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6 Major Takeaways From the 2018 MACRA Proposed Rule

July 28, 2017

Below are the most important takeaways from the proposed rule:

1. **Only 36% of clinicians will be eligible for MIPS after all exclusions, but they make up 58% of Medicare Part B charges**

MACRA/QPP is a massive piece of legislation. At it's core, MACRA will eliminate the sustainable growth rate formula and replace it with a 0.5% annual rate increase through 2019, after which physicians are encouraged to shift to one of two Quality Payment Programs: 1) Merit-Based Incentive Payment System (MIPS) or 2): Alternative Payment Model (APM).

The main message CMS put forth in the proposed rule's announcement was the allowing for greater flexibility for the program participation for physicians.

2. **Hospital-based physicians can now report at a facility level**

Hospital-based clinicians in the 2018 MIPS performance period now have an opportunity to be assessed on quality and cost in the context of the facilities where they work. Such clinicians can submit their facility's inpatient value-based score to help calculate an individual score.

3. **CMS introduces virtual reporting groups for next year**

Another new reporting option for the 2018 performance year is the ability for smaller practices to report as a virtual group. The proposed rule defines a virtual group as a combination of a solo practitioners or a group with 10 or fewer eligible clinicians banding together with at least one other solo practitioner or group for a performance period of a year. A written agreement amongst the group participants must be submitted to CMS by December 1 prior to the start of the applicable performance period.

Virtual groups are largely seen as a means for smaller practices or solo clinicians to experience taking on more risk to advance their move to value-based care.

One important detail regarding virtual groups: Participants will be assessed as a group on all MIPS categories, not cherry-picked program options.

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4. **CMS is easing up on EHR technology requirements for MIPS' Advancing Care Information program — but gives an incentive to ramp up technology efforts**

MIPS' Advancing Care Information (ACI) portion is the section that phases out the Meaningful Use (MU) program, which encouraged the adoption of EHRs among physicians and health systems. The MU program had its fair share of pushback from physicians. Many felt forced to adopt technology they weren't happy with when EHRs first entered the market, before the federal government incentivized their adoption. The ACI program sought to reduce many of MU's requirements.

For the program's second year, CMS is proposing that MIPS eligible clinicians may continue to use EHR technology certified to the 2014 Edition for 2018's performance in the ACI calculations. But, if a clinician is able to implement a certified 2015 Edition product, then CMS is proposing a bonus of 10 percentage points under the ACI category for 2018's performance period.

5. **Physicians could receive MIPS bonus points for complex patients**

The agency is proposing a one-time special consideration for MIPS eligible clinicians who care for complex patients in 2018's performance period (2020 MIPS payment year).

Physicians who care for sicker patients don't want their scores to be hurt for conditions that are out of their control. CMS recognized this and wishes to "protect access to care for complex patients and provide them with excellent care."

The agency proposed that complex patient bonus points will not exceed three percentage points.

6. **Clinicians need to pay attention to** cost controls despite MIPS not measuring them next year.

For next year's performance period, MIPS scoring is weighted as follows:

- **Quality: 60%**
- **Cost: 0%**
- **ACI: 25%**
- **Improvement Activities: 15%**

The agency was supposed to "gradually increase" the cost scoring beginning in 2018 to 30%. While still weighted at 0% next year, MIPS scoring ramps up the category's weight to the full legally mandated 30% in performance period 2019.