

## Eli's Rehab Report

### Outpatient Outlook: Radical Medicare Payment Changes to Hit Physicians -- And Rehab's Next

**Experts recommend test-driving the new system before it goes live.**

The physician world is bracing for a whopping change in payment structure come 2017. The **Centers for Medicare & Medicaid Services** (CMS) proposed a new payment rule, detailing mandates from the Medicare CHIP Reauthorization Act (MACRA). This was the pivotal legislation in 2015 that chucked the longstanding, controversial "sustainable growth rate" formula.

Now, instead of facing payment cuts every year, physicians will be worrying about payment penalties based on what they report. In a nutshell, the focus of the MACRA proposed rule is on quality care, physician responsibility, and keeping patients out of the hospital. There are two key components to the new payment system:

- The Merit-Based Incentive Payment System (MIPS)
- Alternative Payment Models (APMs)

**Clarification:** The proposed MACRA rule does not replace the 2017 Physician Fee Schedule. It is a separate rule, and the payment system for rehab will remain essentially the same in 2017, says **Roshunda Drummond-Dye, JD**, director of regulatory affairs for the **American Physical Therapy Association**. (APTA does, however, expect major revisions to PT coding and payment in 2017, she says.)

**Where you stand:** Rehab providers aren't affected by the MACRA rule this go-round, but it's only a matter of time before they will be, and this grace period is a critical time to prepare.

#### **MIPS: Not Exactly Starting from Scratch**

Familiar with the Physician Quality Reporting System (PQRS), the Value-Based Modifier program (VM), and the Meaningful Use EHR program?

"MIPS combines the three above programs into one 'mega' reporting program with four components," says **Sharmila Sandhu, JD**, director of regulatory affairs for the **American Occupational Therapy Association** (AOTA). Those are:

- Quality
- Clinical practice improvement activities
- Advancing care information (EHR-focused)
- Resource use (cost)

"Each of these four components has a percentage weight tied to it to determine an overall composite score," Sandhu says.

**Good question:** With PQRS lumped into MIPS next year for physicians, where does that leave the therapists who have always reported PQRS?

"PQRS as we know it will effectively terminate, and therapists will not be able to report under that program any longer," Sandhu says.

But that doesn't mean you should fall slack on the measures you've been reporting. "Many of the existing 'PQRS' measures will be transitioned over for use under MIPS quality reporting, at least in year one, per the MACRA notice of proposed rulemaking," Sandhu says. So far, the understanding is that "therapists will receive stable fee schedule payment updates during the first two years of MACRA but not be eligible to report under MIPS (or PQRS, which no longer would exist)," Sandhu adds.

### **Get Your Feet Wet with MIPS Before It's Mandatory**

The earliest that therapists could be affected by the MACRA rule is CY 2019 (year three of the rule). However, CMS is proposing to allow clinicians who are currently ineligible to voluntarily participate in MIPS  and experts strongly recommend doing so.

**Plus:** "We are particularly interested in public comment regarding the feasibility and advisability of voluntary reporting in the MIPS program for entities such as Rural Health Clinics (RHCs) and/or Federally Qualified Health Centers (FQHCs), including comments regarding the specific technical issues associated with reporting that are unique to these health care providers," states CMS in the proposed rule.

"We don't know the details of how [voluntary reporting] will work ... but APTA plans to submit recommendations," Drummond-Dye says.

AOTA also supports voluntary participation, when details on how to do so are released. "I would encourage therapists to comment on this proposal, including how they are permitted to voluntarily report and how CMS will consider and provide feedback, if any, regarding voluntarily reporting," Sandhu says. "For example, AOTA will ask that CMS provide performance feedback reports even for therapists voluntarily reporting."

**Good idea:** "Begin or continue to collect clinical information about the services [you] provide and the outcomes [you] achieve," Drummond-Dye says. "This information will be key in future quality payment programs." You should also look into joining a clinical registry, as quality reporting through a registry is key under MIPS, she adds.

"The biggest thing our members need to focus on is that MIPS is coming, probably in 2 years at the discretion of the secretary," says **Tim Nanof, MSW**, director of health care policy and advocacy for the **American Speech-Language Hearing Association** (ASHA). "ASHA is building a registry to report measures in all of the information for MIPS  one registry for audiology and one for speech-language pathology."

### **Be Proactive with APMs**

Along with MIPS, the second key part of the MACRA proposed rule is APMs  and you'll want to be more in the driver's seat than the passenger seat as they develop because they may turn out to be a better alternative MIPS.

**What they are:** APMs, like their name, simply means a different way of getting paid besides the standard model. APMs can take different forms, such as patient-centered medical homes, accountable care organizations (ACOs), or episodic bundles such as the Comprehensive Care for Joint Replacement Model (CJR). (See Eli's Rehab Report, Vol. 17, No. 1 for more details on CJR.)

Physicians who participate in a qualifying APM would get a 5 percent annual lump sum AND be exempt from MIPS. The keys are, 1) does the APM qualify, and 2) is the financial gain of using that APM worth the risk it also carries? After all, CMS said that a qualifying APM must bear "more than nominal financial risk."

**The good news:** Physicians can still participate in non-qualifying APMs for a shot at improving their MIPS scores.

Therapists have an important role to play in APMs under MACRA, Sandhu says, and "it is critical for therapists to begin

proactively thinking about [that]." The most important step that therapists can take right now is to utilize AOTA and other therapy organization resources to gain an understanding of MACRA's MIPS and APM components.

### **EHR's Looking at You, Kid**

High-tech information sharing will also factor in once MACRA rules are finalized □ which could be a time-consuming and costly undertaking for many providers. This is all part of the "advancing care information" category under MIPS, which grandfathers in EHR meaningful use reporting. While rehab providers aren't required to participate in EHR meaningful use right now, expect to report on your EHR usage when MACRA hits your doorstep.

"As with the other therapies, we are not part of VM or EHR, so getting our members up to speed on that is something that we're trying to work with them on," Nanof says. "We also don't know exactly how CMS is going to handle EHR because many of the meaningful use items have to do with physician-only services (like e-prescribing), and we don't prescribe."

**What you can do now:** Make sure you have certified electronic health records that meet federal government standards when contracting with IT vendors, Drummond-Dye says.

You can access the proposed rule at

<https://www.federalregister.gov/articles/2016/05/09/2016-10032/medicare-program-merit-based-incentive-payment-system-mips-and-alternative-payment-model-apm> and an outline of the MACRA changes from CMS at <https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/MACRA-MIPS-and-APMs/MACRA-MIPS-and-APMs.html>.