



MACRA

faqs

Q: What is MACRA?

A: [MACRA](#) stands for the Medicare Access and CHIP Reauthorization Act of 2015. It is Medicare payment reform designed to help lower the cost of healthcare and improve health outcomes. The law is a part of a broader push toward value and quality from the Department of Health and Human Services.

Q: How does MACRA reform Medicare payments?

A: MACRA makes three main changes to how Medicare pays providers:

1. Ends the [Sustainable Growth Rate \(SGR\)](#) formula for determining Medicare payments for healthcare services;
2. Makes a new framework for rewarding healthcare providers for giving better care, creating two tracks for payment: [Merit-based Incentive Payment System \(MIPS\)](#) and [Alternative Payment Models \(APMs\)](#); and
3. Combines existing quality reporting programs into one new system.
Together, these three changes are referred to as the “Quality Payment Program” (QPP).

Q: Who Does MACRA apply to?

A: This program applies to clinicians who receive Medicare Part B payments. Some providers are exempt, including:

- Providers in their first year of Medicare Part B participation; and
- Providers that receive less than \$30,000 in Part B charges AND 100 or fewer Part B patients annually.

Q: How does the MIPS track work?

A: Providers that choose or default into the MIPS track will earn a composite performance score based on four categories:

1. Quality of outcomes (60% in 2017)
2. Cost of outcomes (0% in 2017)
3. Clinical Practice Improvement (15% in 2017)
4. Advancing Care Information/Use of Health IT (25% in 2017)

These weighted categories will translate into a 100-point scale [MIPS score](#), which will then determine the provider's penalty or reward. The incentive/penalty bar will move annually based on national performance. The weight of the scores will change in the 2018 reporting year as cost is factored in.

Q: How does the APM track work?

A: Providers that choose the APM track are agreeing to higher risk for higher potential reward. This track is a category of payment models that share assumed risk, provide financial benefit for achieving quality, and require sharing of information across care locations.

Only advanced-model APMs are eligible to be a Qualifying APM Provider (QP) for MACRA. These currently include:

- [Medicare Shared Savings Program \(MSSP\) Track 2 and 3](#);
- [Next Generation Accountable Care Organizations \(ACOs\)](#);
- [Comprehensive Primary Care Plus \(CPC+\)](#); and
- [Comprehensive ESRD Care Model \(CEC\)](#);
- [Oncology Care Model](#)

QPs must have a certain percentage of their patients or payments through an eligible APM to be on the APM track.

Providers who participate in an APM but are not an eligible QP will receive favorable scoring under the MIPS track and APM-specific rewards.

Q: How do I make my track selection?

A: In order to determine whether clinicians meet the requirements for the QP or the APM track, all clinicians will report through MIPS the first year. Those who are eligible QPs will receive the APM incentive payment; all others will be on the MIPS track.

MIPS participants who take part in non-qualifying APMs would receive credit toward scores in the Clinical Practice Improvement Activities category and other APM-specific rewards.

Certain APMs who fall short in volume of patients or payments, but meet lower QP requirements, would be able to choose whether they would like to receive their MIPS payment adjustment.

Q: Are there limits to the incentives or penalties assessed from MACRA?

A: Yes; the MIPS track [reimbursement adjustment](#) is limited, starting with +/-4% in 2019, and increasing to +/-5% in 2020, +/-7% in 2021, and +/-9% in 2022 and beyond. The 2017 reporting year threshold for avoiding a negative payment adjustment is 3 points (out of 100). Providers who receive 3 or more points will avoid the negative adjustment to their 2019 rates. There is also an opportunity for high performing providers to receive up to a 3x bonus to their positive adjustment. For the first year, providers receiving more than 70 points (out of 100) on the MIPS scale will qualify for an adjustment.

The qualifying APMs will receive a 5% lump sum bonus payment from 2019-2024. After that, qualifying APMs will receive a higher fee schedule update.

Q: When do the MACRA changes go into effect?

A: MACRA was enacted in April 2015, and the final MACRA rule was released in October 2016. The first reporting period will begin January 1, 2017, with flexible timelines for providers in the first year. The official start date of MACRA payment models is 2019.

A timeline of the implementation and payment schedule can be found [here](#).

Q: What do I need to do to avoid negative payment adjustment?

A: CMS has outlined a “pick your pace” model for the 2017 reporting year. Providers have four options to avoid the negative adjustment this year:

1. Do nothing. You will receive an automatic 4% negative payment adjustment in 2019.
2. Test the QPP. Submit some data - 1 clinical quality measure OR 1 CPIA activity OR submit base CI requirements. You will avoid any negative payment adjustment.
3. Participate for part of the 2017 year. Submit QPP data for a 90 consecutive day period. You will receive a small positive adjustment.
4. Participate for the full 2017 year. Submit QPP data for the full year and receive a modest positive adjustment.
5. Participate as an advanced APM and receive a larger adjustment.

Q: Why do I need to care about MACRA now?

A: While the payments won't change based on MACRA models until 2019, 2017 is the first performance measurement year that will be used to determine payment on the new models in 2019. Providers must be ready by the end of 2016 to perform and measure data that will affect their payments in future years.