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A Macro and Micro Look at MIPS

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Terms

• “MACRA”: Medicare Access and Chip Reauthorization Act of 2015

• “Quality Payment Program”:  
  1. “MIPS” (Merit-Based Incentive Payment System)  
  2. “Advanced APM” (Advanced Alternative Payment Model)  
     Incentive Payments
Fundamentals
## Fundamentals: Overall Reimbursement Timetable

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CY 2019 and beyond</strong></td>
<td>CMS will distribute negative and positive MIPS Part B payment adjustments on a budget neutral basis.</td>
</tr>
<tr>
<td><strong>CY 2019 – CY 2024</strong></td>
<td>$500 million available annually for “additional” Part B positive payment adjustments for &quot;exceptional&quot; MIPS “final scores“ (no budget neutrality requirement for these “additional” adjustments)</td>
</tr>
<tr>
<td><strong>CY 2019 – CY 2024</strong></td>
<td>Lump sum payment = 5 percent of prior year’s Part B approved claims, available annually for a &quot;Qualifying APM professional&quot; (&quot;QP&quot;). No MIPS payment adjustment.</td>
</tr>
<tr>
<td><strong>CY 2026 and beyond</strong></td>
<td>QPs receive 0.75 percent physician fee schedule increase.</td>
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Fundamentals (cont’d):
“MIPS Eligible Clinician

• CMS computes a MIPS “final score” for every MIPS eligible clinician (“MEC”)
  – MECs (for 2017):
    ▪ Physicians (psychologists are “eligible clinicians,” but are not MECs)
    ▪ Physician assistants
    ▪ Nurse practitioners
    ▪ Clinical nurse specialists
    ▪ CRNAs
• There are exceptions (e.g., “low volume” providers, Medicare providers less than a year)
Fundamentals (cont’d): “MIPS Final Score”

- MIPS is part of CMS’s transition from reimbursement based on “volume” to reimbursement based on “value”
- The MIPS “final score” earned by a MEC will determine a negative, neutral, or positive adjustment to a MEC’s Part B reimbursement rates
  - e.g., MIPS final score earned for performance in 2017 will result in adjustment to Part B rates in 2019
Fundamentals (cont’d): “MIPS Final Score”

• A MIPS “final score” is comprised of a MEC’s performance on up to 4 MIPS performance categories:
  – Quality
  – Cost
  – Advancing Care Information
  – Improvement Activities

• But not all 4 performance categories will be scored for 2017
### MIPS Performance Category Weights for CPSs for the 2017 Performance Period

<table>
<thead>
<tr>
<th>Category</th>
<th>Individual MIPS Eligible Clinicians (&quot;MECs&quot;) in Physician Groups Not Participating in a MIPS APM*</th>
<th>MECs in Physician Groups Participating in a Medicare Shared Savings ACO</th>
<th>MECs in Physician Groups Participating in a Next Generation Model ACO</th>
<th>MECs in Physician Groups Participating in &quot;Other&quot; MIPS APMs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>60%</td>
<td>50%</td>
<td>50%</td>
<td>0%</td>
</tr>
<tr>
<td>Cost</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Advancing Care Information</td>
<td>25%</td>
<td>30%</td>
<td>30%</td>
<td>75%</td>
</tr>
<tr>
<td>Improvement Activity</td>
<td>15%</td>
<td>20%</td>
<td>20%</td>
<td>25%</td>
</tr>
</tbody>
</table>

*MIPS APMs: (1) Medicare Shared Savings Program; (2) Next Generation ACO Model; (3) Oncology Care Model; (4) Comprehensive Primary Care Plus Program; and (5) Comprehensive ESRD Program.
MIPS Performance Period

• For 2019 MIPS payment adjustments:
  – For all performance categories and most submission mechanisms:
    ▪ **MIPS performance period = any continuous 90-day period within CY 2017**
      ➢ *Need not score all performance categories during the same 90 day period*
  – Exception: For data reported through the CMS Web Interface, the CAHPS for MIPS survey, and administrative claims-based cost and quality measures, the performance period under MIPS is **CY 2017**
Individual or Group Scoring?
Individual or Group Scoring

- Two scoring methodologies for MECs in physician groups not participating in a MIPS APM:
  - Physician group elects to have its MECs scored individually
    ▪ I got mine, you get yours
  - Physician group elects to have its MECs scored as a group.
    ▪ All for one, one for all
Individual or Group Scoring (cont’d)

• MECs in physician groups participating in a MIPS APM (e.g., the Medicare Shared Savings Program):
  – Separate MIPS scoring methodologies for:
    ▪ the Medicare Shared Savings Program
    ▪ the Next Generation ACO Program
    ▪ all “other” MIPS APMs (e.g, the Oncology Care Model)

• There are pros and cons to these scoring methodologies
  – MIPS scoring relevant in deciding to join or withdraw from a MSSP ACO, Next Gen ACO, or other MIPS APMs?
“You can run, but you can’t hide”

Clinician’s 2017 MIPS final score (scored individually or as a group) and associated 2019 payment adjustment will follow clinician to his/her new practice.
2019 Payment Adjustments:

“Standard Adjustment”

v.

Additional Adjustment”
“Standard” Adjustments

- Applicable Part B MIPS standard adjustment percentages:
  - Payment year 2019 (2017 performance): +/- 4 percent
  - Payment year 2020 (2018 performance year): +/- 5 percent
  - Payment year 2021 (2019 performance year): +/- 7 percent
  - Payment year 2022 (2020 performance year) and each subsequent MIPS payment year: +/- 9 percent
“Standard” v. “Additional” Adjustments

Part B Payment Adjustments for 2019 (based on 2017 performance):

• “Standard” Payment Adjustments
  – MIPS final score of 3 points = no adjustment
    ▪ Report 1 quality measure, 1 improvement activity measure, or the ACI “base score” measures = 3 points
  – MIPS final score less than 3 points = a negative payment adjustment (up to -4 percent) from the 2019 Part B PFS
  – MIPS final score greater than 3 points and less than or equal to 100 points = a positive payment adjustment for 2019
    ▪ In theory, a score of 100 points would earn a +4 percent payment adjustment for 2019; in practice, however, a score of 100 points will likely earn a positive payment adjustment that is far less +4 percent
“Standard” v. “Additional” Adjustments (cont’d)

• “Standard” Payment Adjustments
  – **KEY**: Total amount of standard positive payment adjustments = total amount of negative payment adjustments (“budget neutrality”)
  – $833 million (million (proposed rule’s estimate of total amount available for positive payment adjustments for 2019) / $199 million (final rule’s estimate of total amount available for positive payment adjustments for 2019)
  – Bottom line: the total amount of standard positive payment adjustments available for 2019 will be far less than estimated in the proposed rule
    ▪ *The percentages of standard positive payment adjustments are not guaranteed* . . . *not even for MECs who score 100 points*
Part B Payment Adjustments for 2019 (based on 2017 performance):

• “Additional” Positive Payment Adjustments
• MIPS final score of at least 70 points (up to the 100 point maximum)
• $500 million will be paid out (no budget neutrality)
• Paid on a sliding scale, from a 0.5 percent positive adjustment (for 70 points) through a 10 percent positive adjustment (for 100 points).
  – Percentages could be reduced in the unlikely event that an extraordinary large number clinicians score 70 points or more
• *May be the best opportunity to earn a material amount of MIPS $$$ in 2019*
Availability of APM Incentive Payments
Availability of APM Incentive Payments

• Available for CYs 2019 through 2024
• The payment is a lump sum payment equal to 5 percent of a QP’s (“Qualifying APM Participant’s”) prior year’s payments for Part B services
• QPs are not subject to MIPS payment adjustments
  – “Partial QPs” are not eligible for an APM incentive payment but may elect not to be subject to a MIPS payment adjustment
Availability of APM Incentive Payments (cont’d)

• Qualification for QP status:
  – Clinician must be identified on the "Participation List" of an "Advanced APM" as of March 31, June 30, or August 31 of the “QP Performance Period” (i.e., 2017)
    ▪ Advanced APMS must satisfy certain criteria. Under the final rule’s criteria, the following current APMs would be "Advanced APMS“ (subject to CMS’s official announcement prior to January 1, 2017):
      (1) Medicare Shared Savings Program, Tracks 2 and 3 only;
      (2) Next Generation ACO Model;
      (3) Oncology Care Model, 2-sided risk arrangement only;
      (4) Comprehensive Primary Care Plus Program; and
      (5) Comprehensive ESRD Program, LDO arrangement only
Availability of APM Incentive Payments (cont’d)

QP status (or Partial QP status) is awarded on a collective basis to all clinicians identified as participating in an "Advanced APM Entity."

<table>
<thead>
<tr>
<th>Threshold</th>
<th>2019 &amp; 2020</th>
<th>2021 and 2022</th>
<th>2023 and beyond</th>
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</thead>
<tbody>
<tr>
<td>QP Payment Amount</td>
<td>25%</td>
<td>50%</td>
<td>75%</td>
</tr>
<tr>
<td>Partial QP Payment Amount</td>
<td>20%</td>
<td>40%</td>
<td>50%</td>
</tr>
<tr>
<td>QP Patient Count</td>
<td>20%</td>
<td>35%</td>
<td>50%</td>
</tr>
<tr>
<td>Partial QP Patient Count</td>
<td>20%</td>
<td>35%</td>
<td>50%</td>
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Implications Beyond Medicare

• MIPS will “plow the road” for Medicaid and commercial payers to implement similar programs
  – After a few years under MIPS, most physician groups will have the experience and infrastructure necessary to work within similar programs established by Medicaid and commercial payers
Please visit the Hall Render Blog at http://blogs.hallrender.com for more information on topics related to health care law.

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