


# MACRA 101

## An overview of the Medicare Access and CHIP Reauthorization Act

New York State Department of Health – VBP U Semester 1



The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) is a bipartisan legislation signed into law on April 16, 2015. It **creates a new reimbursement system under the Quality Payment Program (QPP)** that ties Medicare Part B payment to measures of quality and resources use, adoption of Certified EHR Technology (CEHRT) to document and communicate clinical care information, and other activities that drive clinical practice improvement and patient outcomes.

### 3. MIPS creates a streamlined incentive program.

MIPS combines the value based physician modifier, physician quality reporting system, and the EHR incentive program (Meaningful Use). The 4<sup>th</sup> is a **clinical improvement activities** component which forms a **single program**.

*All eligible clinicians are subject to reporting under MIPS unless they qualify to participate in the advanced APM track or are a low volume Part B provider.*

### 4. Advanced APMs enable clinicians to earn greater rewards.

By taking on some risk related to their patient outcomes, eligible clinicians can benefit from:


- **Exclusion** from MIPS reporting requirements
- **5% lump sum bonus** on Medicare Part B services through 2025
- **Higher** physician fee schedule beginning 2026.

### 1. MACRA includes several important provisions that affect federal health care policy.

1. **Repeals the Sustainable Growth Rate (SGR) formula for calculating updates to the Medicare payment rates to physicians (Part B) (including changes to quality incentives)**
2. Extends several expiring provisions in the Medicare and Medicaid programs
3. Extends funding for Children's Health Insurance Program (CHIP)
4. Includes Medicare program changes to offset the cost of repealing the SGR mechanism
5. Includes provisions related to program integrity

### 2. MACRA requires the Centers for Medicare and Medicaid Services (CMS) to implement an incentive program, the Medicare QPP, to reform Medicare Part B payments.

Under the Medicare QPP, eligible clinicians can participate via one of two tracks:



1. **Merit-based Incentive Payment System (MIPS)**  
Simplifies several existing programs

2. **Advanced Alternative Payment Models (APM)**  
Incentivizes risk-based contracting

### 5. Why is This Important?

- Under MACRA, a NYS Medicaid VBP risk-bearing arrangements could potentially qualify as an Advanced APM.
- Being designated an Advanced APM results in providers recognizing additional bonuses from CMS.
- Providers should also be aware of QPP requirements as they negotiate Medicaid contracts in order to align quality and payment terms to reduce burdensome reporting requirements.