American Society of Anesthesiologists®

Medicare Access and CHIP Reauthorization Act (MACRA)

Background: Congress passed the Medicare Access and CHIP Reauthorization Act (MACRA) in April 2015. The legislation repealed the flawed Sustainable Growth Rate (SGR) formula and created a new Medicare physician payment system. In October 2016, the Centers for Medicare & Medicaid Services (CMS) finalized regulations on the new MACRA payment system. Under a unified *Quality Payment Program (QPP)*, MACRA establishes two pathways for participation: the Merit-based Incentive Payment System (MIPS) and Advanced Alternative Payment Models (APMs).

Although MACRA contained some positive features of payment reform, the legislation did not address anesthesiology's 33 percent problem – where Medicare currently pays anesthesiologists only about 33 percent of the average commercial insurance payment for the same service. Future legislative and regulatory activities may be needed to address this ongoing concern with Medicare's undervaluation of anesthesia care.

Wrapping Up PQRS and the Value-Based Payment Modifier

Previous programs used by CMS to assess quality and value included the Physician Quality Reporting System (PQRS), the Value-Based Payment Modifier Program (VM) and Meaningful Use of a Certified Electronic Health Record. Although their performance in these programs ended in 2016, physicians will see adjustments to their 2018 Medicare Fee-For-Service payments based upon their 2016 performance in these programs.

Merit-based Incentive Payment System (MIPS)

Beginning in 2017, Eligible Clinicians (ECs) participating in the MIPS pathway will be assessed and scored on four components:

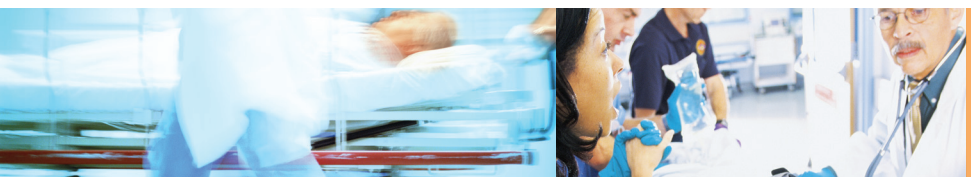
- Quality – Represents 60% of total composite score
- Cost – Temporarily represents 0% of total composite score but physicians will have access to their 2017 CMS assessment in this category
- Advancing Care Information – Represents 25% of total composite score
- Improvement Activities – Represents 15% of total composite score

Medicare will designate a composite score of 0-100 to each EC based on the EC's participation in each of these components. Medicare payments to ECs will be adjusted based upon how their score compares to a threshold score established by the Secretary of the U.S. Department of Health and Human Services. In 2017, the threshold score is three (3) out of 100 possible points.

CMS has implemented a "Pick Your Pace" reporting option for 2017. For the 2017 transitional year, only those ECs who do not submit any data to CMS will be subject to the -4 percent payment adjustment. Physicians have the option of submitting any data, partial year data (90-day minimum) or full year data to avoid payment penalties and perhaps earn a modest incentive.

Advanced Alternative Payment Models (APMs)

ECs will also be offered the opportunity to participate in new payment and delivery models or alternative payment models (APMs). Examples of APMs include certain Accountable Care Organizations (ACOs), Patient Centered Medical Homes and some bundled payment models. Qualified APM Participants (QPs) who successfully participate in advanced APMs are eligible for a special lump sum payment bonus. CMS predicts that most ECs will begin their QPP participation via MIPS as APMs are further developed, evaluated and their status established within the payment program.



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KEY POINTS:

- **Hold Physicians who attempted to participate in PQRS in 2016 harmless from PQRS and VM negative payment adjustments in 2018 –** ASA advocates that CMS provide a smooth transition for physician anesthesiologists entering the QPP via MIPS. The MIPS Pick Your Pace option allows physician anesthesiologists the opportunity to avoid any payment adjustment if they submit any acceptable data. Because of this threshold in 2017, we believe that the criteria for reporting in previous years should be similar. ASA advocates that CMS make provisions to hold physicians and their practices who attempted to report PQRS in 2016 harmless from any PQRS penalties in 2018. Because the VM is tied to PQRS participation, CMS should also hold physicians harmless from any negative VM adjustment and instead only maintain neutral and positive VM payment adjustments.

- **Continuation of the Pick Your Pace Option for MIPS reporting in 2018 –** CMS made the right decision in creating a Pick Your Pace option for 2017 performance year. Their decision has allowed physician anesthesiologists and their practices to better understand the new program and make appropriate decisions on their participation. ASA continues to have concerns with how physicians will be scored across several MIPS categories. CMS should continue the Pick Your Pace option in 2018 and spend additional time assessing if MIPS scoring truly reflects the quality and cost of care physician anesthesiologists provide to patients each day.

- **CMS should designate the MIPS Cost Component as 0% of the Composite Performance Score in 2018 –** Citing the need for adequate and useful data, CMS set the MIPS Cost Component Score at 0% for performance year 2017. Physician anesthesiologists and their practices would be able to see their scores from CMS in late 2017 to assess how they may have been scored. Because CMS has been delayed in finalizing many materials for MIPS and in notifying physician anesthesiologists of their eligibility in the QPP, ASA has concerns regarding whether CMS will have sufficient time to appropriately and accurately score physicians in the MIPS Cost Component this year. We therefore believe that CMS should delay scoring the MIPS Cost Category in 2018.

- **CMS should develop Advanced APMs that take into consideration how all specialties, including physician anesthesiologists, can successfully participate.** ASA recognizes that CMS desires that physicians migrate from receiving assessments and payments via the MIPS pathway to the Advanced APMs pathway of the QPP. However, neither the MACRA legislation nor CMS regulation recognize that some specialties who have traditionally worked in a Fee-for-Service environment are at a competitive disadvantage in joining Advanced APMs. CMS should encourage broader development and endorse Advanced APMs that better incorporate specialists.

- **Recognition of the Role of Physician Anesthesiologists –** Physician anesthesiologists are the common pathway for patients undergoing any procedure that requires anesthesia care, serving a vital role in a patient's medical care and making decisions to protect and regulate critical life functions. They serve as the patient's advocate and diagnose and treat medical problems or complications that may arise before, during and after surgery. Physician anesthesiologists also diagnose and treat acute and chronic pain. As such, they are positioned to drive improvements in quality and efficiency across a broad range of services. CMS should implement MACRA in a way that recognizes this key role. CMS should provide the means for physician anesthesiologists to be accurately and fairly scored in MIPS.

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