athenainsight

Today's data. Tomorrow's healthcare.

athenainsight.com

Two paths ahead for MACRA and QPP

By Stephanie Zaremba | November 14, 2017

Americans swept up in the nation's opioid epidemic often find treatment options at either end of society: methadone clinics in back alleys or exclusive, high-end inpatient facilities.

CMS released its final rule for the 2018 Quality Payment Program under MACRA a couple of weeks ago, and it was largely well-received, for reasons that aren't surprising: It contains significant exemptions that ease the transition for providers in year two of the program.

For the better part of two years now, CMS has been trying to prove to clinicians that it is not trying to regulate them out of existence. This rule was yet another data point — a way for CMS to show that it understands the unsustainable weight of the administrative burden it places on clinicians.

More providers than ever before are getting a full pass on pay-for-performance in 2018, and even those that are required to participate have a path that is only marginally more difficult than this year — and a far cry from what QPP would entail if implemented exactly as Congress outlined it in the 2015 MACRA law.

Is all that too good to be true? There may, in fact, be another shoe waiting to drop. The answer all depends on what CMS has planned for regulatory reform going forward. There are two potential scenarios that could play out in future years.

Option 1: Regulatory avoidance, not reform

The first path is the one that has occasionally kept me up at night since MACRA was enacted, and it goes like this: The current state of QPP flexibility — which is really more regulatory avoidance than reform — never turns into true reform. The law is too complex and the penalties too high to ever be fully implemented, leaving us in exactly the same place as the Sustainable Growth Rate method that MACRA was intended to replace — stuck with a regulatory scheme that's broken and in need of replacing.

You may recall that when CMS first proposed rules implementing the QPP in the spring of 2016, there was nearly unanimous outcry over its burden and complexity. CMS's own regulatory impact analysis revealed that 87 percent of small practices and

about 45 percent of clinicians overall would face negative payment adjustments, and the total anticipated penalties for all clinicians in year one of the program were over $800 million. This was a politically untenable situation, but it was also the law implemented pretty much exactly as Congress had outlined.

The discretion we saw continued in the recently released 2018 final rule is time-limited. By law, CMS cannot continue this flexible transition period forever. And if this option plays out to completion, the "too good to be true" scenario will become unsustainable. CMS will have to continue inflating the low-volume exemption thresholds and implementing artificial scoring boosts for small practices just to keep QPP from crippling them.

As it stands, there are already nearly as many clinicians exempted from the program as subject to it. This will continue to distort the penalty pool of this budget-neutral program, so the potential financial upside for participants will never justify the significant burden when all of the performance requirements are fully implemented.

Option 2: A sustainable path forward

The second path is more auspicious: The current flexibility might be merely a pause while CMS works internally and with Congress to establish a sustainable path forward.

Yes, CMS must ramp up its implementation of the QPP, but there are many opportunities where the agency can truly streamline and align requirements, modernize its own systems, and provide clinicians with data to enable success. Small practices do not need handouts, artificial boosts, or bailouts; they only need a program that can be managed without five full-time employees dedicated to quality reporting (as the American Hospital Association recently reported the average community hospital requires).

If the agency can make good on its promise to truly reduce regulatory burden, QPP will eventually become more difficult for providers to perform and successfully attest, but it will be a useful kind of difficulty — the type that focuses clinicians on meaningful patient care and incentivizes information technology to be a value-add, not a distraction. This sort of reform is a tall order, no doubt. But without it, the broader transformation to a value-based healthcare system may never materialize.

Stephanie Zaremba is director of government affairs at athenahealth. For more on MACRA and MIPS, visit athenaInsight's Quality Payment Program Field Guide or access athenahealth's on-demand webinar, MACRA basics explained.

Stephanie Zaremba is director of government affairs at athenahealth. For more on MACRA and MIPS, visit athenaInsight's Quality Payment Program Field Guide or access athenahealth's on-demand webinar, MACRA basics explained.