Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) Overview

HR 2, the “Medicare Access and CHIP Reauthorization Act of 2015” or “MACRA,” was recently signed into law. This bipartisan legislation permanently repeals the sustainable growth rate (SGR) formula and stabilizes Medicare payments for physician services with positive updates from July 1, 2015, through the end of 2019, and again in 2026 and beyond. It replaces Medicare’s numerous quality reporting systems with a new single “MIPS” program and will make it easier for physicians to earn rewards for providing high-quality health care, and it rewards physicians for participating in new payment and delivery models to improve the efficiency of care and retains fee-for-service as an option.

Specifically the legislation will result in the following points:

- Permanently repeals the SGR.
- Positive payment updates of 0.5% each year through 2019.
  - In 2020, payments stay flat for 6 years, and there will be a 0.0% payment adjustment through 2025.
  - In 2026, physicians will be subject to one of two conversion factors – a 0.75% rate increase for practices that are part of an alternative payment model (APM) or a 0.25% rate increase for physicians not part of an APM.
- Provide for additional financial incentives for providers who move to alternative payment models – with physicians receiving a 5% bonus from 2019 to 2024.
- The fee-for-service model is retained, and physician involvement in APMs is voluntary.
- Funding is provided for quality measurement development, at $15 million per year from 2015 to 2019.
- Technical support is provided for smaller practices, funded at $20 million from 2016 to 2020, to assist physicians with participation in APMs or the fee-for-service incentive program.
- Eligible physicians who participate in APMs will be exempt from MIPS. The Centers for Medicare and Medicaid Services (CMS) will develop criteria for APMs by November 2016. MACRA provides for an annual 5% bonus based on Medicare Part B payments from 2019 to 2024 to physicians who participate in APMs.
- Streamline the Medicare quality reporting programs into the merit-based incentive payment system (MIPS).
- Beginning in 2019, MACRA will provide bonuses to physicians who score well in the MIPS, which will be a new pay-for-performance program under the Medicare fee-for-service payment system. The penalties that are currently in place for the Physician Quality Reporting System (PQRS), Electronic Health Records/Meaningful Use (MU), and the value-based payment modifier (VBM) will stop at the end of 2018. In 2019, the MIPS program will be the only Medicare quality reporting program.
- MIPS is comprised of four assessment categories. Category 1 – quality measures – quality will include current PQRS measures and additional measures that will be obtained from professional organizations each year by the secretary of Health and Human Services (HHS). Category 2 – resource use – this VBP program with an enhanced methodology determined through public input. Category 3 – meaningful use – this will be based on current electronic health records meaningful use reporting requirements. Category 4 – clinical practice improvement activities – eligible physicians will be assessed on their efforts to engage in these activities.
- Performance scoring under the MIPS program also provides for performance assessment according to a sliding scale versus the current all or nothing approach now used in the PQRS and MU programs. In addition, physicians can receive credit for clinical practice improvement (CPI) activities and for improving quality of care. Also the MIPS will allow for risk adjustments for patients’ health status and other risk factors, including socio-economic factors.

MACRA establishes far-reaching changes in how physicians will be reimbursed under the Medicare program. The specifications and regulatory rules of the new system have yet to be established and the AMCNO will provide additional information to our members as this process continues. To view detailed information about the MACRA go to www.cms.gov.

Be Prepared for the BWC Implementation of Prospective Billing

Private Employers Begin July 1, 2015

The Ohio Bureau of Workers’ Compensation (BWC) is transitioning to a prospective billing system that goes into effect July 1, 2015, for private employers.

Private employers should be in receipt of their Estimate of Premium Notice from BWC, which is for the first prospective billing period that covers July 1, 2015 – June 30, 2016.

To prevent employers from being “double-billed,” BWC will help to limit the financial impact to employers during the transition by applying both a payroll transition credit and a prospective transition credit.

The payroll transition credit will be for the last reporting period of the retrospective billing era (January 1, 2015 through June 30, 2015). Employers will receive a 100% credit towards this premium payment due in August.

The prospective transition credit will assist in your transition to the prospective billing era. The credit equates to 1/6th of the billed premium for the July 1, 2015 – June 30, 2016 period.

To receive the credit, however, your policy must be current, which means that you have done the following:
1. Paid all outstanding premiums, late fees and penalties for past due premiums (or request a payment plan from BWC for any amount that cannot be paid) prior to July 1, 2015.

For resources related to the implementation of prospective billing, please also visit the website of our workers’ compensation partner, CompManagement, at www.compmgt.com and click on the Are You Ready button under Quick Links on the home page. You will find informational podcasts to watch as well as documents outlining key dates and frequently asked questions to assist you.

If you have additional questions or concerns regarding the implementation of prospective billing, please feel free to contact CompManagement’s Customer Support Unit at (800) 825-6755, option 3.