

Merit-Based Incentive Payment System

June 10, 2016

Enacted in April 2015, MACRA (Medicare Access & CHIP Reauthorization Act) is a law that will begin to make some significant changes in Medicare part B reimbursement in the coming years. Moving away from a traditional FFS system and an eventual repeal of the SGR, MACRA will make two different models of reimbursement for providers where reimbursement is related to the quality of care provided or participation in advance payment models created by CMS. The goals of transforming this system are using incentives to reward providers, improve the quality of care provided to Medicare beneficiaries, and sharing information pertinent in patient care. Most providers will fall into the Merit Based Incentive Payment System (MIPS) or Alternative Payment Models (APMs), which will combine the following incentive programs into one:

- EHR Implementation
- Value based payment modifier
- PQRS

A score will be calculated considering a provider's compliance to the programs listed above, in addition to:

- Quality of care
- Use of resources
- Clinical practice improvement
- Meaningful use

Payment incentives or adjustments under MIPS will begin 2019, starting at 4%, and increasing to 9% by 2022. Below are the only exclusions under MIPS for a provider:

- A provider is within the first year of participation with Medicare
- A practitioner is an APM eligible for a bonus payment
- The volume of Medicare patients seen is below a set threshold

Providers who participate in an APM will have slightly different rules under MACRA provisions, but will still be held to a new set of standards similar to MIPS. The rewards and standards will be modified for APMs since their organizations are assuming more financial risk or become an expanded medical home model.