Published on *The National Law Review* https://natlawreview.com

Understanding the Implications of MACRA, MIPS and APMs

Article By:

Janice A. Anderson

Bruce Johnson

Laura Little

Cybil G. Roehrenbeck

Rebecca Frigy Romine

Sidney Welch

On May 9, 2016, the Centers for Medicare & Medicaid Services (CMS) published a notice of proposed rulemaking to implement the bipartisan *Medicare Access and CHIP Reauthorization Act of 2015* (MACRA).

Although the provisions of MACRA and its proposed rule that are related to the Merit-Based Incentive Payment System (MIPS) and Alternative Payment Models (APMs) involve a dizzying array of acronyms, calculations and other complexities, the underlying policy objectives and future direction are clear – Congress (through a bipartisan piece of legislation) and CMS (through its power to implement MACRA) seeks to both build upon and solidify new payment and delivery models that move from volume to value, combine with and build upon private sector initiatives, and migrate to financial risk.

The law and proposed rule provide a timeline for this migration and provide for clear advantages (and benefits) to "early adopters" of the new APM payment and delivery models. For individual Medicare providers and groups, the ability merely to sit on the sideline and to refrain from participation, while not eliminated, now has a better-defined financial cost.

The proposed rule establishes an architecture that will dramatically change the Medicare payment model for physicians and other health care practitioners. Building on the legislative framework established by MACRA and prior efforts by CMS' Innovation Center, the proposal would implement a payment system in which all eligible clinicians would either receive payment rate increases or cuts based on their ability to meet standards under a new "Merit-Based Incentive Payment System," at their election. The proposed rule would make extra bonuses potentially available for those who participate in certain risk-based models.

This article provides information about the law and proposed rule. In future articles, we will drill deeper into the implications of the proposed rule for physicians and other providers; hospitals and health systems; and Accountable Care Organizations (ACOs), clinically integrated networks and other organizations.

MACRA Background – Policy Focus and Objectives

In January 2015, the U.S. Department of Health and Human Services (HHS) announced that CMS was setting benchmark goals for value-based payments and alternative payment models in the Medicare program. By the end of 2016, CMS declared, 30 percent of Medicare payments would be tied to quality or value through APMs, with an increase to 50 percent by the end of 2018. In addition, by the end of 2016, 85 percent of Medicare fee-for-service payments would be tied to quality or value, rising to 90 percent by the end of 2018.

© Polsinelli PC, Polsinelli LLP in California

National Law Review, Volume VI, Number 174

Source URL:https://natlawreview.com/article/understanding-implications-macra-mips-and-apms