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**MACRA's Impact Starts Before 2019**

The most notable provision within the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) is the repeal and replacement of the Sustainable Growth Rate (SGR) formula. Since the President signed it into law on April 16, 2015, much has been written about how MACRA will move us away from a volume based fee for service payment system. Payment will move to a value based payment system via Alternative Payment Models (APMs) or a Merit-Based Incentive Payment System (MIPS). Payment under these new programs will start in 2019. However, there are some other elements in MACRA that will impact anesthesiologists and other physicians and providers before then. This article addresses two of these elements.

**Section 505: Reducing Improper Medicare Payments:**

MACRA does not lessen the importance of correct and compliant coding and billing of services provided to Medicare beneficiaries. Section 505 outlines specific steps each Medicare Administrative Contractor (MAC) will be required to implement in order to increase the accuracy of the payments it issues to physicians and other health care professionals. Each MAC is to establish an "improper payment outreach and education program" to include outreach, education, training and technical assistance activities

As part of this program, the MAC will furnish practice-specific information to physicians and other healthcare professionals. Such information may include:

- A. *A list of the providers' or suppliers' most frequent and expensive payment errors over the last quarter*
- B. *Specific instructions regarding how to correct or avoid such errors in the future*
- C. *A notice of new topics that have been approved by the Secretary for audits conducted by recovery audit contractors*
- D. *Specific instructions to prevent future issues related to such new audits*
- E. *Other information as determined appropriate by the Secretary.*

These outreach, education, training and assistance programs are to be conducted on a regular basis, therefore physicians and their practices should pay attention to any communications received from their MAC and promptly take any corrective action indicated. Most MACs have already implemented some processes to reduce their improper payment rates. This provision within MACRA will likely result in an increased level of commitment to such efforts.

MACs are to give priority to review of payment errors that:

- A. *Are for items and services that have the highest rate of improper payment*
- B. *Are for items and services that have the greatest total dollar amount of improper payments*

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- C. *Are due to clear misapplication or misinterpretation of Medicare policies*
- D. *Are clearly due to common and inadvertent clerical or administrative errors*
- E. *Are due to other types of errors that the Secretary determines could be prevented through activities under the program*

Specific to items A and B above, the MACs will receive from the Secretary some of the findings from the Recovery Audit Contractors (RACs) assigned to their jurisdiction. Such information will include the providers who have the highest rate of improper payments and who have the greatest total dollars of improper payments.

MACRA has repealed and replaced the Sustainable Growth Rate (SGR) formula but the need to submit accurate and complaint claims is more important than ever.

#### **Section 523: Payment for Global Surgical Packages**

Under the current Medicare Physician Fee Schedule (MPFS), the value of a procedure includes all associated care provided within a specified number of days. In the Final Rule for the 2015 MPFS, (Federal Register, Vol 79, No 219, November 13, 2014, pp 67582-67591) the Centers for Medicare and Medicaid Services (CMS) announced that all services with a 10 day global period would be transitioned to a zero day global by 2017 and those with a 90 day global would be transitioned to a zero day global by 2018.

MACRA prohibits implementation of that decision but the concerns raised by CMS about the valuation of the surgical global period and the accuracy of the associated payments in both current and future models of payment remain in place. MACRA states that through rulemaking, the Secretary shall develop a process to collect, via claims submitted, information about the number and level of follow up visits provided within a service's global period. This information gathering process will begin by January 1, 2017 and will be assessed every four years. If the Secretary finds that this information is adequately available from other sources such as QCDRs, surgical logs, or EHRs, the claims requirement may be discontinued.

Reporting of the number and level of visits within the global period will not be optional. Through a process also to be established via rulemaking, the Secretary may reduce a provider's payment for these services by 5% until the required information is received. The global concept does not apply to anesthesia services as described by CPT® codes 00100 – 01999. Many but not all of the pain medicine services performed by ASA members have zero day global periods. However, some procedures such as neurolytic procedures and implantation of pumps and neurostimulators have a 10 day global period. The global period assigned to services and procedures under the MPFS can be accessed from the Fee Schedule Look Up Tool available on the CMS website at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PFSlookup/index.html>

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Starting in 2019 (the same year that the Merit-Based Incentive Payment System and Alternative Payment Models provisions of MACRA begin), the Secretary may use this information about services performed within the surgical global period “to improve the accuracy” of the fee schedule.

**Conclusion:**

Under MACRA, current efforts by CMS and its MACs to reduce the rate of improper payments will be enhanced. Ongoing work to confirm the accuracy of Medicare payments will be expanded to include the collection of data in regard to services and items furnished within the global period associated with a specific procedure. While MACRA will be a game-changer for the way in which physician services are paid under the Medicare program in 2019 and onward, it also includes some provisions that will have a more immediate impact.