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Medicare

Health IT, Doctor Education Critical for Success in New Medicare Pay System

By Mindy Yochelson

Medicare Advantage plans and medical systems must spruce up their health IT systems and prepare doctors in their networks for the new value-based Medicare physician payment system, health-care industry officials said.

MA plans need to get the technology infrastructure in place to “capture providers’ data related to the new quality and performance measures” called for under the Medicare Access and CHIP Reauthorization Act (MACRA), Harry Merkin, a vice president at the Burlington, Mass.-based software company HealthEdge, told a recent America's Health Insurance Plans audience.

But despite technology being the “critical piece” in the new payment structure to connect payers and providers, plans often use outdated and confining legacy IT systems, Andrew Davis, a vice president at nonprofit insurer Medica, said, also at the AHIP event Oct. 25. Medica is based in Minnetonka, Minn.

That means plans can't give their network providers the data analytics and actuarial information they need to “get more comfortable in managing risk,” Davis said.

Moving doctors from Medicare's current volume-based, fee-for-service reimbursement system to one driven by performance measures will be “extraordinarily difficult,” and outdated technology will be a “key barrier” to making the shift, according to Davis, general manager of Medica's 190,000-member Medicare segment.

MACRA was intended to transform the Medicare fee-for-service payment system. The new reimbursement system begins affecting Medicare payments in 2019.

Training for MACRA

But it's not just installing the right software that will get providers ready for MACRA, Amy Nguyen Howell, chief medical officer of CAPG, told Bloomberg BNA. California-based CAPG is an organization of physicians practicing capitated, coordinated care.

Although it's important to “beef up your infrastructure” to allow for data interoperability and other capabilities, doctors and their medical systems should first become familiar with taking on risk, she said.

If a medical professional has only been in a fee-for-service arrangement—being paid individually for each service—“where do you even start?” Nguyen asked.

Medical systems, which contract with MA plans, should start reimbursing their doctors based on performance measures that link quality and the cost of care to payment, she recommended.

Benefit to Switching

There's a payoff for medical systems that redo their payment structure by aligning with quality, Nguyen said.

Once the system, such as an independent physician association, achieves a certain level of quality, it can be used as leverage when bargaining contracts with health plans. Better performing doctor organizations can get better rates, she said.

Medicare Advantage plans should also partner with medical systems to educate professionals on risk through webinars and other means, Nguyen said.

Two-Track System

Most clinicians will be subject to MACRA's two-track payment system. The majority will start Jan. 1, 2017, on the one track that requires reporting quality measures under MACRA's Merit-Based Incentive Payment System (MIPS). This will give providers a performance score that could raise or lower their Medicare reimbursement.

The 2017 measure data are due to Medicare by March 31, 2018, and clinicians' Medicare pay in 2019 will be based on those results. For that year, payments are subject to a scale up to plus or minus 4 percent, depending on clinicians' performance.

Fewer clinicians—at least in 2017—will qualify to join the other track and become part of a Centers for Medicare & Medicaid Services-approved advanced alternative payment model (AAPM) that makes them eligible for a 5 percent annual bonus. Those who are eligible to participate in an alternative payment model won't be subject to the 4 percent quality performance adjustment. Providers in eligible models must use certified technology, report quality measures comparable to measures under MIPS and bear financial risk in excess of a nominal amount.

Technology and clinician education are paramount in both tracks, officials say.

More Measures

MACRA's advent also means an added set of performance measures for plans and professionals.

MIPS and the Medicare Advantage program each have their own quality reporting measure sets.

The MA stars system rates plans on a scale of one to five, with the scores posted on the official Medicare website. The quality data come in part from network clinicians.

The two sets measure different aspects of health care, David Sayen, senior vice president for client relations at Gorman Health Group, a consulting company in Washington, told Bloomberg BNA. The star ratings deal with factors like customer satisfaction and response to appeals, while the MIPS measures are about doctor performance.

But, Davis said, "there's real concerns around stars and MIPs." Insurers have been focused on how their network providers perform under the star system with millions of dollars tied to bonuses that are given to high-rated plans. Stars and MIPS need to align, he said.

Nguyen said her comparison of the two measure sets shows some commonality. A half dozen measures, including one for hypertension, were aligned under the two systems, she said.

If professionals are participating in both the Medicare Advantage star system and MIPS, they can report some of the same measures, she said. Her findings show that MIPS is doable and "not outrageous," she said.

Medicare Advantage and Alternative Models

Medicare Advantage plans can't, under MACRA, be considered advanced alternative payment models until 2021.

This has been a sore point for the MA industry.

It's “extremely disappointing that MACRA doesn't allow MA to be considered an AAPM in the beginning of the program,” Davis said.

Medica is no stranger to alternative payment models, he said. The insurer has been using components of alternative models, such as incentives for improved performance, in Medicare Advantage and other insurance lines for about 15 years, he said.

Yet MACRA doesn't allow Medica to take advantage of its activities within the AAPM track, he said.

Nguyen said she hopes Medicare will introduce a pilot out of the CMS's Center for Medicare and Medicaid Innovation to test MA as an alternative pay model. Her group also supports a bill (H.R. 5841) that would allow doctors to contract with the CMS directly, rather than the health plan, to negotiate capitated payments and be considered an advanced model.

The CMS is collecting information from MA plans, such the proportion of payments that are linked to quality that will help determine the ability of plans to qualify as advanced models, according to the 2017 Call Letter to plans.

In the ramp-up to 2021, Sayen said, it would be wise for MA plans to consider how to position themselves to offer an advance payment model in the future. This could allow them to get an increase in payment “for driving value on the physician level,” he said.

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