2017 is the first reporting year for Quality Payment Programs under MACRA which include the Merit Based Incentive Payment System and Alternative Payment Model.

All clinicians who annually bill medicare for $30,000 or more and see 100 or more medicare patients, and are not in the first year of medicare reporting are subject to this program.

MACRA, currently, only affects medicare fee schedule payments.

Clinicians will fall under three categories that will determine their medicare payment adjustment in 2019:

<table>
<thead>
<tr>
<th>MIPS Track</th>
<th>+- 4% payment Adjustment</th>
<th>Most physicians will fall in this category in 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced APM</td>
<td>5% bonus payment 2019-2024. Will be exempt from MIPS</td>
<td>CMS estimates that between 30,000 and 90,000 clinicians will qualify for Advanced APMs in 2017</td>
</tr>
<tr>
<td>Partial Qualifying Providers or MIPS APMs</td>
<td>No bonus payment. Can participate in MIPS or opt out of the MIPS program</td>
<td></td>
</tr>
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• 2017 is the first reporting year for Quality Payment Programs under MACRA which include the Merit Based Incentive Payment System and Alternative Payment Model.

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• Clinicians will fall under three categories that will determine their medicare payment adjustment in 2019:
Who will Participate in MIPS?

Affected clinicians are called “MIPS eligible clinicians” and will participate in MIPS. The types of Medicare Part B eligible clinicians affected by MIPS may expand in future years.

Year 1 and 2
Physicians, PAs, NPs, Clinical nurse specialists, Certified registered nurse anesthetists

Year 3+
Physical or occupational therapists, language pathologists, Audiologists, Nurse midwives, Clinical social workers, Clinical psychologists, Dietitians / Nutritional professionals

Secretary may broaden Eligible Clinicians group to include others such as

Note: Physician means doctor of medicine, doctor of osteopathy (including osteopathic practitioner), doctor of dental surgery, doctor dental medicine doctor of podiatric medicine, or doctor of optometry, and, with respect to certain specified treatment, a doctor of chiropractic legally authorized to practice by a State in which he/she performs this function.
Who will NOT Participate in MIPS?

There are 3 groups of clinicians who will NOT be subject to MIPS:

1. First year of Medicare Part B participation
2. Below low patient Volume threshold
3. Certain participants in Advanced Alternative Payment Models

Medicare billing charges less than or equal to $30,000 and provides care for 100 or fewer Medicare patients in one year

Note: MIPS does not apply to hospitals or facilities
Practices can "Pick-your-Pace" from Four Options:

CMS's inclusion of a "pick-your-pace" policy gives physicians choices as to how fast they proceed and includes an optional 90-day reporting period in 2017.

a: Test the program by submitting a minimum amount of data, such as one quality measure or one improvement activity, to avoid a negative payment adjustment;

b: Submit 90 days’ worth of data to earn a neutral or small positive payment adjustment; or

c: Submit data for all of 2017 to receive a "moderate" positive payment adjustment.

d: Advanced APM – If you receive 25% of Medicare Part B payments or see 20% of your Medicare patients through an Advanced Alternative Payment Model in 2017, then you earn a 5% incentive payment in 2019.

• Providers who are ready to begin participating in the programs can start collecting performance data on Jan. 1, 2017. Providers who are not yet prepared to participate have until Oct. 2, 2017, to begin collecting performance data. Participating providers must submit all data, regardless of when collection began, to CMS by March 31, 2018.

• Providers who qualify for the program but do not participate in the APM or MIPS paths will receive a 4 percent negative payment adjustment.
CMS estimates that about 500,000 clinicians will be eligible to participate in MIPS in its first year.

The program combines all pay for performance programs such as Meaningful Use, Value Based Modifier and PQRS under one umbrella. The single program contains four performance categories: quality, advancing care information, improvement activities, and cost. A physician’s performance in these four categories will determine their performance score and their payment rate. “One of the biggest changes presented by the final rule is the reweighting of the MIPS performance categories. Quality is now worth 60% of the MIPS Composite Performance Score (MIPS CPS), and the Cost Performance Category (previously called Resource Use) is now going to be weighted for 0 for the 2017 performance period.
The MIPS performance threshold in 2017 will be three out of a possible 100 points. This means that eligible physicians will only need to score three points to avoid a negative payment adjustment in 2019. CMS estimates that more than 90% of MIPS-eligible clinicians will receive a positive or neutral payment adjustment in the transition year.

Eligible clinicians who achieve a final performance score of 70 or higher will be eligible for a portion of the “exceptional performance adjustment,” funded from a pool of $500 million.

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>• Report on six quality measures, one must be an outcome measure. CMS has reduced this from 9 quality measures in the proposed rule. Quality measures will be selected annually and published by November 1 each year.</td>
</tr>
<tr>
<td>Advancing Care Information</td>
<td>• Transition from the Meaningful Use Program.</td>
</tr>
<tr>
<td></td>
<td>• Eligible physicians need to report only four required measures in 2017 for full participation in this category, and can report for at least 90 days. Previously it was 18 measures and full year reporting.</td>
</tr>
<tr>
<td>Improvement Activities</td>
<td>• MIPS eligible physicians in a practice certified as PCMH* will receive the highest potential score in this category. By 2017, to achieve full credit in this category, a physician must perform four medium weighted or two high weighted activities.</td>
</tr>
<tr>
<td></td>
<td>• For small practices, rural practices, or practices located in geographic health professional shortage areas (HPSAs), MIPS-eligible physicians are only required to report one high-weighted or two medium-weighted activities for full participation.</td>
</tr>
<tr>
<td>Cost or Resource Use (begins in 2018)</td>
<td>• This category will be calculated from adjudicated claims by CMS, and no data submission by clinicians is required.</td>
</tr>
<tr>
<td></td>
<td>• In performance period 2017, this category has been reweighted to 0%. The percentage for this category will increase to 10% for performance period year two.</td>
</tr>
</tbody>
</table>
To be eligible for the Advanced APM track and receive a 5 percent incentive payment, eligible professionals will need to receive 25 percent of their Medicare-covered services through Advanced APMs or see 20 percent of their Medicare patients through Advanced APM in 2017.

CMS said it expects the following models to qualify as advanced APMs under the program for the 2017 program year:

a. The Comprehensive End Stage Renal Disease Care Model;
b. The Comprehensive Primary Care Plus (CPC+) model;
c. The Next Generation Accountable Care Organization (ACO) Model
d. Medicare Shared Savings Program (MSSP) Tracks 2 and Track 3

CMS estimates that between 30,000 to 90,000 clinicians in 2017 will participate in and qualify for incentive payments under the APM path.
Partial Qualifying Providers (Partial QPs)

- In 2017, some APMs will not meet requirements to become an advanced APM. Providers participating in such APMs, also known as Partial Qualifying providers, won’t get the 5% bonus payment but they can opt out of MIPS.

- Partial QPs would have to be participants in an advanced alternative payment model (APM). In the first year of the program, they would have to receive 20%-25% of their Medicare payments and 10%-20% of their patients from advanced APMs, and those percentages would rise after that.

- If partial QPs decide to stay in MIPS, they would enjoy many benefits, such as not having to report MIPS quality measures, because APMs report 33 measures already. Presumably, QPs’ greater familiarity with metrics means they might become high performers in MIPS and thus could win hefty bonus payments.
Flexibilities for Small Practices

- “Pick your pace” option for the transition year 2017 is a welcome relief for small practices. The easiest of which providers can meet is to report a single metric.

- With the expansion of low volume threshold to $30,000 in Medicare payment from $10,000 many small practices will be exempt from MIPS in 2017.

- CMS has set aside 20 million to train and educate Medicare-eligible physicians in practices of 15 clinicians or fewer working in underserved areas on MACRA. Also, CMS says it will conduct outreach to these small practices to help them prepare for the transition.

- In the various areas that comprise the MIPS pathway, such as the improvement category, small practices also will be graded on a scale. For example, while normal-sized practices are required to conduct six medium-weighted improvement activities or three high-weighted activities, small practices are required to conduct only one high-weighted activity or two medium-weighted activities.
Practice without Boundaries

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