

## Medicare

### **The MACRA Final Rule: Are You Affected?**

*Most Chiropractors Will Be Exempt from Participating in 2017*

#### **TEXT BOX**

#### **In a Nutshell...**

MACRA makes three important changes to how Medicare reimburses health care providers. These changes create the Quality Payment Program (QPP):

- Ending the Sustainable Growth Rate (SGR) formula for determining Medicare payments for health care providers' services.
- Making a new framework for rewarding health care providers for giving better care, not just more care.
- Combining existing quality reporting programs into one new system.

These proposed changes allow participating providers to choose from two paths that link quality to payments: the Merit-Based Incentive Payment System (MIPS) and Advanced Alternative Payment Models (APMs).

#### **What is MACRA?**

In 2015, the era of the "Medicare Doc Fix" mercifully came to an end when Congress passed the bipartisan Medicare Access and CHIP Reauthorization Act of 2015. Known as "MACRA," the bill ended the dreaded Sustainable Growth Rate (SGR) formula, the equation used by Medicare to determine physician reimbursement rates, and with it the yearly cycle of uncertainty that saw Congress act more than a dozen times since 1997 to stave off huge cuts in Medicare payments. In place of the SGR, MACRA institutes a new Medicare physician payment system.

#### **Am I Exempt from Participating?**

**The Centers for Medicare and Medicaid Services (CMS) has adjusted the MACRA Final Rule to assist small, independent practices, such as most chiropractic offices. Under the Final Rule, practices that meet one of three criteria are exempt from reporting requirements for 2017:**

- **\$30,000 or less in Medicare Part B approved amounts, or**
- **100 or fewer Medicare patients, or**
- **Providers in their first year of participation in Medicare**

CMS estimates that this represents about a third of clinicians overall. However, a much higher percentage of chiropractors could fall under one or more of these exemptions. One source we

have seen estimates the percentage of chiropractors who could be exempt in 2017 to be as high as 80 percent!

Check your stats (or 1099s, which reflect only 80 percent of allowed amount) to see if you are exempt. If you are, great! If not, you will need to meet the requirements of MACRA or face financial penalties (see below).

### **What is the New Payment System?**

Through 2019, physicians will receive a 0.5 percent fee increase each year. Then, from 2020-2025, these automatic, across-the-board fee increases will end. Rather, providers will choose between two newly designed payment paths, the Merit-Based Incentive Payment System (MIPS) and Advanced Alternative Payment Models (APMs). Most chiropractors not exempt from the requirements of MACRA will have to use MIPS. Both new paths are based on performance and quality metrics and participation in efforts to curb Medicare costs while improving care.

### **Merit-Based Incentive Payment System (MIPS)**

The MIPS is a new program that combines parts of the Physician Quality Reporting System (PQRS), the Value Modifier (VM or Value-based Payment Modifier), and the Medicare Electronic Health Record (EHR) incentive program into one single program in which Eligible Professionals (EPs) will be measured on:

- Quality
- Resource Use
- Clinical Practice Improvement
- Meaningful Use of EHR Technology

### **Alternative Payment Models (APMs) – Not Appropriate for Most Chiropractors**

APMs give Medicare new ways to pay health care providers for the care they provide Medicare beneficiaries. For example:

- From 2019-2024, pay some participating health care providers a lump-sum incentive payment
- Increased transparency of physician-focused payment models
- Starting in 2026, offers some participating health care providers higher annual payments

Accountable Care Organizations (ACOs), Patient Centered Medical Homes, and bundled payment models are some examples of APMs.

### **How Will This Affect Chiropractors Who Must Participate?**

The default path for most providers who must participate is the Merit-Based Incentive Payment System (MIPS). It is important to remember the following:

- While MIPS provides for small increases through 2019, it freezes payments from 2020-2025, meaning that, with inflation, you will actually be making less
- Most providers will be required to participate in the MIPS incentive program. Depending on the provider's performance in this program, coupled with the year in question, providers could see either 4-9 percent increases (for good performance) or 4-9 percent decreases (for poor performance) in their payments.
- MIPS is revenue neutral. If one provider's fees go up, another's will go down to compensate. Make sure you're on the right side of this equation!
- If you are currently not participating in PQRS or the EHR programs, you will want to re-evaluate whether or not you will participate, as penalties will greatly increase in the future.
- Finally, **while payments will not be negatively impacted until 2019, they are based on performance in 2017** – this year!

Stay tuned in the coming months to the *MAC Week in Review, Journal*, and *eJournal* for more information on how MACRA could affect your reimbursement in the years to come. In the meantime, check out the additional resources indicated below.

### **Additional Resources**

Additional resources can be found online at <https://qpp.cms.gov/>. On this website, you can learn about the program and explore educational tools and resources such as:

- The Final Rule and/or the Executive Summary of the Final Rule
- The text of MACRA
- Small Practice Fact Sheet
- Where to Find Help
- Information on MIPS and other Alternative Payment Models

### Sources:

*Centers for Medicare and Medicaid Services, [www.cms.gov](http://www.cms.gov)*