



## PROVIDING REGULATORY RELIEF, PRESERVING ACCESS TO CARE

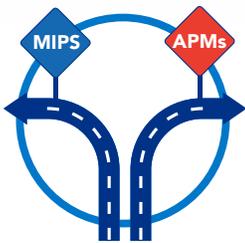
### MACRA: Promoting responsible payment reform

#### ISSUE OVERVIEW

The Medicare Access and Chip Reauthorization Act (MACRA) of 2015 repealed the Sustainable Growth Rate formula, or SGR, which previously served as the basis for determining Medicare physician payments. Under the SGR, physicians annually faced the threat of Medicare payment cuts, which by 2015 exceeded 20 percent. Further, uncertainty regarding payment rates made it difficult for physicians to plan from one year to the next.

The American Academy of Dermatology Association (AADA), along with its partners in the physician community, worked with Congress to eliminate the SGR and introduce a new payment system that would promote the development of alternative payment models (APMs) while also preserving fee-for-service in Medicare through the consolidation of multiple reporting programs into the new Merit-Based Incentive Payment System (MIPS). It was also agreed that a period of stability was needed to provide physicians time to transition to a new payment system. To this end, MACRA guaranteed a positive annual update of 0.5% for Medicare physician payments through 2019.

In April, the Centers for Medicare & Medicaid Services (CMS) released its proposed rule, outlining MACRA's two pathways for physicians participation in Medicare:



**Merit-Based Incentive Payment System (MIPS)** – MIPS will combine three separate Medicare reporting programs into a single system that ties fee-for-service payment to an overall physician quality score. CMS anticipates approximately 700,000 eligible professionals will participate in MIPS the first year. Beginning in 2019, MIPS will replace payment cuts associated with the Physician Quality Reporting System (PQRS), Meaningful Use for electronic health records (EHRs), and the Value-Based Modifier with the potential for a bonus or penalty based on a physician's score.

**Alternative Payment Models (APMs)** – APMs attempt to incentivize health care decision-making based on quality, outcomes, and cost savings. Beginning in 2019 and until 2024, under CMS' proposal, doctors participating in Advanced APMs will receive a 5% bonus payment.

#### AADA ADVOCACY POSITION

**Preserve congressional intent to ensure a stable health care system.** The AADA is deeply concerned about the nature of CMS' proposal and its potential impact on dermatology and on small group and solo practices. **The AADA is urging Congress and CMS to ensure an appropriate transition period and opportunity for all physicians, including those in small and solo practices, to participate in MIPS and APMs.** During the development of MACRA, the AADA, along with the physician community, advocated strongly with lawmakers to include provisions aimed at providing stability through 2019 to help physicians prepare to move to a new payment system.

However, under CMS' proposed rule, the first reporting period, which will be used to calculate payments in 2019, begins on January 1, 2017. This start date would come shortly after CMS is expected to release its final rule later this fall, providing little time to transition to a new payment system.

In the past decade, physicians have experienced a significant increase in regulatory requirements, including EHRs, PQRS, and ICD-10. **Solo and small practices have limited resources to implement the numerous and complex changes in CMS' proposed rule.** Specifically, the AADA has concerns about the lack of technical assistance provided for small practices, the low volume threshold, and the ability of small practices to participate in virtual groups. **Further, the proposed rule provides physicians with appeal mechanisms that are limited at best.**

**Not only is the timeline problematic, but as proposed, the bar for participation in MIPS is set very high and will likely cause substantial financial and administrative burdens for physicians in every practice setting.** CMS has acknowledged this threshold may be too high and estimates that 87 percent of solo practices and 70 percent of small practices will face MIPS penalties in the first year. In addition, the **participation thresholds in Advanced APMs are a steep bar that will prevent the majority of physicians from qualifying** for the bonus payments associated with Advanced APM participation.

#### LEGISLATIVE ASKS

Ensure an appropriate transition period to enable physician practices to prepare for MIPS and the move toward APMs and new payment models.



**COSPONSOR H.R. \_\_\_\_**, to be introduced by Rep. Phil Roe, MD (R-TN), which would provide a period of stability by moving the start date for data collection for MIPS to no sooner than July 1, 2017, and would allow dermatologists and other physicians the necessary time to prepare for these changes.



## Global Codes: Protecting access to care

### ISSUE OVERVIEW



Under the 2015 Medicare Physician Fee Schedule, CMS proposed a policy that would have transitioned all 10- and 90- day global codes to 0-day global codes. Global codes typically include necessary services performed before, during, and after a surgical or medical procedure.

The policy, if implemented, would have resulted in significant costs to patients, with patients having to pay not only for an initial procedure but for additional separate co-pays for any other services related to the procedure, including each follow-up visit. The policy change would have increased the burden on patients and dramatically increased administrative burdens for physician practices, while potentially harming patients by creating disincentives to seek follow-up care.

Under MACRA, Congress successfully eliminated CMS' proposed policy. Instead, MACRA requires CMS to collect data needed to evaluate these services by drawing from a "representative sample" of physicians that would be used to facilitate accurate valuation of these services beginning in 2019.

However, in its proposed Physician Fee Schedule for 2017, CMS included a proposal to collect data not from a sample but for all 10- and 90-day global services from all practitioners who perform these services. The reporting provision, which would take effect January 1, 2017, is above and beyond the congressional mandate of a "representative sample," and would impose a significant administrative burden on physician practices.

### AADA ADVOCACY POSITION



**Protect patient access to care, uphold congressional intent.** Instead of diverting attention away from patient care by adding unnecessary reporting burdens to physician offices, CMS should collect the data from a representative sample of services that are billed under global codes.

### LEGISLATIVE ASK

Call on CMS to rescind its burdensome proposal to require all practitioners to report on global periods and collect a representative sample to analyze global codes.



**CO-SIGN THE LETTER LED BY REP. LARRY BUCSHON, MD (R-IN) AND REP. AMI BERA, MD (D-CA) TO CMS**, which would call on CMS to follow congressional intent and collect data regarding global periods from a "representative sample" of practitioners.