

CMS Proposes to Expand Low-Volume Threshold in MACRA

Almost all RHC clinicians will be exempt from MIPS under new threshold



In late June, CMS released their 1,050-page MACRA [proposed rule](#) for calendar year 2018.

The big proposed change is an increase in the low-volume threshold for participation in MIPS to \$90,000 (up from \$30,000) of Medicare allowable revenue or 200 (up from 100) Medicare part B patients. This proposed change should allow almost all RHC clinicians to be exempt from MIPS participation in performance year 2018.

As a refresher, MACRA stands for the Medicare Access and CHIP Reauthorization Act of 2015 and it is the underlying law behind the Quality Payment Program (QPP) which establishes two new payment tracks for eligible clinicians: the Merit Based Incentive Payment System (MIPS) and Advanced Alternative Payment Models (APMs). These new payment systems are designed to reward clinicians for the value of their care.

MIPS rewards clinicians who achieve high (CPS) Composite Performance Scores with bonus payments, and penalizes clinicians with poor CPS scores.

RHCs claims are exempt from MIPS because the program only affects payment made under the Medicare Physician Fee Schedule (PFS). As you know, RHCs are paid on a cost basis through the RHC All-Inclusive Rate and bill on a UB-04 form. However, many RHCs bill for so-called “non-RHC services” on a CMS-1500 to a Medicare Part B MAC. These claims are potentially subject to MIPS payment adjustments if a clinician has enough “PFS” revenue/patients. However, CMS is now proposing a higher low-volume threshold that would exempt most clinicians and almost all RHC practitioners from participation in MIPS.

Clinicians can participate in MIPS individually, as a group (if they belong to a group), or as a virtual group (individuals or several groups joining together for the purposes of qualifying for a MIPS CPS score). Depending on the method clinicians choose to report, most clinicians can use this as a way to opt-in or opt-out of MIPS.

For example, consider three clinicians in a group practice. Each clinician has \$50,000 of Medicare allowable revenue. Under this new proposal, the clinicians would avoid MIPS participation in 2018 if they report individually. However, if the clinicians report as a group, their combined Medicare allowable revenue would be above the low-volume threshold, and thus they would be subject to MIPS.

One other way to avoid MIPS adjustments, is to participate in an Advanced APM. These are payment models that incorporate EHR standards, quality metrics, and have some financial risk to the provider. Clinicians who participate in an Advanced APM receive a lump sum incentive payment of 5% based on their PFS revenue. Any revenue generated through an RHC (or UB-04) claim, would not count towards this lump sum bonus.

The arrangements and details of each Advanced APM are too complicated for the purposes of this article. However, you may research more about Advanced APMs [here](#).

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