex. 2018 for 2019 bonus)
- Bonuses not included in ACO expenditures for benchmarks
- CMS pays the bonus to the TIN associated with the QP's participation in the Advanced APM
- 2026 and beyond: AAPMs receive 0.5% higher fee schedule update (0.75% compared to those not in AAPMs, 0.25%)

Key Benefits to Advanced APM ACOs



- 5% bonuses 2019 – 2024; higher payment updates of 0.75% in 2026 and beyond
- Advanced APM ACOs avoid MIPS
- Advanced APM payments don't affect ACO benchmarks
- QP determinations made earlier in the year, based on the ACO as a whole
- CMS will provide estimates of whether ACO would meet QP threshold
- Partial QPs have the option of whether to report MIPS



Track 1+

MSSP Track 1+



- NAACOS has long-advocated for new ACO option with a more reasonable amount of risk
- Necessary to provide glide path for ACOs to take on risk
- Still in development by CMS, comments due Dec. 19
- We are meeting with agency leaders, other provider groups/associations, etc. to advocate for certain criteria to be included (ex. should be available to all ACOs and not limited to ACOs with specific criteria, should be available for multiple agreement periods)

MSSP Track 1+



- Designed as an Advanced APM available starting in 2018
- Limited downside risk compared to current two-sided models
- Available to new ACOs/those currently in Track 1
- The loss sharing limit related to Advanced APM threshold finalized by CMS
- Amount an ACO would potentially owe CMS or forego would be equal to at least:
 - (2017 and 2018) 8% of the ave. estimated total Medicare Parts A and B revenues of the ACO (“revenue-based standard”)
 - 3% of the expected expenditures for which an ACO is responsible (“benchmark-based standard”)
- Track 1 ACOs moving into Track 1+ would have their benchmark rebased using new benchmarking methodology (i.e., with regional expenditure component)



MIPS

MIPS Applicability



- MIPS evaluates the following clinicians:
 - Physicians
 - Physician assistants
 - Nurse Practitioners
 - Clinical Nurse Specialists
 - Certified Registered Nurse Anesthetists
 - Groups including such clinicians
- Only applies to office-based physicians/clinicians reimbursed by Medicare. Does not apply to hospitals, Medicare Advantage or Medicaid.
- APMs are evaluated at APM Entity (ACO) level under the MIPS APM Scoring Standard

MIPS Exclusions



- Advanced APM QPs. Partial QPs given option to participate.
- Those with less than/equal to \$30,000 in Medicare billed charges OR 100 or fewer Medicare patients
- Newly enrolled ECs (new to Medicare)
- While not formally excluded, for certain providers (non-patient facing/ hospital-based clinicians) CMS will apply alternative measures/activities to allow them to fulfill MIPS requirements.

MIPS and ACOs



Performance Category	General weights for MIPS ECs/groups	ACO weights
Quality	60%	50%
Advancing Care Information	25%	30%
Cost	0%	0%
Clinical Practice Improvement Activities	15%	20%

MIPS APM Scoring: Quality



- ACOs continue to report through the CMS Web Interface
- ACOs satisfy MIPS quality through successful MSSP quality reporting via the CMS Web Interface
- Web Interface MIPS benchmarks will be determined from the corresponding MSSP performance in a given reporting year

MIPS: Advancing Care Information



- Replaces Meaningful Use for ECs with far fewer measures
- Report on/attest to meeting 4 base measures plus performance measures and bonus points
- **Scoring:** ECs receive overall score (up to 100 pts) of: base score (up to 50 pts) plus performance score (up to 80 pts) and optional Public Health Registry bonus. ECs with 100+ receive full credit.
- MSSP ACO's performance is evaluated based on the participant TINs' performance, weighted across TINs based on their number of ECs.

MIPS: CPIA



- Focuses on a patient-centered approach to care designed to drive improved patient health outcomes
- Each clinical practice improvement activity is worth a certain number of points (10 or 20)
- Points are summed and compared against the highest potential score (40) points
- ACOs earn FULL credit for this performance category in 2017

MIPS Scoring



- MIPS Composite Performance Scores (CPS) calculated based on each reporting year.
- CMS determines one CPS for an ACO and applies that MIPS adjustment factor to each of its participating MIPS ECs.
- Scores above the threshold → positive adjustment factor
- Scores equal to the threshold → neutral adjustment factor
- Scores below the threshold → negative adjustment factor

MIPS Scoring



MIPS Payment Year	Max Bonus*/Penalty
2019	4%
2020	5%
2021	7%
2022 and beyond	9%

*Maximum bonuses may be greater depending on CMS's use of a scaling factor and exceptional performance bonuses

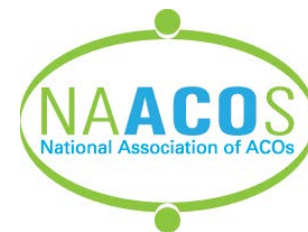
MIPS Payment Adjustments



MIPS thresholds for 2017 reporting/2019 payment adjustments:

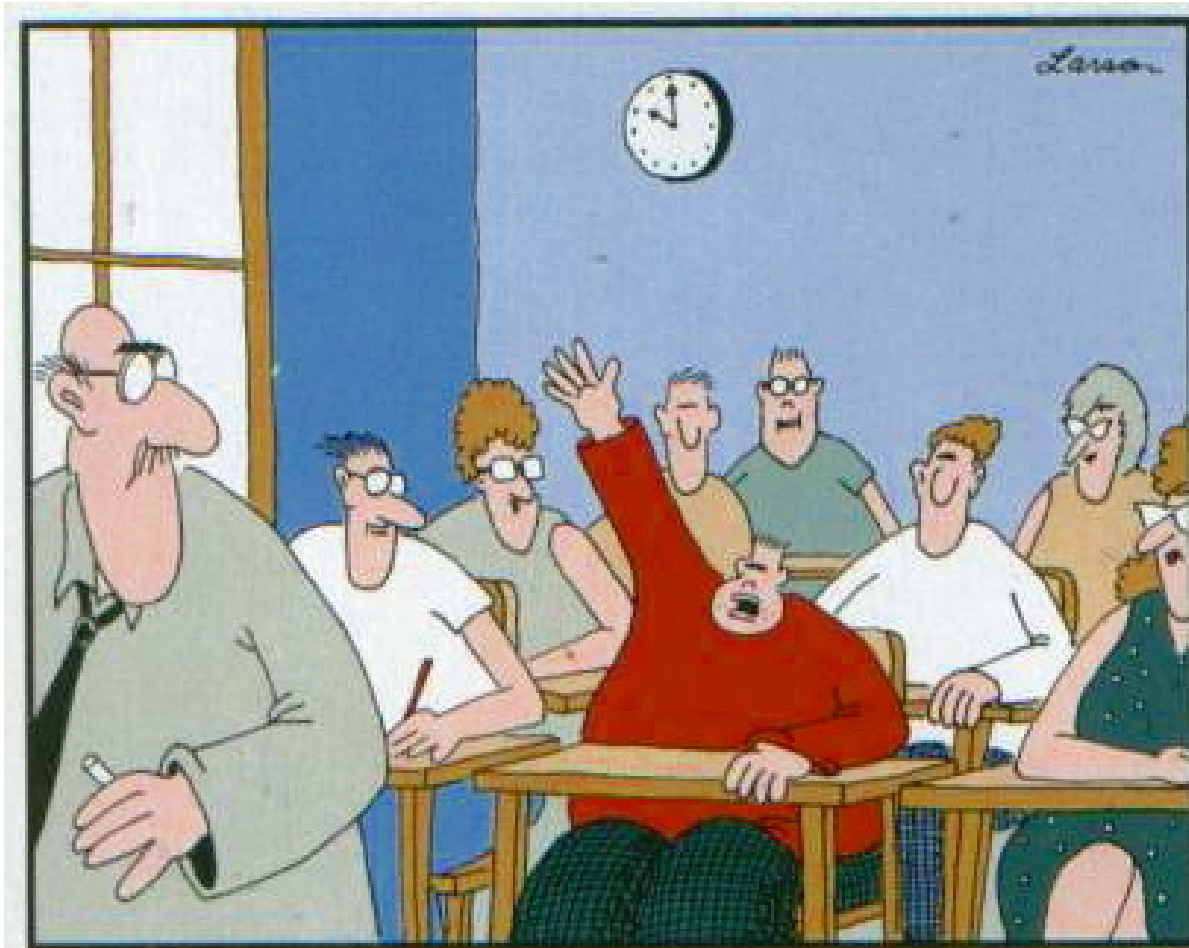
- Report no data: 4% penalty
- 3 points required to avoid penalties
- More than 3 points = bonus
- 70 points or greater = additional bonus for exceptional performance
- Scaling factors for both the regular adjustment and exceptional performance adjustment
- MIPS adjustments made via claims processing during the payment adjustment year
- Unclear if MIPS adjustments will affect ACO benchmarks

Key Benefits to ACOs in MIPS



- ACOs evaluated under the MIPS APM Scoring Standard, which gives ACOs favorable benefits for their commitment to value-based care
- ACOs will easily avoid 2017 MIPS penalties and be eligible for bonuses
- No additional quality reporting required for ACOs in MIPS
- Full credit for CPIA
- ACOs not evaluated for cost
- ACOs evaluated as a cohesive unit, same MIPS score applied across ACO's providers

In conclusion...



**"Mr. Osborne, may I be excused?
My brain is full."**

Upcoming Webinars:

1. MACRA Advanced Alternative Payment Models: Deep Dive for ACOs
November 17, 2:00 – 3:00 pm
2. MACRA Merit-Based Incentive Payment System: Deep Dive for ACOs
December 1, 2:00 – 3:00 pm
3. ACO Reactions to MACRA Final Rule: Discussion and Planning for the Future
December 13, 2:00 – 3:00 pm

NAACOS Spring 2017 Conference

April 5-7, 2016
Hilton Baltimore

Registration opens
mid-November

Polling Slide



Based on the MACRA policies CMS finalized, what is your view of MACRA implementation for 2017 reporting/performance?

- Better than I expected
- About what I expected
- Worse than I expected

Final Questions/Comments



If you did not get a chance to ask your question, or if you have additional questions in the future, please email

advocacy@naacos.com

Thank you!