

# Two National Surveys Reveal Physicians are Unfamiliar with MACRA

**The January 1, 2017 start of the MACRA\* Quality Payment Program (QPP) has come and gone, beginning the next phase of transformation to value-based health care. The QPP replaces Medicare's Sustainable Growth Rate (SGR) formula which, if not repealed, could have meant a 21 percent cut in Medicare payments.**

MACRA's QPP offers clinicians with the flexibility to choose between two payment pathways; the Merit-based Incentive Payment System (MIPS) and the Advanced Alternative Payment Models (AAPMs). The MIPS pathway streamlines former quality reporting programs – PQRS, Meaningful Use, and Value Modifier – while adding a new Improvement Activities category to the mix. Under MIPS, Medicare payments will be subject to adjustments based on their composite performance score from four weighted categories: Quality, Cost, Advancing Care Information and Improvement Activities. Under the Advanced APM model, qualifying APM participants (QP) are eligible for potential bonuses and additional compensation when value goals are achieved.

Under the new payment system, clinicians who proactively engage in the program will have increased financial opportunities in future years. However, according to a 2016 physician survey conducted on behalf of *The Physicians Foundation* by Merritt Hawkins, only 20 percent of physicians are familiar with MACRA!

This is an alarming revelation because, although teeming with opportunity, MACRA comes with potential negative implications to eligible clinician practices. For instance, under MIPS, if a health care organization that bills Medicare \$40,000,000 decides not to report any portion of its 2017 performance, they could be subject to a negative 4 percent adjustment, which equates to a \$1,600,000 negative payment adjustment in 2019. To take this scenario further, in 2020 this same organization's penalty would increase to negative 9 percent, amounting to a staggering \$3,600,000 negative adjustment.

In another recent physician survey, *The Deloitte Center for Health Solutions 2016 Survey of US Physicians*, half of the respondents reported they had never heard of MACRA and 32 percent reported they only knew MACRA by name and were unfamiliar with its regulations. Interestingly, 21 percent of self-employed physicians reported they are somewhat familiar with the program, whereas only 9 percent of employed physicians reported the same level of familiarity. These results indicate there is a pressing need to get physicians educated on MACRA's regulations, especially those who are employed by health systems, hospitals and physician groups.

Beyond MACRA awareness, the survey also revealed that although most physicians prefer traditional payment models, nearly 40 percent of physicians reported being more likely to accept risk-based compensation if they were included in a larger organization. Additionally, 71 percent reported that if financial incentives were offered, they would participate in value-based payment models. However, even though physicians are open to these new payment models, they also reported their apprehension to reporting requirements inherent to these models as they find quality reporting onerous. This highlights the need to have the technology in place to relieve physicians of the extensive burden that comes with performance monitoring, tracking and reporting, which is intrinsic to MACRA. To illustrate this point, physicians reported spending 21 percent of their time on non-clinical paperwork rather than engaging in clinical activities.

Even with this understandable hesitation on the part of affected physicians, there is no longer time to hold off on embracing MACRA. Without a doubt the movement to value-based care will continue, despite potential changes resulting from the new presidential administration. According to Michael O. Leavitt, former U.S. Secretary of Health and Human Services, "the migration toward value-based care will continue regardless of what happens in the next few months ... as there is a remarkable amount of bipartisan agreement when it comes to payment and delivery reforms, as evidenced by legislation like MACRA, and the Republican Congress has established a clear pattern of supporting the transition from fee-for-service to value payment."

The time is now. Physicians and health care organizations need to jump into MACRA with both feet. There's no time to waste. Health systems, physician groups, health plans, employers and suppliers have the power to set in motion the processes needed to improve value. Stakeholders should look to decision-support tools that leverage analytics to measure and monitor quality, and learning tools to align, mobilize and motivate their organization on its path to value-based care.

\* The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)