VOLUME TO VALUE:

The Physician Practice's Alphabet Soup

BY DANIEL K. GLESSNER, CHC, AND NICOLE THORNE

PRACTICING MEDICINE IN the current times often requires a substantial amount of reading to keep up with the regulatory requirements. However, many consumers are demanding more value from their health care. Through the Centers for Medicare and Medicaid (CMS), the Department of Health & Human Services (HHS) institutes the quality-based programs that tie physician reimbursement to that value. The challenge is that the quality program requirements are often difficult to interpret and even harder to implement.

For many physician practices, programs like Physician Quality Reporting System (PQRS), Meaningful Use (MU) and Value-Based Payment Modifier (VBPM) began to overlap and in some cases conflict. Enter MACRA. The Medicare Access & CHIP Reauthorization Act of 2015 was voted into law and consolidated these programs. It also replaced the former Sustainable Growth Rate (SGR) that most physician practices found anxiety-provoking each December. With value still the goal, physician practices are all now working under one program.

Part of the transition to value requires a practical and staggered approach away from volume-only reimbursement to reimbursement based on quality performances. Merit-Based Incentive Payment System (MIPS) combines these former programs, PQRS, MU, and VBPM. MIPS is a points-based scoring system and includes four categories: Quality (60%), Resource Use/Cost (0%), Clinical Practice Improvement Activities (15%), and Meaningful Use of Certified EHR Technology (25%).

Based on a provider's score in these categories, subsequent year's Medicare payments are subject to a 4% adjustment, positive or negative. MIPS is a budget-neutral program, meaning that payment increases will be available only when some eligible providers are subject to a downward or negative adjustment. With each successive year, those potential adjustments will increase, and by 2022, providers will be at risk for up to a 9% payment adjustment, positive or negative.

All billing practitioners in physician practices are eligible and expected to participate in MIPS. Those include physicians, nurse practitioners, and physician assistants. There are only a limited number of exceptions for participation and pertain to insufficient Medicare volume, alternative payment model participation and new enrollment in Medicare. Other exempted groups include non-patient facing clinicians such as radiologists or pathologists.

Alternative Payment Models (APM's) are government programs under which physician practices may participate, and in some cases earn a bonus, while taking on some financial risk when their performance does not meet expected goals. Each model has specific and typically more complex requirements that tie quality to reimbursement. Some examples of an APM are the Comprehensive Primary Care Plus (CPC+) initiative, and the Medicare Shared Savings Programs (MSSP). Participation in an APM is not mandatory but can have some MIPS scoring advantages.

While the acronyms continue, the good news is that physician practice reporting is now consolidated under one program, and practices are no longer exposed to the annual December legislative debate under the SGR and the associated Medicare Physician Fee Schedule impacts.

NOTE: This article is intended to provide an overview of the law and not intended to provide legal or other guidance.

Daniel Glessner is Co-Chair, Brouse McDowell Practice Group, and Nicole Thorne is Law Clerk, Brouse McDowell, in Akron, OH. ■

The unexpected. Take a closer look with Brouse McDowell.

See past the day to day and focus in on today's larger industry challenges.

Brouse McDowell knows business and health care law. We can help you negotiate deals and contracts while navigating compliance and regulatory changes – to name a few.

Discover how we can help turn your obstacles into opportunities.

BROUSE McDowell®

A Legal Professional Association

AKRON | CLEVELAND | YOUNGSTOWN | LORAIN COUNTY

www.brouse.com