Implementation of MACRA
The Medicare Quality Payment Program and Health Centers

Overview

In 2015, Congress passed the Medicare Access and CHIP Reauthorization Act (MACRA), which created the Quality Payment Program (QPP). The QPP will replace the Sustainable Growth Rate (SGR) as the annual update mechanism for Medicare providers paid on the Physician Fee Schedule, and will consolidate several Medicare initiatives geared towards quality improvement: the Physician Quality Reporting System (PQRS), the Medicare Meaningful Use Incentive Program, the Physician Value-Based Modifier Program.

Under the QPP, providers paid using the Physician Fee Schedule must choose one of two paths, which will determine how they will be paid: an Advanced Alternative Payment Model (APM) or the Merit-Based Incentive Payment System (MIPS).

Advanced Alternative Payment Model

According to CMS, "an Advanced Alternative Payment Model (APM) is a payment approach, developed in partnership with the clinician community, that provides added incentives to clinicians to provide high-quality and cost-efficient care. APMs can apply to a specific clinical condition, a care episode, or a population." To qualify as an APM under MACRA, a model generally must use Certified EHR Technology, report quality measures comparable to measures under MIPS, and bear financial risk in excess of a nominal amount. Examples of Advanced APMs for 2017 include the Next Generation ACOs and Medicare Shared Savings Programs Tracks 2 and 3. Participants in AAPMs will receive a lump sum payment from Medicare in the amount equal to 5% of last year's fee for service payments.

Merit-Based Incentive Program (MIPS)

Those providers paid on the Physician Fee Schedule who do not participate in a qualifying Advanced APM must participate in MIPS. All participating providers will receive a composite score, based on the data they submit in the following four areas: quality, cost, clinical practice improvement, and advancing care information (formerly known as meaningful use). Based on this score, participating providers may receive a payment bonus, a payment penalty, or no payment adjustment. The maximum negative adjustment will be 4 percent in 2019 (based on 2017 data) and increases to 9 percent in 2022. The following provider types would be subject to MIPS, as long as they are not participating in an AAPM or working directly for an FQHC or RHC: physician, physician assistant, nurse practitioner, clinical nurse specialist, certified registered nurse anesthetist.

Frequently Asked Questions

We have received several questions from health centers and PCAs about MACRA implementation. Some of those questions we have answers to, some we are waiting for additional information from CMS. We will continue to update this list as we learn more.

How does MACRA/ QPP impact FQHCs and their providers?
For FQHCs, it is important to note that **MACRA/QPP implementation will not impact your Medicare FQHC PPS payments.** Because health centers are paid their unique Medicare PPS and are not paid on the Physician Fee Schedule ("Part B") they will not be subject to MIPS and their payment methodology will not change. Health centers will be able to voluntarily report under the new MIPS, without incentive or penalty.

There is **one exception**: services that are billed ***outside*** of the FQHC benefit and billed to Medicare Part B separately ***are subject*** to MIPS. If you are not sure if your health center provides services outside of the FQHC benefit, please connect with your billing and coding staff.

What is the Low Volume Threshold?
For those FQHCs that have providers that bill Medicare Part B separately and outside of the FQHC PPS rate, those individual providers may be subject to MIPS. There is a low volume exception for providers that bill Medicare Part B less than $30,000 annually or see less than 100 Medicare patients. Individual providers whose Medicare volume is below these thresholds are not subject to MIPS.

CMS will soon be sending out letters to providers to let them know if they are eligible or not to participate in MIPS, based on the low volume threshold. Please be on the lookout for this important letter from CMS.

How does MIPS voluntary reporting work?
We are waiting for additional information from CMS on this.

When does the Quality Payment Program (QPP) start?
Providers will have an opportunity to pick their own pace in the QPP. Those that are ready can start January 1, 2017. Others that may not be ready have until October 2, 2017 to get started. Payment Adjustments begin January 2019.

What about the Medicaid EHR Incentive Program? Is that being wrapped into MIPS?
No, the Medicaid EHR Incentive Program remains intact. MACRA only consolidated the Medicare incentive programs into one quality program. If you are currently participating in your state's Medicaid EHR Incentive Program, you can continue to do so.

Can I participate in an Advanced APM as an FQHC?
FQHC visits can count toward a Qualified APM Participant's (QP) patient count and thus a participating FQHC could be eligible for the "bonus payments" in an APM model. Additional details are to be determined at the APM level and subject to CMS approval.

My state is looking to adopt MACRA to use in the Medicaid program. What does this mean for health centers in my state?
You will have to work with your state and Primary Care Association, as many of these details will be state specific. The information contained in this fact sheet applies to the federal rules in the Medicare program and states may choose to model their programs on these rules or make changes or amendments according to their own program.

For more information on the QPP and MIPS, check out CMS' new website on the program, including this fact sheet. You can also send your specific questions to CMS at QPP@cms.hhs.gov.