

## Medicare Need-to-Know

# Understanding the MACRA Final Rule

**F**or Medicare providers, 2017 is the year to begin ramping up for Medicare's Quality Payment Program (QPP). Final rules authorized in the bipartisan Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) will affect providers' Medicare payments beginning in 2019.

QPP is an intricate and complicated program. The good news is that the program's "pick your pace" component (see article on page 3) provides physicians with some flexibility in transitioning to performance reporting.

### A New Framework

In essence, QPP creates a new framework for rewarding physicians who provide higher quality care. Specifically, the program establishes two payment tracks: the Merit-based Incentive Payment System (MIPS) and the Advanced Alternative Payment Model (APM).

At its heart, the MIPS program consolidates three existing quality reporting programs (PQRS, VBM and Meaningful Use) into a single performance program. Providers who meet specified quality goals are eligible for an "exceptional performance adjustment" funded from a pool of \$500 million.

MACRA also creates new opportunities for physicians to develop and participate in alternative pay-



ment models such as accountable care organizations (ACOs), advanced primary care medical homes and new models that bundle payments for episodes of care.

To qualify as an alternative payment model under the MACRA statute, the model must use Certified EHR Technology, report quality measures comparable to measures under MIPS, and bear some degree of financial risk.

Physicians participating in an Advanced Alternative Payment Model are exempt from MIPS quality reporting and will receive a lump sum payment equal to 5 percent of the last year's fee for service payments.

It is expected that most physicians will follow the MIPS track until more Advanced APMs become available. With that in mind, the remainder of this article will focus on MIPS.

### How MIPS Works

Starting in 2017, physicians who provide Medicare Part B services and are not part of a recognized Advanced APM will participate in the MIPS program.

Payment adjustments are determined using evidence-based and practice-specific quality data. Based on 2017 performance, eligible providers will see a positive, neutral or negative adjustment of up to 4 percent for covered professional services furnished in 2019.

Performance in the following four categories will ultimately determine the performance score and payment rate:

**1. Quality** (replaces the Physician Quality Reporting System) — Providers must report on six quality

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# 5 Steps for Better Practice Workflow

**M**anage your workflow, or it will manage you. This is the mantra of practice management consultants everywhere.

The concept is certainly sound: Get everyone in the practice doing what needs to be done, when it needs to be done, and in an efficient manner.

Contrast this to inefficient workflow and all those times you're left waiting for someone else to do their job so you can do yours. The classic example is having to delay a procedure because the exam room wasn't stocked and you can't find a nurse.

Poor workflow isn't just tough on staff — it also spills over to patients. Think of the patient who signs in at the front desk and sits down, only to be called back three more times when staff requires additional information.

### Problems With Processes

Most workflow issues can be traced back to problems with *processes*, not with people. With poor processes, nothing is ready when it needs to be. With efficient processes, less time, effort and resources are required to produce the desired outcomes.

Whether it's patient check-in or handling refills, each process requires a series of steps that must be accomplished correctly, in the right order and at the right time. Consider these five steps for taming the workflow beast at your practice:

**1. Map your processes.** Pick a current process and create a flow map of exactly how it plays out. Begin at the point where the patient engages the process and then list all the steps in order of completion.

Map out the process on a whiteboard, stick post-it notes on the wall or simply sketch it out on paper to create a detailed description of the entire process. Identify bottlenecks and wasted time by measuring the cycle time of a process. This is often as simple as having a staff member

follow several patients through the entire process with a stopwatch at different times of the day.

**2. Challenge each step of a process.** You'll find that certain steps are simply a waste of time and energy. Throw those out and focus on the steps that add value to the process — these are the ones that produce good results every time. They are available whenever needed and can quickly adapt to fluctuations.

**3. Find and remove bottlenecks.** Understand that there are roadblocks that are episodic and those that are constant. For example, does tight staffing throw a wrench in things only when a key staff member calls in sick or takes vacation (episodic)? Or, do you feel the pinch at the same time every day (constant)?

If staffing is a constant problem, a possible solution would be to stagger staffing hours to create a late-afternoon nursing position so you always have end-of-the-day coverage without having to pay overtime.

**4. Agree on an improved process.** Once you see all the steps and the complexity of the process, you can begin thinking of ways to simplify and improve it. It might be something as basic as moving the steps in the process closer together — for example, changing the physical location of

people and facilities to reduce steps and facilitate communication.

Likewise, many processes can be improved by intelligent use of technology and automation. One example: Using an EHR to check drug interactions instead of having to leave the exam room to chase down a pharmacy reference.

**5. Help the new process succeed.** You can't mandate a new process and expect it to succeed. You must educate staff and equip them with all the information they will need. Utilize daily huddles to identify and prepare for any variations that may occur in the process that day.

Also, educate your patients about the new procedures. For example, if you need patients to verify their preferred pharmacy, post a sign in the exam rooms asking them to stop by the nursing station on the way out.

### Bottom-line Payoff

When you think through the time and money lost to chasing charts and responding to pharmacy calls, it should become clear that there is a bottom-line payoff to improving practice workflow.

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*Our professionals can help evaluate workflow in your practice and suggest efficiencies. Call us to learn more.*



# Medicare and the MACRA Final Rule

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measures, one of which must be an outcome measure. Quality measures will be selected annually and published by November 1 of each year.

*2017 Category Weight: 60 percent.*

**2. Clinical Practice Improvement Activities** (new category) — CMS has proposed a list of more than 90 CPIAs. Note that patient-centered medical homes will automatically receive full credit in this category. Clinicians who do not qualify for the automatic credit must attest to three high-weighted or six low-weighted activities — or a combination of both — to achieve a total of 60 points. *2017 Category Weight: 15 percent.*

**3. Advancing Care Information** (replaces the Medicare EHR Incentive Program) — This transition from the Meaningful Use program focuses on health information technology implementation. For full

participation in the ACI performance category, providers will need to fulfill these required measures for a minimum of 90 days:

- Security Risk Analysis
- e-Prescribing
- Provide Patient Access
- Send Summary of Care
- Request/Accept Summary of Care

*2017 Category Weight: 25 percent*

**4. Cost/Resource Use** (replaces Value-Based Modifier) — This category will be calculated from adjudicated claims by CMS. No data submission by clinicians is required. Primary care will be predominantly measured on Medicare spending per beneficiary (MSPB) and total cost of care. *2017 Category Weight: Counted starting in 2018, when it will increase to 10 percent for the performance period.*

## You'll Have Some Flexibility

The MIPS performance threshold in

2017 will be three out of a possible 100 points. This means eligible physicians will only need to score three points to avoid a negative payment adjustment in 2019. On the downside, failure to report even one measure or activity in 2017 will result in a negative 4 percent adjustment in Medicare payments in 2019.

There are also a variety of exemptions. For example, you'll be exempt from participation in the Quality Payment Program if your Medicare allowable charges are less than \$30,000 a year or you provide care for 100 or fewer Medicare fee-for-service patients in a year. Additional provisions provide allowances for low-volume practices.

MACRA has the potential to fundamentally change the way care is delivered in the United States. To stay in the game, Medicare providers will need to make 2017 a "learning year."

## MACRA Implementation Pick Your Pace

**O**ne of the most positive features of the MACRA Final Rule is that physicians have a degree of flexibility in implementation.

You can start collecting your performance data any time between January 1 and October 2, 2017. Whenever you choose to start, you'll need to send in your performance data by March 31, 2018. The first payment adjustments based on performance go into effect on January 1, 2019.

If you choose the MIPS track of the Quality Payment Program, you have three options:

**1. Submit something:** If you submit a minimum amount of 2017 data to Medicare (for example, one quality measure or one improvement activity), you can avoid a downward payment adjustment.

**2. Submit a partial year:** If you submit 90 days of 2017 data to

Medicare, you may earn a neutral or small positive payment adjustment.

**3. Submit a full year:** If you submit a full year of 2017 data to Medicare, you may earn a moderate positive payment adjustment.

Note that if you don't send in any 2017 data, you will receive a negative 4 percent payment adjustment.

If you choose the Advanced APM track, you can earn a 5 percent Medicare incentive payment in 2019 when you receive 25 percent of Medicare covered professional services or see 20 percent of your Medicare patients through an Advanced APM in 2017.

For providers participating in either MIPS or an Advanced APM, the cycle of the program works like this for the 2019 payment year:

**2017: Measure performance.** Record quality data and how you

used technology to support your practice. If an Advanced APM fits your practice, provide care through that model during the year.

**March 31, 2018: Send in performance data.** To potentially earn a positive payment adjustment under MIPS, send in data about the care you provided and how your practice used technology in 2017 by the 2018 deadline. In order to earn the incentive payment for participating in an Advanced APM, send quality data through your Advanced APM.

**Interim: Medicare provides feedback.** Medicare will provide feedback about your performance after you send your data.

**January 1, 2019: Payment Adjustment.** You may earn a positive MIPS payment adjustment or you could earn an Advanced APM incentive payment.

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## Are Your Practice Agreements Getting Dusty?

**Y**our practice probably hinges on a number of complex agreements that require periodic review and updating. These documents in particular demand your attention:

- Partnership agreements
- Employment agreements
- Deferred compensation agreements
- Real estate/tenant agreements
- Buy-sell agreements

### Watch for Triggers

Partnership and related agreements should be reviewed and updated whenever a new doctor joins or leaves the practice, or whenever the practice materially alters the way it does things. This could include changes in building ownership, the addition of new equipment or service

lines, or any substantive changes in practice policies.

Not only do these agreements need to be updated, but they should also be coordinated. Like tumbling dominoes, a change in one agreement can have an effect on the others.

### Review and Revise

While you're reviewing your documents, consider whether adding additional protections makes sense. For example, adding an arbitration clause to an employment agreement may lead to a more amicable parting in the event of trouble — and require far less time and money than litigation.

### Keep It Safe

If your practice is incorporated, consider renting a safe deposit box

in the corporation's name. Unlike one in your name, a corporate safe deposit box can't be sealed upon your death. Whoever holds authorized access can retrieve important papers without delay.

Which documents belong in the safe deposit box? For starters: deeds, titles and mortgages, employment contracts, and other important practice agreements.

Spending some time and money now to update your documents may save you a lot later when you don't have to hire a lawyer to represent you in a legal battle over a vague or confusing agreement.

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*Contact our office today for a review of your key practice agreements.*



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