



MEMORANDUM

TO: WSC Clients

FROM: Ross Airington

DATE: June 30, 2017

RE: Proposed Rule: CY 2018 Updates to the Quality Payment Program

Summary

The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) established the Quality Payment Program for eligible clinicians. Under the Quality Payment Program, eligible clinicians can participate via one of two tracks: Advanced Alternative Payment Models (APMs); or the Merit-based Incentive Payment System (MIPS). CMS began implementing the Quality Payment Program through rulemaking for calendar year (CY) 2017. This rule provides proposed updates for the second and future years of the Quality Payment Program.

Publish Date: June 30, 2017
Comments Due: August 21, 2017

Major Provisions

Advanced Payment Models

CMS proposes to maintain the generally applicable revenue-based nominal amount standard at 8 percent of the estimated average total Parts A and B revenue of eligible clinicians in participating APM Entities for QP Performance Periods 2019 and 2020.

For Advanced APMs that start or end during the Medicare Qualified Participant (QP) Performance Period and operate continuously for a minimum of 60 days during the Medicare QP Performance Period for the year, CMS is proposing to make QP determinations using payment or patient data only for the dates that APM Entities were able to participate in the Advanced APM per the terms of the Advanced APM, not for the full Medicare QP Performance Period.

The All-Payer Combination Option, which uses a calculation based on both the Medicare Option and the eligible clinician's participation in Other Payer Advanced APMs to conduct QP determinations, is applicable beginning in performance year 2019. Under MACRA, the Other Payer payment arrangement must either require the APM Entities to bear more than nominal financial risk if actual aggregate expenditures exceed expected aggregate expenditures, or be a Medicaid Medical Home Model. In this proposed rule, CMS proposes adding a revenue-based nominal amount standard in addition to the benchmark-based nominal amount standard that would be applicable only to payment arrangements in which risk is expressly defined in terms of revenue.

Merit-based Incentive Payment System (MIPS)

MIPS Weighting For 2018 Performance Year/2020 Payment Year:

- Maintain 60 percent weight for Quality
- Maintain 15 percent weight for Improvement Activities
- Maintain 25 percent weight for Advancing Care Information
 - Clinicians can use 2014 or 2015 certified electronic health record technology (CEHRT), with a bonus for using 2015 CEHRT
- Maintain zero weight for Cost; however, CMS seeks comments on introducing this category at 10 percent.

CMS proposes to implement facility-based measures for the 2018 MIPS performance period and future performance periods to add more flexibility for clinicians to be assessed in the context of the facilities at which they work. While this would be limited to clinicians who practice primarily in the hospital, CMS seeks to expand the program to other value-based payment programs as appropriate in the future.

Small Practices

For MIPS performance periods occurring in 2017, many small practices are excluded from new requirements due to the low-volume threshold, which was set at less than or equal to \$30,000 in Medicare Part B allowed charges or less than or equal to 100 Medicare Part B patients. For CY 2018, CMS is proposing additional flexibilities including:

- Implementing the virtual groups provisions;
- Increasing the low-volume threshold to less than or equal to \$90,000 in Medicare Part B allowed charges or less than or equal to 200 Medicare Part B patients;

- Adding a significant hardship exception from the advancing care information performance category for MIPS eligible clinicians in small practices; and
- Providing bonus points that are added to the final scores of MIPS eligible clinicians who are in small practices.

CMS believes that this flexibility will exclude about 134,000 clinicians from MIPS, adding to the already 800,000 clinicians already exempted from the program.