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MACRA Final Rule Continues Gradual Transition and Provider Flexibility for 2018

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On November 2, the Centers for Medicare and Medicaid Services (CMS) released the final rule implementing policies for Year 2 (2018) of the Quality Payment Program established under the Medicare Access and CHIP Reauthorization Act (MACRA). CMS states that the final rule is intended to maintain a gradual transition while preparing clinicians for full implementation in Year 3, provide greater flexibility to help reduce clinician burden, and offer new incentives for participation in Advanced Alternative Payment Models.

Background and Analysis: Under the Quality Payment Program, eligible clinicians can participate via one of two tracks: Merit-based Incentive Payment System (MIPS) and Advanced Alternative Payment Models (APMs).

The final rule keeps many of the transition year policies, finalizes many of the proposed policies from the 2018 MACRA proposed rule, and enacts certain additional minor changes. [Click here](#) to read our background on MACRA and the proposed rule for 2018.

Key MIPS Changes for 2018:

- Changes the performance threshold to 15 points, from three points in Year 1. The performance threshold represents the score that is needed to receive a neutral to positive payment adjustment for the year. A score above the performance threshold will result in a positive payment adjustment, whereas a score below the performance threshold will result in a negative payment adjustment.
- Reweights the MIPS Cost Performance Category to ten percent and the Quality Performance Category to 50 percent of the total MIPS score, from their original weights of zero percent and 60 percent, respectively. In addition, the performance period for the Quality category will be extended from a 90-day minimum to a full 12 months.
- Includes new bonus adjustments under MIPS, including up to five bonus points for the treatment of complex patients and five bonus points to the final scores of small practices.
- Increases the low-volume threshold exempting small practices from MIPS participation from $\leq \$30,000$ in Medicare Part B allowed charges OR ≤ 100 Medicare Part B patients to $\leq \$90,000$ in Medicare Part B allowed charges OR ≤ 200 Medicare Part B patients.
- Eliminates the requirement for eligible clinicians to use the 2015 Certified Electronic Health Record Technology (CEHRT) and allows the use of either the 2014 or 2015 Edition CEHRT, while offering bonuses for providers that only use the 2015 Edition CEHRT.
- Creates a "virtual group" reporting option, allowing eligible clinicians to pool the information on how they care for patients to be reported and evaluated under the Quality Payment Program.
- Provides exemptions for clinicians affected by hurricanes Harvey, Irma, and Maria. The Quality, Advancing Care Information, and Improvement Activities performance categories are automatically reweighted at zero percent of the final score for clinicians impacted by Hurricanes Irma, Harvey, and Maria and other natural disasters. In addition, clinicians can be automatically exempt from these categories in the transition year, without submitting a hardship exception application, if they were affected by hurricanes Harvey, Irma, and Maria during the 2017 MIPS performance period.

Key Advanced APMs Changes for 2018:

- Extends the risk minimum for clinicians to qualify for Advanced APMs by two years through the 2020 performance period. Under the current risk minimum, eight percent of physician revenue has to be at risk for eligible clinicians to become qualifying participants (QPs) for Advanced APMs.
- Provides greater detail about how the All-Payer Combination Option will be implemented. This option allows eligible clinicians to become QPs for Advanced APMs through a combination of Medicare participation in Advanced APMs and participation in Other Payer Advanced APMs. This option will be available beginning in performance year 2019.
- Provides greater detail on how eligible clinicians participating in selected APMs will be assessed under the APM scoring standard. This special standard is intended to reduce the burden for certain APMs (MIPS APMs) participants who do not qualify as QPs and are therefore subject to MIPS.