

What's New?

- On August 21, 2017, Presence Health filed comments on the Quality Payment Program rule (letter is available below under *Presence Health Resources*).
- Presence Health supported the following components of the proposed rule in our comments:
 - Expanded opportunities for bonus points under the Merit-Based Incentive Payment System (MIPS) scoring methodology for both advance EHR technology and complex patient care.
 - Combining commercial and Medicare Alternative Payment Model (APM) to quality for an advanced APM.
 - Decreased risk in medical home models to 2 percent from 2.5 percent.
- Presence Health identified the following areas of concerns in our comments:
 - Reconsider design of virtual groups to align with health systems and propose administrative reimbursement costs
 - Increase the low-volume threshold for MIPS system and provide additional pathways for participation
 - Implement gradual increase in the percentage of the cost category when weighing the MIPS composite score
 - More incentives for APMS including expanded definition of financial risk and update existing models to quality as advanced APMs
- On June 30, 2017, the Centers for Medicare & Medicaid Services (CMS) issued proposed changes to the Quality Payment Program (QPP) rule as part of the implementation of the provisions of the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA).

What's the issue

- The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) is bipartisan federal legislation signed into law on April 16, 2015. The law does many things, but most importantly it created a new Medicare approach to paying clinicians for the value and quality of care they provide.
- At its most basic, MACRA repeals the sustainable growth rate — a series of Congressional fixes responsible for adjusting Medicare expenditures and provider reimbursement — and authorizes HHS to implement value-based initiatives aimed at improving care access for Medicare and CHIP beneficiaries.
- The MACRA law requires the Centers for Medicare & Medicaid Services (CMS) to implement, by 2019, a new two-track payment system for physicians and other eligible professionals.
- CMS has said it was guided by the same principles underlying the bipartisan legislation itself:
 - streamlining and strengthening value and quality-based payments for all physicians;
 - rewarding participation in Advanced APMs that create the strongest incentives for high-quality, coordinated, and efficient care; and
 - giving doctors and other clinicians' flexibility regarding how they participate in the new payment system.

Why does it matter?

- Currently, Medicare measures the value and quality of care provided by doctors and other clinicians through a patchwork of programs. The new MACRA regulations will eliminate the sustainable growth formula and replace it with a .5 percent annual rate increase through 2019, after which physicians are encouraged to shift to one of two programs. These programs have now been streamlined into a framework to help clinicians transition from payments based on volume to payments based on value.

What is the Presence Health perspective?

- **Streamline with caution.** Presence Health recognizes that the US health care system is evolving and taking on a whole new set of considerations, and we appreciate that MACRA's intent is to reduce health care spending and overall utilization by rewarding providers for improved quality and outcomes. However, CMS' new physician payment policies in the proposed rule are certain to present challenges for our Presence Health hospitals and physicians.
- **Concerns about readiness.** Significantly, the proposed rule represents a profound change to physician compensation and our hospital system will face a tight timeline to implement the new mandates and adjust to a new performance scoring methodology. Importantly, the timeline for providers like us to prepare for the new reporting and compliance is very short and there will be many changes to make.
- **Concern for our physicians.** Due to likely delays in software upgrades to meet the new mandates, the proposed scoring methodology also has the potential to cause some of our physicians to fail to meet the base score. Presence Health has over 5,000 physicians, both employed and contracted, so we will bear substantial costs from implementation of and ongoing compliance with the new physician performance reporting requirements, as well as be at risk for any payment adjustments.