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The MACRA rule: The drive toward value continues

By Stephanie Zaremba | June 29, 2017

In late June, the Centers for Medicare and Medicaid Services published its proposed Quality Payment Program rule for 2018 — the 1,000-plus pages of requirements clinicians will have to follow next year to avoid a payment penalty under the Medicare Access and CHIP Reauthorization Act, or MACRA. A final rule is expected in the late fall, but these proposals are a great way to gauge the intended direction of this administration.

The bottom line is that CMS, under the Trump Administration, seems committed to steering the industry — slowly — toward value-based reimbursement. For providers in the trenches, that should be an incentive to start lining up support and putting processes in place.

Here are the top five takeaways:

1. Flexibility through the transition will continue

In 2016, when CMS released its first iteration of the MACRA proposed rule, the industry was more or less in a state of panic — the requirements were not just difficult but overwhelmingly complex. When CMS responded with a pared down final rule, the industry breathed a sigh of relief at the flexibility and penalty avoidance CMS included.

It is fair to say that the industry breathed a similar sigh of relief at this year's proposed rule as well. CMS, under new leadership, is electing to double down on the previous administration's commitment to flexibility and easing clinicians into the new Quality Payment Program.

The "pick your pace" policy will continue, and though the specifics will differ a bit from this year, the basic premise remains: Clinicians can report small amounts of data to merely avoid a payment penalty, or they can be ambitious, report more robust data, and strive for bonus payments.

2. Unfortunately, penalty avoidance will be the name of the game for many

In 2018, avoiding penalty will require slightly more action than in 2017, but the bar is still quite low. In 2017, clinicians can avoid a penalty by reporting a

single measure within one category. For 2018, CMS is proposing that a penalty can be avoided by reporting on one whole category. But the "pick your pace" options provide a variety of ways to ensure Medicare reimbursements remain neutral. There will also be more nuanced options for clinicians in different care settings — such as small groups or facility-based providers — to avoid penalties.

And so for many clinicians, the path of least resistance will naturally be to figure out the bare minimum that needs to be done under MACRA so that attention can again turn to where it belongs: patients.

But this leaves valuable money on the table. With the chaos of health reform swirling in Washington, the future of reimbursement looks more uncertain than ever. This makes it essential that clinicians seek the right partners for success. Whether it is an internal team, an outside consultant, or a health IT vendor, now is the time to make sure clinicians have expertise and administrative support in their corner to help get the most possible money out of MACRA (not just baseline penalty avoidance), while still maintaining their focus on patients.

3. Newer technology is incentivized but not required

Longtime participants in the EHR Meaningful Use program, the predecessor to MACRA, are quite familiar with the certification two-step: The government sets a deadline for implementation of an EHR that is certified the next iteration of government requirements, providers complain, and at the eleventh hour, the government relents and punts the deadline.

Like clockwork, CMS in its proposed rule signaled that a 2015 edition-certified EHR, originally required for January 1, 2018, will not be necessary to avoid penalties. For the first time, though, there is good news for the good doobies who were already on track to meet the January deadline. Use of the newer version EHR will earn ACI category bonus points to offset the challenges of reporting these newer requirements.

4. Virtual groups will finally have their day

When Congress passed MACRA, it introduced a revolutionary concept. Solo practitioners and small group practices would be able to band together in "virtual groups" and perform jointly without sacrificing their organizational independence. For clinicians in rural areas or those fiercely resisting the trend toward employment in healthcare, the ability to pool administrative resources and essentially share risk under MACRA is a huge opportunity.

After delaying implementation of virtual groups in 2017, CMS will accept virtual group performance in 2018. For solo practitioners or members of groups with 10 or fewer clinicians, the time to start considering the virtual group option is now.

5. The long-term form MACRA will take is still unclear

Without question, the 2018 MACRA proposed rule is full of good news and policy that is trending in the right direction in terms of simplifying requirements and focusing on outcomes. But this highlights a deeper problem: The growing gap between CMS's MACRA rules and what is required in the actual legislation. CMS is exercising a large degree of regulatory discretion by waiving what the law requires to ease clinicians through this change.

It has done so with Congress's implicit approval. But with the popularity of the flexible "ease-in period," it is unclear if CMS will ever be able to fully implement MACRA as Congress initially intended it.

And if not, Congress will have to act to revise the legislation, risking putting us back at square one in the transformation to value-based care.

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