MACRA, MIPS & More: Making it all Manageable

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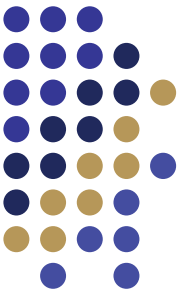


Presentation Overview

- MACRA background and policy objectives
- Merit-Based Incentive Payment System (MIPS)
- Alternative Payment Models (APM)
- Implications, issues, concerns and opportunities
- Problems, Pitfalls & Practical Guidance
- Questions

Physician Payment

- Based on a complicated formula:
  - Facility or Non-Facility Pricing Amount =
    [(Work RVU * Work GPCI) +
    (Transitioned Facility or Non-Facility PE RVU * PE GPCI) +
    (MP RVU * MP GPCI)] * Conversion Factor (CF)
- Initial conversion factor was created in 1992 and adjusted annually based on three factors:
  - The Medicare Economic Index (MEI)
  - RVU budget neutrality
  - Medicare expenditures for physician services as compared to a sustainable growth rate

Sustainable Growth Rate

- For the first few years of SGR, Medicare expenditures did not exceed targets and doctors received modest pay increases
- In 2002, doctors faced a 4.8% pay cut
- Every year since 2002, Congress has passed legislation to temporarily defer these physician pay cuts

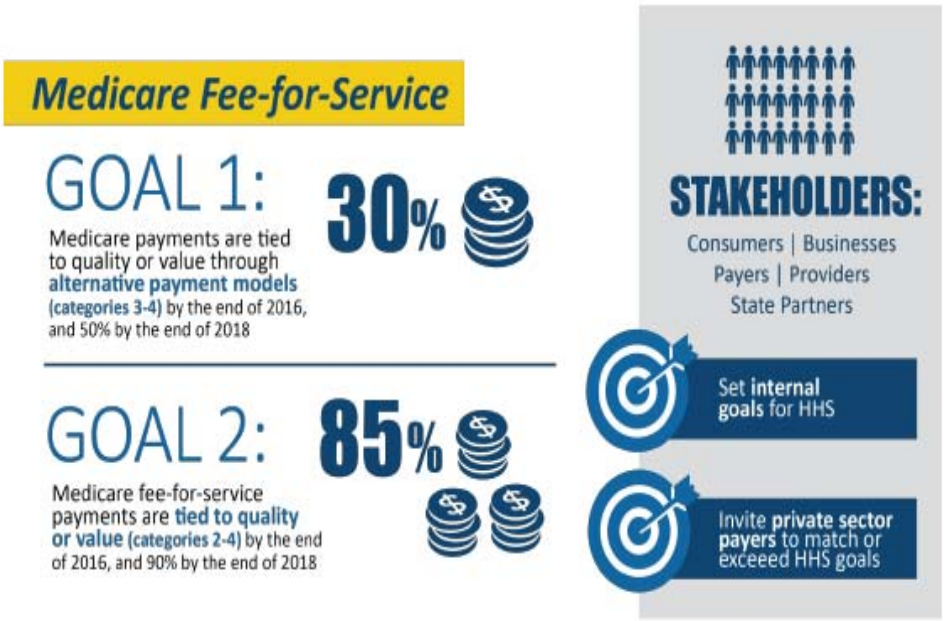
Too many payment patches

Law	Cut Year	Score (bil.)
PL 108-7	2003	$54.0
PL 108-173	2004, 2005	$0.2
PL 109-171	2006	-$0.4
PL 109-432	2007	$3.1
PL 110-173	2008 (6 mos)	$6.4
PL 110-276	2008 (6 mos), 2009	$9.4
PL 111-118	2010 (2 mos)	$2.0
PL 111-144	2010 (1 mo)	$1.0
PL 111-157	2010 (2 mos)	$2.0

Law	Cut Year	Score (bil.)
PL 111-192	2010 (6 mos)	$6.0
PL 111-286	2010 (1 mo)	$1.0
PL 111-309	2011	$14.9
PL 112-78	2012 (2 mos)	$3.6
PL 112-96	2012 (10 mos)	$18.0
PL 112-240	2013	$25.2
PL 113-67	Jan-Mar 2014	$7.3
P.L. 113-93	Apr 2014-Mar 2015	$15.8
Total Cost		**$169.5**

Source: Congressional Budget Office 2015

Pre MACRA Goals



Source: Centers for Medicare & Medicaid Services (CMS)

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Also available as part of the eCourse
2017 Health Law eConference

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