

## **JULY 1, 2017 DEADLINE FOR MACRA REGULATIONS**

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The biggest change to Medicare reimbursement for doctors in ten years may be only four months away. In May, the Centers for Medicare and Medicaid Services (“CMS”) rolled out a new proposed regulation under the Medicare Access & CHIP Reauthorization Act of 2015 (MACRA). If CMS finalizes the proposed rule without changes, it will pay new rates in 2019. But the period for calculating those future rates will begin on July 1, 2017.

Your practice needs to be ready, before then, to adjust to a new set of incentive payments for your Medicare patients. Those who are unprepared when the change comes will risk reimbursement cuts as deep as 9%, from 2019 to 2022.

Congress passed the physician-payment provision of MACRA to streamline Medicare reimbursement. Congress has spent a great deal of time making yearly adjustments to Medicare rates, every year since 2006. Congress has annually suspended the “Sustainable Growth Rate” that would freeze Medicare reimbursement, and allowed a small increase.

MACRA replaces this annual Congressional action by creating a pool of funds that grows by 0.5% per year, through 2026. However, the high-performing groups may see up to 9% in gains, paid for by an offsetting reduction to the lowest-performing groups.

The increase or decrease will be based on a number of measures that the regulators believe reflect the quality of care. The measures build on prior regulations under the Affordable Care Act. These include “Meaningful Use” of Electronic Health Records (“EHR”), “Value-based Payment Modifier,” and “Physician Quality Reporting System,” which largely survive in the new rule. A few measures have been dropped, but much new material has also been added.

The complete proposed rule covers 962 pages of double-spaced text. It divides the physician’s measurement and reporting obligations into four sections: quality, resource use, clinical practice improvement, and meaningful use. A few practices’ EHR systems will be able to report on half or two-thirds of the metrics, but most will only be able to report a few of the required measures. Administrative staff will therefore have to take on new duties.

The Texas Medical Association (“TMA”) analyzed this administrative burden. TMA concluded that the annual, repeating cost of compliance with the new regulations will exceed \$10,000 per physician per year. Accordingly, it is extremely important to make those \$10,000 count, so that your practice receives increased reimbursement to at least offset the new administrative costs.

Groups that achieve and report the required metrics timely will be rewarded. But those rewards essentially will come out of the pocket of groups that cannot report the improvements. While the date for the measurement period is not yet set in stone, it could be the beginning of next year. Accordingly, it is important to assess your practice’s readiness promptly.

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