

## **CMS Revamps MACRA To Make It Easier For Providers To Avoid Penalties & Earn Bonuses**

The Centers for Medicare and Medicaid Services (CMS) recently revamped the MACRA Quality Payment Program final rule to make it easier for eligible providers to avoid penalties and to earn bonuses. Among the changes, providers need only report on one quality measure in each of two categories next year to avoid penalties, a third of practices are exempted from the Quality Payment Program entirely, and there is a new alternative payment model option aimed at making it easier for small practices to qualify for the 5 percent bonus that comes with being counted as an alternative payment model.

The Medicare Access and CHIP Reauthorization Act (MACRA) creates two paths for providers in the Quality Payment Program. Either provider performance is measured by the Merit-based Incentive Payment System (MIPS) or they earn enough revenue from advanced alternative pay models (APMs) to receive the 5 percent bonus on Medicare Part B revenues.

Although the law refers to them as APMs, CMS calls them “advanced APMs” to distinguish them from what the Agency generically calls alternative payment models, many of which do not include penalties and therefore do not qualify for the bonus. Although providers in APMs are not subject to MIPS, they must participate in quality programs comparable to those in MIPS.

In 2017, CMS estimates that they will pay approximately \$1 billion in bonuses for high quality care to clinicians in both advanced APMs and MIPS. That \$1 billion estimate is for the first payment year of the program in 2019, but it’s based on performance in 2017. CMS estimates about \$200 million to \$320 million in pay hikes will be awarded to clinicians who participate in MIPS, plus \$500 million in MIPS exceptional performance payments. The law authorizes the additional \$500 million, and that money is separate from the MIPS pool created by penalties. CMS also estimates that clinicians who qualify for APM bonuses will receive between about \$330 million to \$570 million in 2019.

Providers complained that the proposed MACRA rule made it too difficult to avoid penalties and would discourage participation in APMs by making them unattainable for too many providers. In response, CMS significantly changed the requirements for MIPS and APMs, especially for the first two years of the program. There are many more providers who will not even be included in the Quality Payment Program. Providers who charge Medicare Part B less than \$30,000 a year or who see fewer than 101 Medicare beneficiaries in a year are excluded. CMS estimates the higher low-volume exclusion will exempt more than 380,000 providers, which is 32.5 percent of U.S. clinicians.

Next year, providers in MIPS avoid penalties if they report 90 days’ worth of one quality performance measure and one activity in the improvement activities performance category, or if they report measures of the advancing care information performance category. Providers stand to earn a slight pay increase if they either report more than the required measures in the advancing care information performance category, or if they report more than one quality performance measure and more than one improvement activity. Providers can increase their chances of a pay bump by reporting all MIPS measures for at least 90 days. Eligible providers who do not report anything will get a 4 percent pay cut.

CMS projects that 90 percent of providers either will receive pay hikes or avoid penalties. CMS will provide \$100 million in technical assistance to small practices, and the Agency estimates that 80 percent of practices with fewer than 10 providers will get pay hikes or avoid penalties.