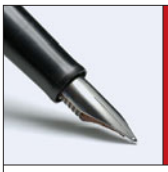
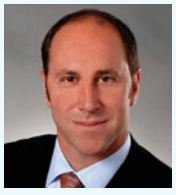


LETTER FROM THE EDITOR-IN-CHIEF

Do the *MACRA'ena*?



Corny titles aside, MACRA/MIPS is creating a great deal of uncertainty and anxiety among physician practices, and urgent care centers are no exception. I have seen a lot of urgent care news sources, including this journal, referencing the latest updates from CMS (or recent articles published by other organizations), but urgent care-specific analysis is in short supply. I frequently hear colleagues say, "Medicare is such a small percent of my business, it's just not worth the hassle."

Or is it? As with most government programs, complying with the rules indeed seems daunting. And on the surface, the potential return, in the form of bonuses that start in 2019, is hardly motivating.

I am not a MACRA/MIPS expert. Nor am I going to try to explain the program and all its rules. There is plenty of detailed information available on the CMS website and in the practice management journals. What I'd like to do instead is jump right to the return-on-investment (ROI) analysis so you can determine whether it's even worth the effort. My approach is meant to simplify your ROI assessment, not to be an exact forecast for your practice.

First, some definitions: *MACRA* (Medicare Access and CHIP Reauthorization Act) essentially, replaces the *SGR* (sustainable growth rate) with a new "value-based" reimbursement system:

1. *MIPS* (Merit-Based Incentive Payment System)
2. Advanced APMs (Advanced Alternative Payment Models)

Now, MIPS is the only likely pathway for participation for the vast majority of urgent care centers, so let's look at how you will get paid under this new program:

- Each year from 2017 through 2020, practices that receive Medicare Part B payments will see a combination of incentives and penalties based on their participation *and* performance in MIPS.
- All MIPS participants will get an inflationary adjustment of 0.5% per year for the first 3 years (valued at a total of 1.5% by 2019).
- More importantly, participants in MIPS will receive a bonus or penalty that ranges from -4% to +4% in 2017 and escalates to -9% to +9% in 2020.
- If you choose not to participate, you will automatically be penalized 9% by 2020 and will not receive the inflationary adjustment (1.5% by 2019).

So, consider the top-to-bottom range (from penalty to bonus) for each year and then add the inflationary adjustment. To keep this relatively simple, by 2020, the top to bottom range is 19.5% (-9% to +9% plus the 1.5% inflation adjustment).

Let's look at how this might impact a typical urgent care:

- A center seeing 15,000 patients per year with a 10% Medicare mix with an average 2016 reimbursement of $120/visit chooses *not* to participate in MIPS. By 2020, this urgent care will see a $16,900 drop in annual revenue, and miss out on both the $2,700 annual inflationary adjustment and the opportunity to achieve an additional $6,900 in performance-based incentive payments.

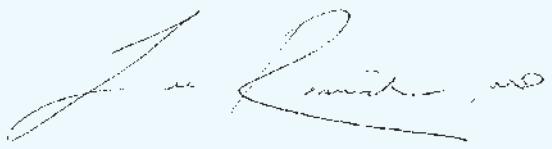
So, the total potential revenue impact in this scenario is $36,500 per year. For those with larger urgent care networks, the revenue impact for participation in MIPS can be even more significant to the bottom line.

Participants can also receive a multiplier for their bonus payment based on a "budget neutrality factor." If the penalties outnumber the incentive payments in any given year, then there is more money to dole out. This multiplier is capped at 3X.

And if that wasn't enough, there's an additional bonus opportunity of up to 10% per year for "exceptional performance."

That's a total bonus opportunity by 2020 of up to (9% X 3) + 10% + 1.5%, or 38.5%. And by avoiding the 9% penalty, the "top-to-bottom" impact represents as much as 47.5%! In my typical urgent care scenario, that's as much as $85,500 per center per year. Do I have your attention now?

Next month, I will share some thoughts on how to choose and implement the quality and performance improvement measures that are integral to the MIPS program. ■



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