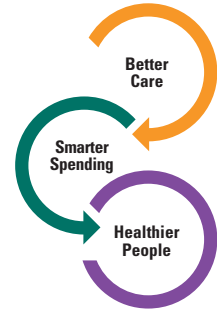


## Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) (H.R. 2, Pub. Law 114-10)

### Impact of MACRA on Medicare Physicians Payments:

- Permanently repeals the **Sustainable Growth Rate (SGR)** Formula.
- Changes the way Medicare rewards clinicians for **value over volume**.
- Streamlines PQRS, VBPM & EHR quality programs under the new **Merit-based Incentive Payment System (MIPS)** linking fee-for-service payments to quality and value.
- Provides bonus payments for participation in eligible **Alternative Payment Models (APMs)**.

### CMS Quality Goals



### MACRA Timeline

	2015 and earlier	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 and later
<b>FEE</b>	Fee Schedule Updates	.05	.05	.05	.05	0	0	0	0	0	0	0.75 QAPMCF* 0.25 N-QAPMCF**
<b>MIPS</b>	Quality		Resource Use		Clinical Practice Improvement Activities		Meaningful Use of Certified EHR Technology		MIPS Payment Adjustment (+/-)			
					4%	5%	7%	9%				
<b>Certain APMs</b>	Qualifying APM Participant		Medicare Payment Threshold Excluded from MIPS		5% Incentive Payment		Excluded from MIPS					

\*Qualifying APM conversion factor  
\*\*Non-qualifying APM conversion factor

Source: Centers for Medicare & Medicaid Services; MACRA: MIPS & APMs

For additional details on Delivery System Reform, Medicare Payment Reform & the MACRA, visit CMS's website: <https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/MACRA-MIPS-and-APMs/MACRA-MIPS-and-APMs.html>

**GUIDEPOINT**  
Reimbursement Resources

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# Medicare Quality Programs - Physician Summary CY2016



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# Medicare Quality Programs - Physician Summary CY2016

Program Name	Effective Date CY=Calendar Year (Jan. 1 - Dec. 31)	Incentive - or - Penalty	Program Description	Additional Information
<b>Physician Quality Reporting System (PQRS)</b>	<b>CY2006</b> (through CY2018)	<b>PENALTY</b>	<p><b>GOAL: Promote reporting of quality information by Eligible Professionals-EPs (e.g., physicians, PAs, NPs, etc.)</b></p> <ul style="list-style-type: none"> <li>Physicians may report their quality data via claims data submission or through a qualified PQRS registry.</li> <li>Uses physician data reported to Medicare with 2-year lag (i.e. CY2016 will utilize CY2014 data, CY2017 will utilize CY2015 data, etc.)</li> </ul> <p><b>PENALTY:</b></p> <ul style="list-style-type: none"> <li>Physicians who DID NOT satisfactorily report 2014 PQRS data for qualified professional services will receive a payment reduction equal to -2.0% of their total estimated 2016 Medicare Part B allowances.</li> </ul>	<ul style="list-style-type: none"> <li>To avoid a -2.0% penalty in CY2018, physicians MUST report their CY2016 PQRS data for covered professional services, including:                             <ol style="list-style-type: none"> <li>at least nine (9) quality measures from three (3) of the National Quality Strategy Domains; AND</li> <li>at least one (1) cost-cutting measure on 50% or more of their Medicare patients.</li> </ol> </li> </ul>
<b>Value Modifier (VM)</b> (formerly "Physician Value-Based Payment Modifier-VBPM") <i>PREREQUISITE: PQRS participation</i>	<b>CY2015</b> (through CY2018)	<b>INCENTIVE</b>  <b>- or -</b> <b>PENALTY</b>	<p><b>GOAL: Differentially pay all Eligible Professionals-EPs (e.g., physicians, PAs, NPs, etc.) treating Medicare patients based upon the quality of care furnished compared to the cost</b></p> <ul style="list-style-type: none"> <li>CY2016 is the second year of a three (3) year rollout period and expands the program to groups of 10+ EPs (expanding to all EPs in CY2017, as required by the ACA). For purposes of the Value Modifier, a group of EPs is defined by its TIN.</li> <li>Uses data collected via PQRS with 2-year lag (i.e., CY2016 will be calculated based on CY2014 performance data), and voluntary "Quality Tiering" measures that are used to evaluate a TIN's performance based on quality and cost.</li> <li>Medicare applies a "Payment Modifier", on a claim-by-claim basis, to adjust payments up or down based on program participation/performance.</li> </ul> <p><b>INCENTIVE:</b></p> <ul style="list-style-type: none"> <li>Participating groups that elect VM "Quality Tiering" measures and are deemed to deliver high value care will receive Medicare reimbursement increases of up to +2.0% of their estimated 2016 Medicare Part B allowances.</li> </ul> <p><b>PENALTY:</b></p> <ul style="list-style-type: none"> <li>Groups of 100+ EPs that are considered to be lagging behind in cost and quality, or that have not elected VM "Quality Tiering" or that do not participate in PQRS will receive a payment reduction of up to -2.0% of their estimated 2016 Medicare Part B allowances.</li> <li>Groups of 10-99 EPs will not be subject to the VM payment reductions for CY2016.</li> </ul>	<ul style="list-style-type: none"> <li>By CY2017, individual and small practices of up to nine (9) EPs will be at risk for +/- 2.0% of their estimated 2017 Medicare Part B allowances while practices of ten (10) or more EPs will be at risk for +/- 4.0% of their estimated 2017 Medicare Part B allowances.</li> </ul> <p>NOTE: Non-PQRS participants are automatically assessed a -1.0% reduction to all CY2016 Medicare Part B allowances, in addition to the -2.0% PQRS reduction for CY2016, as cited in the PQRS program description above.</p>
<b>Electronic Health Record (EHR)</b> <i>aka "Meaningful Use (MU)"</i>	<b>CY2009</b> (through CY2018)	<b>INCENTIVE</b> (thru CY2016)  <b>PENALTY</b>	<p><b>GOAL: Encourage use of EHR technology in ways that can positively impact patient care</b></p> <ul style="list-style-type: none"> <li>Provides for more efficient use of technology as well as improved security, interoperability, data portability and other features.</li> <li>Incentive payments through CY2016.</li> <li>Penalty-based program for physicians not meeting "Meaningful Use (MU)" requirements.</li> <li>Successful electronic prescribing is an element of the MU program.</li> </ul> <p><b>INCENTIVE:</b></p> <ul style="list-style-type: none"> <li>Incentive amounts vary based on initial year of program participation, through CY2016.</li> </ul> <p><b>PENALTY:</b></p> <ul style="list-style-type: none"> <li>Physicians not participating in the EHR program will receive a payment reduction of -2.0% of their estimated 2016 Medicare Part B allowances.</li> </ul>	<ul style="list-style-type: none"> <li>Penalty increases -1.0% annually to a maximum of -5.0% in CY2019</li> <li>Physicians must continue to demonstrate "Meaningful Use (MU)" each year to avoid penalties, which are based on the prior year's reporting period (i.e., CY2016 based on CY2015 reporting).</li> </ul>

## POTENTIAL IMPACT TO PHYSICIAN MEDICARE PART B ALLOWANCES

<b>Small Groups</b> (10 - 99 EPs)	<b>INCENTIVES:</b>	<b>2016 (+2.0% or more)</b> VM +2.0%; EHR varies	<b>2017 (+4.0% maximum)</b> VM +4.0%	<b>2018 (+4.0% maximum)</b> VM +4.0%
	<b>PENALTIES:</b>	<b>2016 (-4.0% maximum)</b> PQRS -2.0%; VM (n/a); EHR -2.0%	<b>2017 (-9.0% maximum)</b> PQRS -2.0%; VM -4.0%; EHR -3.0%	<b>2018 (-10% maximum)</b> PQRS -2.0%; VM -4.0%; EHR -4.0%
<b>Large Groups</b> (100+ EPs)	<b>INCENTIVES:</b>	<b>2016 (+2.0% or more)</b> VM +2.0%; EHR varies	<b>2017 (+4.0% maximum)</b> VM +4.0%	<b>2018 (+4.0% maximum)</b> VM +4.0%
	<b>PENALTIES:</b>	<b>2016 (-6.0% maximum)</b> PQRS -2.0%; VM -2.0%; EHR -2.0%	<b>2017 (-9.0% maximum)</b> PQRS -2.0%; VM -4.0%; EHR -3.0%	<b>2018 (-10.0% maximum)</b> PQRS -2.0%; VM -4.0%; EHR -4.0%

For additional information on Medicare's Quality Initiatives, visit the CMS website at: [www.cms.gov/Medicare/Medicare.html](http://www.cms.gov/Medicare/Medicare.html)