

Meet MACRA: the law that's poised to fundamentally change the U.S. physician payment system

From a federal legislation perspective, the year 2015 won't go down in the annals of history as a model for bipartisan cooperation. From one day to the next, news reports confirmed the fact that common ground was nearly impossible to find. Legislators from both parties were simply too far apart to cooperate.

There was, however, one significant exception to that rule: The Medicare Access & CHIP Reauthorization Act of 2015. More manageably referred to as MACRA, this act garnered little attention outside of healthcare policy circles – but its passage will precipitate sweeping changes in the way physicians are evaluated – and compensated – for the care they provide.

Under current law – calculated by the Sustainable Growth Rate (SGR) formula, Medicare reimbursement is based on service volume, a measure that has encouraged physicians to see more patients, perform more procedures, do more tests, make more referrals and focus less energy on time-consuming tasks often associated with old school bedside manner.

Under MACRA, Medicare Part B payments will be based on value – not volume – requiring a fundamental shift in the way patient medical histories are maintained, the way doctors deliver and refer care, and the way they're compensated for the care they provide.

Pursuant to the new law, the Centers for Medicare & Medicaid Services (CMS) published 963 pages of proposed rules intended to inform MACRA implementation and application. Following a comment period – during which public and private interest groups submitted their perspectives on how those rules should change – the rules went back for revision. In November of 2016, the rules will be released in final form, and, barring an unlikely extension, will take effect.

Given the depth and breadth of MACRA's impact, those changes won't take place overnight. Until 2019, the first year physicians will see their reimbursements affected by the new value-based metrics, significant energy and resources will be dedicated to the transition. From practice operations to electronic medical records systems, MACRA represents an enormous shift of how healthcare is delivered and managed. MACRA will usher in a revolutionary shift in our healthcare system. While we could dedicate volumes to its potential impact, it's more important to understand the basics before diving deep. In that spirit, here are a few key points to keep in mind:



- Under MACRA, all aspects of each patient's healthcare are tracked through their primary care physician. This means that primary care doctors are rewarded for making good, informed decisions on behalf of their patients. Referrals will be more likely to go to specialists who provide the best care for the most reasonable costs, and that greater emphasis will be placed on improving overall health and well being than on finding the quickest, most expedient means to process patients.
- MACRA's impact isn't likely to be limited to Medicare Part B patients. Medical practices are very unlikely to maintain two – or more – distinct means of tracking patients and billing for their services. As practices gear up to accommodate MACRA's changes, those changes will very likely affect the way all payments are made.
- "Value" considers care quality, resource use, clinical practice improvement and meaningful use of Electronic Health Record (EHR) technology. This holistic change is intended to encourage greater focus on improved outcomes, better patient experience, lower costs and greater data transparency. The last measure – EHR technology – will require substantial infrastructure investments as practices and systems are required to share patient data. Over time, that sharing

capability should pave the way for care comparisons – enabling doctors, patients, employers and plans to make better informed purchasing and contracting decisions.

- MACRA's impact starts with physicians – but will affect everyone with a stake in our healthcare system. In the earliest stages, physicians and practices represent the front lines. But over time, all healthcare stakeholders – providers, purchasers, plans, policymakers and patients alike – will feel MACRA's effects.