

MACRA rule expands exemptions and provides more flexibility for physicians

On Friday, CMS released the much anticipated final MACRA rule and, at first blush, the 2,398-page document appears to include significant improvements over the proposed rule that was released earlier this summer. As you will recall, the FMA and many other physician organizations sent formal comments on the proposed rule to CMS in June, and it is clear that CMS listened to the concerns expressed by physicians. In fact, *Politico* reported:

CMS bent over backwards to keep from alienating doctors with the rule it released Friday. It bent so far, in fact, that a few are asking whether the rule will effectively bring about the health system reforms that everyone says are necessary. One thing it seems very likely to achieve is the quieting of complaints about overzealous CMS regulation ... at least until sometime next year.

... After meeting with roughly 100,000 physicians, reviewing nearly 4,000 comments and spending countless hours pondering the issue, CMS decided to make it easier for accountable care organizations to qualify as alternative payment models, reduce the number of meaningful use measurement requirements, and offer doctors a "pick-your-pace" paradigm for change. Doctors can choose a 90-day reporting period for the meaningful use aspect of MACRA — and the rule expanded an exemption for small practices.

It's interesting to compare [Table 64](#) of the proposed rule, which estimated 87 percent of solo doctors would be hit with a penalty under MACRA, with [Table 62](#) in the final rule, which says 10 percent of doctor practices of fewer than nine physicians will be penalized.

FMA staff experts will continue to analyze the final rule and will be developing a host of tools, education and services designed to help physicians navigate the most significant changes in Medicare in decades. The final rule includes the following:

- A small increase in the low-volume threshold, exempting any physician who sees fewer than 100 Medicare patients or submits Medicare charges of less than \$30,000 a year. CMS estimates that the low-volume threshold alone will exempt 28 percent of family practitioners and 25 percent of general surgeons.
- A one-time, first-year reduction in the composite performance threshold so that any physician who earns a score of 3 out of a possible 100 points will not receive any Medicare payment penalties. (Remember, data collected on 2017 performance will affect physicians' 2019 payments.) Any physician who successfully reports one quality measure or one of the new improvement activities will earn 3 or more points, and thus be protected from the possibility of a 4-percent cut in 2019. CMS now estimates that approximately 95 percent of eligible physicians will get a positive or neutral payment adjustment in 2019. This low standard applies only to the 2017 reporting year; the performance requirements will increase in 2018 and beyond.

- A system that allows physicians and groups the flexibility to determine the most meaningful quality measures and reporting mechanisms for their practices and their patients.
- An option for physicians to report information on their use of health information technology for just 90 days in 2017. This is the old meaningful use program. The draft rule would have required a full calendar-year reporting period beginning in 2017. Physicians can choose to report full-year metrics, and that will increase their chances of obtaining a larger bonus.