

2019 Issue Brief Implement MACRA

Issue

AMGA appreciates Congressional passage of the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA), which repealed the sustainable growth rate payment mechanism and aims to bring more stability to Medicare physician reimbursement. The law grants providers predictable payments until this year, when two new systems will be fully implemented: the Merit-based Incentive Payment System (MIPS) and Advanced Alternative Payment Models (APMs). During this time of transition, AMGA members have dedicated significant amounts of time and resources to deliver care under these new payment systems to provide an even higher level of care.

However, AMGA has concerns and recommendations regarding the implementation of these two systems.

MIPS Program:

MIPS was designed to function as a viable transition tool to value-based payment in the Medicare program, where providers would be rewarded for their investments in health information technology, care management processes, and people. However, the Centers for Medicare & Medicaid Services (CMS) has not implemented MIPS as Congress intended.

Under the MIPS program, providers have the opportunity to earn an annual adjustment to their Medicare Part B payments based on their performance starting in 2019, with a positive or negative adjustment range of 4%. That range eventually increases to 9% in 2023. By creating a system where high performers were rewarded, and poor performers who received a lower payment rate were incentivized to improve, MACRA aimed to transition Medicare to a value-based payment system.

Despite Congressional intent, CMS has excluded nearly half of providers from MIPS requirements in the past few MACRA regulations. Because MIPS is budget neutral, these exclusions result in insignificant payment adjustments to high-performing providers. For example, high performers are estimated to receive an aggregate payment adjustment in 2019 of 1.1% compared to a potential 4% allowed under the statute. In 2020, CMS expects a 1.5% payment adjustment for high performers, compared to a potential 5% adjustment provided for in the law. In 2021, CMS expects a 2% adjustment for high performers, but the statute suggests a potential 7% adjustment.

These insignificant payment updates fail to reward providers for superior performance in the MIPS program and provides a nominal return on investments.

APM Program:

APMs are the other, more advanced pathway to value under MACRA. Currently, APM participation requires providers to meet or exceed minimum revenue thresholds from APMs, or a minimum number of Medicare beneficiaries. These thresholds continue to increase throughout the implementation period, until 2023, when 75% of revenue must come from APMs. Due to a dearth of commercial risk products and limited Advanced APM options, the program will not attract the critical mass of physicians necessary to ensure the program's viability.

AMGA asks Congress to:

Implement MIPS as Congress originally intended: Congress should instruct CMS to stop excluding providers from MIPS. .

Allow for increased APM participation: Currently, providers must attain either a patient or a revenue threshold requirement to be in the APM program. The payment thresholds jump from 25% initially to 75% in 2023 and thereafter. These thresholds do not reflect current nor future healthcare markets regarding risk-based payments. It is unlikely most providers, even high performing AMGA members, can meet these thresholds over time.