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MACRA Implementation: Pulse Checks along the Way

Congress passed the Medicare Access and CHIP Reauthorization Act (MACRA) in April 2015. The legislation repeals the flawed Sustainable Growth Rate (SGR) formula and creates a new physician payment system. The change from SGR to MACRA's Merit-based Incentive Program (MIPS) and Alternative Payment Models (APMs) is substantial. Alexander Hannenberg, M.D., chair of ASA's Medicare Payment Reform Steering Committee and ASA's Ad Hoc Committee on Payment Reform, has described this change as, "A Medicare transformation on the scale of DRG Prospective Payments for Hospitals (1983) or RBRVS for Physicians (1992)." The potential for unintended and unanticipated consequences looms large.

In April 2016, the Centers for Medicare and Medicaid Services (CMS) issued a 962 page proposed rule on how it will implement the new MACRA payment system. In the weeks since then, attention has focused on analyzing this very complex proposal and developing comments to submit to CMS. Some overall concerns have already been identified. They include questions about the adequacy of the conversion factor updates, the impact on beneficiary access to care and the increasing administrative burdens to physicians and their practices. In anticipation of such questions and uncertainties, the MACRA legislation includes requirements for some pulse checks in the years leading up to and beyond full application.

Conversion factor updates for 2015 through 2019 are set at 0.5% per year. As described in a [November 2015 Timely Topic](#), that modest increase is subsumed by other factors that remain in play when the Medicare conversion factors are calculated. (Note: CMS subsequently further revised the 2016 conversion factors as discussed in a [March 2016 Timely Topic](#).) MACRA mandates that by July 1, 2019, the Medicare Payment Advisory Commission (MedPAC) submit to Congress a report on:

- The payment update for professional services for 2015-2019;
- The effect this update has on the efficiency, economy and quality of care provided; and
- Recommendations for future payment updates for professional services to ensure that Medicare beneficiaries have adequate access to care.

The legislation also acknowledges that the MIPS program could present challenges specific to some types of providers and practices. It stipulates that resources for technical support be made available to assist these providers and practices in transitioning to MACRA's payment paths. The General Accounting Office (GAO) is tasked with examining the challenges and reporting its findings to Congress by October 1, 2021. MACRA requires that GAO:

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- Examine the distribution of MIPS composite scores and adjustments by provider type, practice size, geographic location and patient mix and present recommendations for improvement;
- Evaluate the impact of the technical assistance funding intended to provide resources for professionals to improve in MIPS or to move into APMs (practices in rural areas or areas designated as Health Professional Shortage Areas (HPSAs) receive priority for this assistance). GAO is further required to provide recommendations on how to make best use of these technical assistance resources.

GAO must also prepare and submit to Congress a report that compares the quality measures used by Medicare Part A and B (original Medicare), Medicare Part C (Medicare Advantage plans), certain states' Medicaid programs and private payers. The report is to include recommendations on how to reduce the administrative burdens associated with multiple measure sets. This report is due no later than 18 months after enactment of the legislation.

ASA members in attendance at the 2016 Legislative Conference learned more about MACRA through presentations and [handouts](#). MACRA will impact payments issued on/after January 1, 2019 but that impact will be determined based on a performance period that take place two years prior to the payment adjustment. Performance in 2017 impacts payments issued in 2019. Since a final rule on MACRA won't be published until sometime in the fall of 2016, there is very little time for practices to make changes to adapt to MACRA's new reporting and payment systems. As such, one key point made at the Legislative Conference was that "CMS should conduct on-going readiness assessments and be prepared to implement delays if/as necessary."

Passage of MACRA legislation was not the end of a process. In fact it was just the beginning. Feedback on MACRA via mandated GAO and MedPAC reports along with the large number of comment letters CMS will receive in response to its proposed rule will play an important part in how MACRA will be put into operation.