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MedPAC Outlines Proposed MIPS Replacement Program

As briefly discussed in the previous issue of *Health Capital Topics*,[1] the *Medicare Payment Advisory Commission* (MedPAC) voted to "*repeal and replace*" the *Merit-Based Incentive Payment System* (MIPS).[2] On March 15, 2018, MedPAC released its 2018 annual *Report to the Congress: Medicare Payment Policy*, which includes MedPAC's rationale behind the proposed elimination of MIPS, as well as details regarding a proposed framework for "*moving beyond*" MIPS with the development of an alternative *value-based reimbursement* (VBR) program.[3]

MIPS was originally established, along with *Alternative Payment Models* (APMs), as part of the *Quality Payment Program* (QPP) under the *Medicare Access & CHIP Reauthorization Act of 2015* (MACRA), with the goal of moving physician reimbursement away from a *volume-based* framework toward a *value-based* structure.[4] MIPS was designed as a budget neutral VBR program that incorporated and replaced several predecessor VBR initiatives, including: (1) *Electronic Health Record* (EHR) meaningful use and incentives; (2) the *Physician Quality Reporting Initiative* (PQRI); (3) the *Physician Quality Reporting System* (PQRS); and, (4) the *Value-Based Payment Modifier* (VBPM) program.[5] Clinicians participating in the first MIPS performance period for 2017 were required to submit performance data by March 31, 2018 for payment adjustments in January 2019.[6] The *Centers for Medicare and Medicaid Services* (CMS) has also confirmed plans for provider participation in the 2018 performance period, including continuing improvements and changes to MIPS.[7]

Despite CMS's continuing progress in implementing MIPS, and apparent support of MIPS development and improvement, according to MedPAC, "*…the basic design of MIPS is fundamentally incompatible with the goals of a beneficiary-focused approach to quality measurement…*"[8] for the following reasons:

(1) MIPS is based upon pre-existing Medicare programs that have failed, and will continue to fail, in successfully improving patient outcomes or quality of care;[9]
(2) MIPS evaluates quality using a variety of self-chosen measures that are self-reported on an individual clinician level, and therefore:
    (a) Is burdensome for clinicians;
    (b) Is not directly comparable among clinicians;
    (c) Will not provide enough data for statistically reliable performance scores; and,
    (d) Does not promote the use of coordinated team efforts in quality improvement; and,
(3) MIPS incentives will not promote meaningful performance improvement or a change in practice patterns over time.[10]

Further, MedPAC set forth in its 2018 report an illustrative structure for a potential MIPS replacement program, termed the *Voluntary Value Program* (VVP).[11] The VVP would be (as its name suggests) voluntary for physicians, and allow them to self-organize into sufficiently-sized groups that would be graded on an identical set of performance measures designed to evaluate quality, patient experience, and value.[12] By utilizing this group approach to reporting, the VVP is designed to "*encourage clinicians to address care across time and across settings*" in order to ultimately position physicians to form or join advanced APMs in a movement toward true delivery reform.[13] MedPAC notes that several elements in the VVP design are flexible, including the performance measures; the size and formation of participating groups; the penalty and reward incentive(s); and, the timeline for implementation, and so may be achieved in a number of ways.[14] However, MedPAC recommends that the VVP be designed as a budget neutral program; should not burden physicians with the requirement to report data; and, should utilize uniform, "*scientifically acceptable*" population-based measures to assess performance.[15]

The recommendation for the elimination of MIPS in favor of a voluntary reporting program is consistent with numerous recent changes made by CMS to "*increase flexibility*" for participating providers, as evidenced by alterations to other VBR programs, e.g., cancellation of *mandatory* bundled payment models;[16] decreasing thresholds for MIPS exemption;[17] and, expanding use of *voluntary* VBR programs.[18] On a broader scale, this general shift in thought conforms with statements made by both CMS Administrator Seema Verma, and the Trump Administration, with regard to their intent to *unburden* and *de-regulate* healthcare.[19]

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As of yet, Congress has not made any moves to repeal MIPS and adopt the VVP framework laid out by MedPAC. In the meantime, providers and industry stakeholders appear to be divided as to whether MedPAC's proposal will be beneficial or not. The *American Medical Association* (AMA) and physician advocacy groups have actively criticized what they consider to be a premature abandonment of the barely two-year-old MIPS program.[20] In response to widespread dissent over the decision to eliminate MIPS, MedPAC stated in its report that:

> "*If history [e.g., the failure of the sustainable growth rate program] is any guide, once the apparatus for MIPS is…up and running, the process will have its own momentum, and it will become even more difficult to substantially change or improve the program. Furthermore, the longer [MIPS] continues, the signals that MIPS sends will continue. We do not agree with those signals: that clinicians should pick measures to report on which they expect to do well…that quality measures should emphasize processes (instead of outcomes)…and that completing check-the-box activities is a reasonable performance measure…*"[21]

Though the recent MIPS repeal has engendered criticism, not all providers appear to be adamantly in opposition to the change. Seventy-six (76) percent of respondents in a recent industry survey asserted that their staff does not understand the QPP, and sixty (60) percent stated that they were not prepared for MIPS implementation (even though the program has been in place for almost two years).[22] Additionally, a February 2018 Health Affairs blog post by several industry experts supported the move away from MIPS, for many of the same reasons mentioned by MedPAC.[23] They did not, however endorse replacing it with an alternative VBR program (i.e., the VVP), but instead recommended further expanding and incentivizing provider participation in APMs and other "*well-defined*" and "*high value*" performance improvement activities, e.g., utilizing EHR and submitting data to clinical registries.[24] Thus, while some stakeholders appear to understand the move away from MIPs, the new VVP, considered by some to be an ideological, rashly conceived, and poorly defined "*skeleton-like proposal*" replacement for the unpopular MIPS, has not received much positive feedback from the provider community.[25] Additionally, while there has been no publicized feedback thus far from Congress or CMS, the latter appeared to parrot some of the language from MedPAC's report in its April 24, 2018 press release for the 2019 Inpatient Prospective Payment System Proposed Rule, e.g., by proposing removal of VBR reporting measures that are "*excessively burdensome*" and by "*focusing on…patient-centered outcome measures, rather than process measures.*"[26] While many are hopeful that the VVP is the "*silver bullet*" needed to repair the worrying trends of increasing healthcare spending and stagnating quality of care, as the cliché goes, and as history has borne out time and again in healthcare: "*the devil is in the details*."

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1 For more information, see "Checking Up on Healthcare's Hot Trend: Value-Based Reimbursement" Health Capital Consultants, Health Capital Topics, Vol. 11, Issue 2, February 2018, https://www.healthcapital.com/hcc/newsletter/02_18/PDF/VBR.pdf (Accessed 4/2/18).

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4 "Medicare Access & CHIP Reauthorization Act of 2015" Public Law 114-10, § 101, 129 STAT 91-115 (April 16, 2015).

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6 "A Quick Start Guide to the Merit-based Incentive Payment System (MIPS): For 2017 Participation" Centers for Medicare & Medicaid Services, 2017, https://www.cms.gov/Medicare/Quality-Payment-Program/Resource-Library/Quick-Start-Guide-to-MIPS.pdf (Accessed 4/3/18), p. 2.

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8 Medicare Payment Advisory Commission, March 2018, p. 445-446.

9 Health Capital Topics, Vol. 11, Issue 2, February 2018.

10 Medicare Payment Advisory Commission, March 2018, p. 446-447, 449.

11 *Ibid*, p. 455-456.

12 *Ibid*, p. 456-457.

13 *Ibid*, p. 457.

14 *Ibid.*

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16 For more details regarding bundled payment program changes and cancellations, see "Now You See It, Now You Don't: Bundled payment Programs Cancelled" Health Capital Topics, Vol. 10, Issue 10, October 2017, https://www.healthcapital.com/hcc/newsletter/10_17/PDF/CJR.pdf (Accessed 4/5/18).

17 Federal Register, Vol. 82, No. 220 (November 16, 2017), p. 53577.

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21 Medicare Payment Advisory Commission, March 2018, p. 456.

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