The Physicians Advocacy Institute’s Medicare Quality Payment Program (QPP) Physician Education Initiative

MACRA QPP Overview
MEDICARE QPP PHYSICIAN EDUCATION INITIATIVE

MACRA Quality Payment Program (QPP) Overview

What is MACRA?

The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) changed the way physicians are reimbursed for Medicare Part B services beginning January 1, 2017. MACRA repealed the sustainable growth rate (SGR) formula and replaced it with a new program—the Quality Payment Program (QPP)—under which clinicians will have the opportunity to earn bonuses, or face penalties, in the form of positive, neutral, or negative adjustments based on their performance in quality and cost measures.

What is the Quality Payment Program?

The QPP shifts physician reimbursements from the traditional fee-for-service model to a value-based payment model. While this may seem like a new program, it is not unfamiliar from past CMS value-based programs that provided physicians with incentives and bonuses payments for reporting quality and cost data on their patients.

The QPP offers two reimbursement tracks for physicians under Medicare Part B:

Pathway 1
Merit-based Incentive Payment System (MIPS)

Pathway 2
Advanced Alternative Payment Models (APMs)

Physicians are not required to participate in both MIPS and Advanced APMs; they will only be subject to the payment scheme under one of these reimbursement tracks.
Who is required to participate?

CMS has identified a list of “eligible clinicians” who are subject to participation in the QPP, these include:

- Physicians
- Physician Assistants
- Nurse Practitioners
- Clinical Nurse Specialists
- Certified Nurse Anesthetists

Additionally, CMS has defined a list of “eligible clinicians” who may be exempt from MIPS participation.

What is the Merit-based Incentive Payment System?

MIPS is a new program that consolidates and sunsets the previous quality reporting programs, including the Physician Quality Reporting System (PQRS), Value-based Payment Modifier (VM), and the Electronic Health Records (EHR) Incentive program (Meaningful Use), into one program. In 2017, MIPS has four weighted performance categories: quality (60%), based on PQRS; cost (0%), based on VM; advancing care information (25%), based on Meaningful Use; and improvement activities (15%), a new category not based on a previous program.
How are Medicare reimbursements determined under MIPS?

Physicians will continue to receive Medicare Part B fee-for-service payments as they currently do; however, these payments will be adjusted depending on their overall MIPS composite score. Physicians will either receive a positive, neutral, or negative payment adjustment of their Part B reimbursements depending on how their overall MIPS composite scores compare to their peers’ scores. To learn more about the MIPS program, visit the MIPS Pathway page on the PAI website.

What are Advanced Alternative Payment Models?

APMs are a payment and delivery approach where clinicians have financial incentives to provide efficient, high-quality care. APMs may apply to services for specific conditions, episodes of care, or populations, and include elements of bundled payments, gain-sharing, and fee-for-service. Advanced APMs are a subset of CMS-approved APMs that allow physicians to earn an incentive payment under the QPP.

How are payments determined under Advanced APMs?

Each Advanced APM will have its own participation requirements that specify the payment arrangements, performance requirements, risk arrangement under that APM, shared savings/losses under that model, etc. The QPP does not affect or change these arrangements. Physicians who participate in an Advanced APM will receive payments for their services through

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the Advanced APM, but they may also be eligible to receive an additional lump sum 5% incentive payment for their participation in the Advanced APM. The incentive payment physicians receive under the QPP would be separate and distinct from the payments for services they receive for providing services to patients through the Advanced APM. To learn more about Advanced APMs, visit the Advanced APM Pathway page on the PAI website.

Additional information is available on CMS’s QPP website at: https://qpp.cms.gov/.