Healthcare Economics Professionals Council

Healthcare Economics Professionals Council Meeting
Web Discussion
January 14, 2016

hfma
healthcare financial management association

Meeting Agenda

- Today's Agenda
  - Introducing your 2016 Steering Committee
  - Merit-based Incentive Payment System
    - Amanda Attaway of Mayo Clinic Presenting
  - Looking Forward:
    - National Payment Innovation Summit
    - Annual National Institute
  - Resources Reminder

FY 2016 Steering Committee Members

- Philip Kane – Florida Blue
- Craig Kalman – United
- David Petruzzellis – Florida Blue
- Krista Gerdon – Mount Sinai Medical Center
- Mary Anne Jones – Priority Health
- Patricia Kohn – Chicago Health System
- Paula Lounder – UPMC

Today's Speaker

Amanda Attaway joined Mayo Clinic in 2014 as a Regulatory and Reimbursement Process Manager, Medicare Strategy Unit. She recently began serving in a dual role as Site Lead for the Division of Quality & Compliance, Audits & Appeals. Amanda serves as an enterprise regulatory and compliance liaison on matters involving Medicare and Medicaid regulation, accreditation, scope of practice, and the effects that federal and state regulatory changes have on the delivery and reimbursement of healthcare for government, commercial, and self-pay populations.

Prior to joining Mayo Clinic, Amanda served as the Director for Health Policy Research & Advocacy for the Illinois State Medical Society, Chicago, Illinois.

Amanda obtained her B.S. from Elmhurst College, Elmhurst, Illinois and will complete her M.S. in 2016. Amanda resides in Jacksonville, Florida.

Merit-based Incentive Payment System

HEALTHCARE PROVIDER REIMBURSEMENT TO COME

Disclaimer

Today's presenter discloses that she does not have any relevant financial conflicts impacting today's presentation.

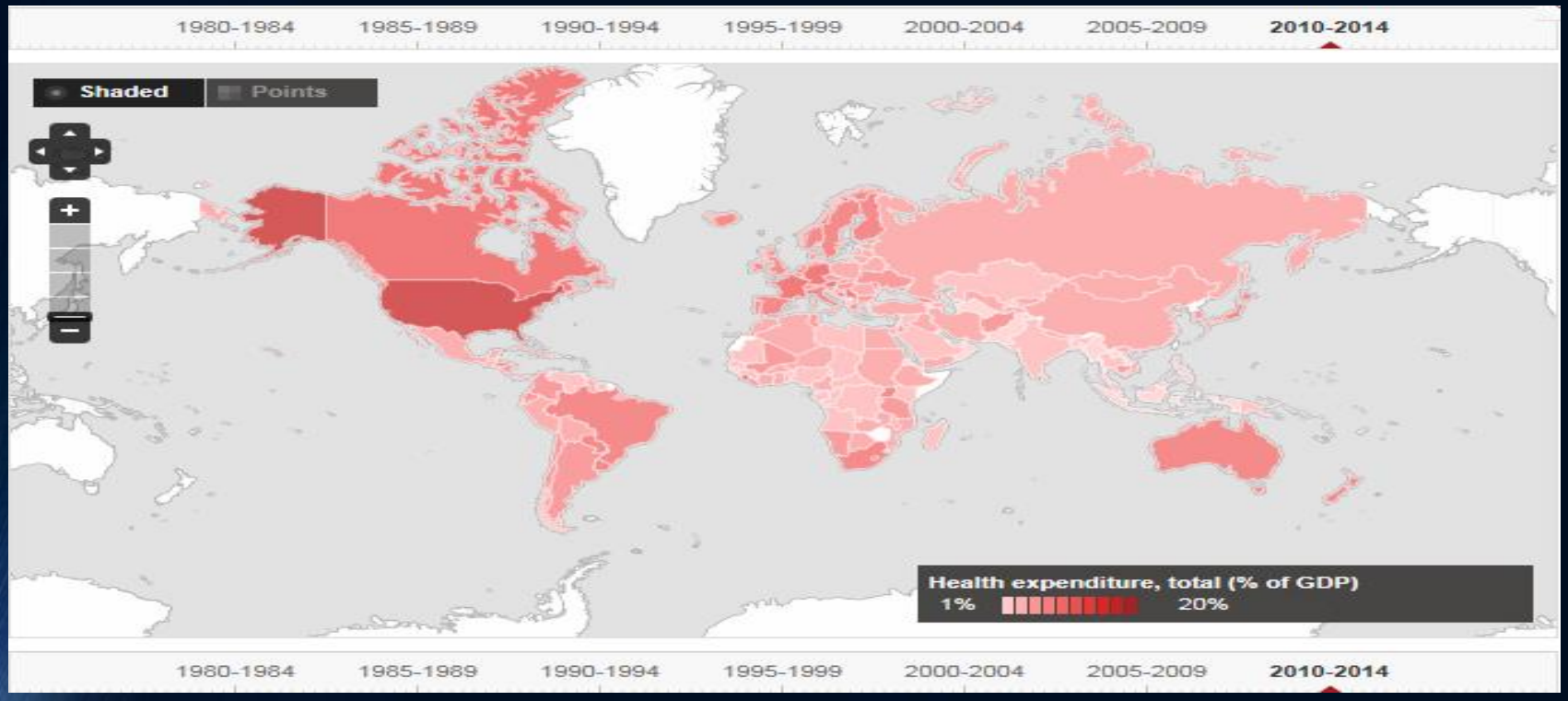
The presentation content does not reflect the opinions or views of Mayo Clinic or Mayo Clinic Health System.

Learning Objectives

After participating in today's presentation, participants should be able to:

- Review aspects of the Medicare Access and CHIP Reauthorization Act (MACRA) affecting future physician/provider reimbursement
- Describe features of the Merit-based Incentive Payment System (MIPS) and recite how providers will meet MIPS expectations
- Discuss an Alternative Payment Model (APM) to MIPS
- Explain assurances and concerns regarding the transition to MIPS

Healthcare as a Percent of GDP



World Health Organization Global Health Expenditure Database, 2015

Provider Reimbursement: Past and Present

- Sustainable Growth Rate (SGR), Fee-for-Service - 1997
  - Healthcare spending < GDP
  - Preservation of provider autonomy
  - Patch after patch

- American Recovery and Reinvestment Act (ARRA) – HITECH - 2009
- Affordable Care Act (ACA) - 2010
- Medicare Access and CHIP Reauthorization Act (MACRA) – 2015

Medicare Access and CHIP Reauthorization Act (MACRA) - 2015

- Provides base payment stability through 2019
  - Jan. 2015 – June 2015, rates stable
  - June 2015 – Dec. 2015, 0.5% update
  - Jan. 2016 – Dec. 2019, 0.5% update annually
  - Jan. 2020 – Dec. 2025, 2019 payment rates
- Year 2026 and beyond
  - Participation in APM = 0.75% annual update to CF
  - No participation in APM = 0.25% annual update to CF

RVU changes can still occur. MIPS/APS does not apply to low volume providers.

MACRA Routes for Incentives/Penalties

- Creates two routes for incentive payments/penalty adjustments
  - Merit-based Incentive Payment System (MIPS)
  - Alternative Payment Model/Structure (APM/APS)

- Penalties associated with MIPS and APM
  - MIPS = penalty/incentive % of allowable charges
  - APM = risk (potential shared savings/losses)

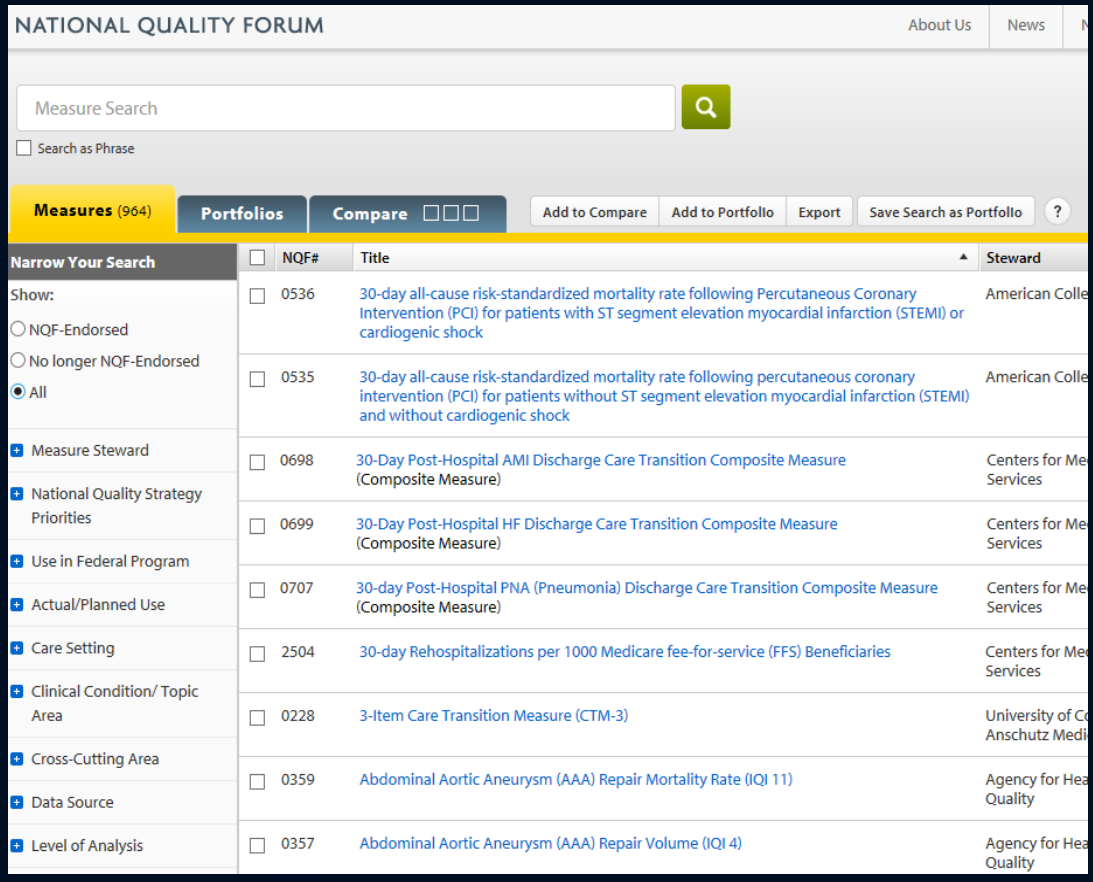
Merit-base Incentive Payment System

- Consolidates Meaningful Use (MU), Physician Quality Reporting System (PQRS, PQRS-GPRO), and Value Based Payment Modifier (VBM) into one program
  - Assigns composite score to eligible individual NPI

- Performance Improvement
  - Four categories comprise composite score
    1. Quality
    2. Resource Use
    3. Clinical Practice Improvement
    4. Meaningful Use of ONC-certified electronic health record technology

Quality (30% weight)

- Group reporting option
  - Similar to PQRS-GPRO
  - Clinical data registries
- Based on National Quality Forum (NQF) measures



Resource Use (30% weight)

- Measures-based
- Typically links type of provider to patient
- Algorithms identify condition and comorbidities of patients
  - Chronically-ill
  - Risk adjusted for sicker patients

Clinical Practice Improvement (15% weight)

- Expanded access (same day appointments)
- Population health management
- Care coordination (telehealth)
- Beneficiary engagement (shared-decision making, self-management training)
- Patient safety/practice safety (checklists, problem lists, medication reconciliation)

MU Category: Electronic Health Record (25% weight)

- Multi-user data repository
- Data integrity
  - Reputational risks to patient and provider
  - Auditability
- Interoperability (ETA 2018)
  - State/national health information exchanges
  - Discoverability
  - Accountability for all participants (providers, patients, payers et al.)

MU: Electronic Health Record

- All ONC-certified EHRs must be fully interoperable by 2018
  - Send, query, and receive
  - Clinical summaries, problem lists
  - Structured data standardized data
  - Is data consistent across multiple practices and health systems?

Penalties Associated with MIPS

- CMS sets Mean Composite Score for all eligible professionals (year prior), resets every year.

- Eligible professionals may achieve:
  - Incentive payments
    - Eligible professional's composite score is above mean
    - May earn 4-9% in incentive payments based on Medicare allowable charges
  - No incentive/penalty
    - Eligible professional's composite score is equivalent to the mean
  - Penalty adjustments
    - Eligible professional's composite score below the mean
    - The farther the deviation from the mean the higher the penalty

MIPS Penalty Adjustment Caps

Maximum penalties:

- 4% for 2019
- 5% for 2020
- 7% for 2021
- 9% for 2022 and beyond

Alternative Payment Model/Structure

- Second route to incentive payments
- Majority of programs = risk-based
- Examples of APM'
  - Patient Centered Medical Home (PCMH)
  - CMS Innovations Center
    - Medicare Shared Savings Program (MSSP) or Accountable Care Organization (ACO)
    - Next Generation ACO (experienced participants)
    - Million Hearts Cardiovascular Program
    - Oncology Care Model
  - Medicare Demonstration Projects
  - Questions of flexibility, realistic benchmarks

Provider Reimbursement: Future

- Base payment rate = 2015 PFFS + 0.5% q. annually through 2019
  - Bonuses = MIPS or APS incentive payments
  - Penalties = max of 9%

- Will base + bonus exceed costs?
  - Patient population blending
  - Emerging technology
  - Increasing senior population
  - Decreased funding of Medicare

Affects on Reputation

- Physician Compare®
  - Data.Medicare.gov
  - Five Star Rating System (2016)
- CMS Virtual Research Data Center (VRDC)
  - Data.Medicare.gov
  - External entities (2015)
- National Provider Data Bank (HRSA)
  - Hospitals, professional societies, health plans, liability companies, QICs, federal agencies, state licensing and disciplinary authorities, DEA, OIG et al.
  - Hiring, contracting, and underwriting uses

Transparency Pros and Cons

- Accountability
  - Pursuance of quality and efficiency
  - Clean claims
  - Focus on getting it right
- Data
  - Population Management
  - Garbage in, garbage out = easily manipulated
  - Outliers
    - Chronically-ill
    - Aging population
    - Socioeconomic factors
- Discoverability
  - Must do something about "it"

Thank you!

Amanda Attaway

Mayo Clinic

Medicare Strategy Unit

(904) 953-1809

attaway.amanda@mayo.edu

Questions?

Thank you for joining us!

- **Save the date – HFMA's Annual National Institute**
  - June 26-29, 2016
  - Las Vegas, NV
  - HCEP Council meeting date to be determined
- **National Payment Innovation Summit**
  - February 10-12, 2016
  - Memphis, TN
  - More information: http://www.hfma.org/paymentsummit/

To register, please contact Marjorie Clare at mclare@hfma.org

National Payment Innovation Summit

The Healthcare Financial Management Association (HFMA) is proud to partner with the Health Care Incentives Improvement Institute, Inc. (HCI3) in offering this industry-leading event, also supported by the Catalyst for Payment Reform. This is the leading forum on the expansion of healthcare payment approaches, with special focus on innovative payment designs, including evolving ACO models, episode-based initiatives, and Medicare's proposed Comprehensive Care for Joint Replacement Program. Clinicians, payers, and providers will discover strategies for implementing value-based payment arrangements with both private and public sector payers.

More information: http://www.hfma.org/paymentsummit/

Resource Reminder

HCEP Web Page:
www.hfma.org/economicspro/

Health Plan Web Page:

http://www.hfma.org/healthplan/

GO BEYOND