

Eli's Rehab Report

Outpatient Reimbursement: What MACRA Has In Store for Rehab Providers

Here's what you must know to plan a profitable future for your therapy practice.

In early September, the **Centers for Medicare & Medicaid Services** under intense pressure from healthcare providers and policymakers decided to make MACRA's requirements easier for smaller providers to meet.

That's good news for outpatient physical and occupational therapy practices, which are scheduled to come under MACRA regulations by 2019, along with speech-language pathologists, audiologists, nurse midwives, clinical psychologists, and dietitians.

Even though it seems a long way off for therapy practices, MACRA will dramatically change reimbursement not only from Medicare, but also private payers. Make no mistake: MACRA will affect your practice's profitability.

Bookmark this handy reference to help you understand what MACRA holds in store for your practice.

MACRA will implement "value-based reimbursement."

Passed last spring, the Medicare Access and CHIP Reauthorization Act of 2015 will move Medicare reimbursement away from a fee-for-service model and towards a value-based model. MACRA ends SGR the Sustainable Growth Rate formula we're used to waiting for at the end of every year to learn Medicare reimbursement rates for the following year.

Instead of SGR, we now have MACRA's Quality Payment Program (QPP), designed to reward Medicare providers for quality care, rather than paying them based on the number of services they provide. With MACRA, CMS intends to provide better care to Medicare patients, encourage smarter spending, and improve Americans' health. As in the past, private payers will happily follow CMS' lead.

If you want to continue receiving reimbursements on the services you provide for your Medicare patients and if you are eligible to participate in the QPP you must use one of the new payment models when MACRA takes effect for you.

How does QPP work?

The QPP consists of two tracks for reimbursement from which providers can choose: the Merit-Based Incentive Payment System (MIPS) or an alternative payment model (APM), such as an accountable care organization, patient-centered medical home, or bundled payments.

How do I know which option will be right for my therapy practice?

Let's compare each of the payment models under MACRA.

MIPS: MIPS includes elements of the Physician Quality Reporting System, the Value-based Payment Modifier, and the Medicare Electronic Health Record incentive program. Under MIPS, penalties and rewards will depend upon a practice's performance in four areas: Quality, Resource Use, Clinical Practice Improvement, and Meaningful use of EHR.

A practice that chooses MIPS will still be paid for the services it provides, but MIPS will determine whether it receives a plus or minus adjustment (of up to 9 percent).

If you have an EHR already or plan to implement one, then MIPS may be the right option for you.

APMs: Providers who go with an alternative payment model under MACRA receive a 5 percent annual bonus payment and do not have to participate in MIPS. Providers considering this model will need to be part of a group that is linked to an ACO, hospital, or large medical group.

How can I prepare for the reimbursement changes MACRA will bring?

MACRA may be a disruptive and overwhelming piece of legislation, but it's coming fast and you cannot afford to bury your head in the sand. Here are steps you can take now to ensure your therapy practice makes a smooth transition and captures all revenue opportunities in the future.

- 1. Educate yourself and your staff:** Involve your entire practice in learning about MACRA. Read industry blogs and publications, like this post from APTA: www.apta.org/PTinMotion/News/2016/5/6/MACRA/.
- 2. Make your coding flawless:** Many practices don't code for optimal reimbursement, sometimes because their Medicare compliance fears cause them to undercode. To prevent revenue leaks now and under MACRA, hire well-trained coders and billers, send your current staff to coding workshops, or hire a revenue cycle management vendor trained in MACRA to handle all of your coding for you.
- 3. Limit the power of your payers:** No single payer, whether it's Medicare or a private company □ should take up the majority of your reimbursement situation. Guard against reimbursement swings by making sure that no single payer controls more than 1/3 of your practice's reimbursement.