The Physicians Advocacy Institute’s
Medicare Quality Payment Program (QPP)
Physician Education Initiative

MACRA QPP Overview
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What is MACRA?

The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) changed the way physicians are reimbursed for Medicare Part B services beginning January 1, 2017. MACRA repealed the sustainable growth rate (SGR) formula and replaced it with a new program—the Quality Payment Program (QPP)—under which clinicians will have the opportunity to earn bonuses or face penalties in the form of positive, neutral, or negative adjustments based on their performance in quality and cost measures and activities and use of their electronic health records (EHRs).

What is the Quality Payment Program?

The QPP shifts physician reimbursements from the traditional fee-for-service (FFS) model to a value-based payment model. While this may seem like a new program, it is familiar to past CMS value-based programs that provided physicians with incentives and bonus payments for reporting quality and cost data on their patients.

The QPP generally offers two reimbursement pathways for physicians under Medicare Part B:
Physicians are not required to participate in both MIPS and Advanced APMs; they will only be subject to the payment scheme under one of these reimbursement pathways.

Who is required to participate?

CMS has identified a list of “eligible clinicians (ECs)” who are subject to participation in the QPP; these include:

- Physicians
- Physician Assistants
- Osteopathic Practitioners
- Chiropractors
- Nurse Practitioners
- Clinical Nurse Specialists
- Certified Registered Nurse Anesthetists
- Physical & Occupational Therapists
- Qualified Speech-Language Pathologists
- Qualified Audiologists
- Clinical Psychologists
- Registered Dietitians or Nutrition Professionals
- New Medicare Part B physicians who enroll in Medicare for the first time during the performance year
- Physicians below the low-volume threshold. Physicians who either:
  - Have Medicare Part B allowed charges ≤ $90,000, OR
  - Provide care to 200 or fewer Medicare Part B patients, OR
  - Provide fewer than 200 professional services under the Physician Fee Schedule
- Physicians participating in Advanced APMs

Additionally, CMS has defined a list of ECs who may be exempt from MIPS participation.
Continuing in 2020, if you exceed one or more of the low-volume threshold criteria, you have the opportunity opt-in to MIPS and report MIPS data to be eligible to receive a positive payment adjustment. You must make the election to opt-in in the MIPS portal.

**What is the Merit-based Incentive Payment System?**

MIPS consolidates and sunsets the previous quality reporting programs by the Centers for Medicare and Medicaid Services (CMS), including the Physician Quality Reporting System (PQRS), Value-based Payment Modifier (VM), and the Electronic Health Records (EHR) Incentive program (Meaningful Use), into one program. In 2020, MIPS has four weighted performance categories: quality (45%), based on PQRS; cost (15%), based on VM; promoting interoperability (PI) (25%), previously advancing care information (ACI); and improvement activities (15%).

How are Medicare reimbursements determined under MIPS?

Physicians will continue to receive Medicare Part B FFS payments as they currently do; however, these payments will be adjusted depending on their overall MIPS score. Physicians will either receive a positive, neutral, or negative payment adjustment of their Part B reimbursements depending on how their overall MIPS final score compares to the MIPS performance threshold.
and their peers’ scores. To learn more, see PAI’s How QPP Affects Medicare Part B Payments resource.

**What are Advanced Alternative Payment Models (APMs)?**

APMs are a payment and delivery approach where clinicians have financial incentives to provide efficient, high-quality care. APMs may apply to services for specific conditions, episodes of care, or populations, and include elements of bundled payments, gain-sharing, and FFS. Advanced APMs are a subset of CMS-approved APMs that allow physicians to earn a 5% incentive payment under the QPP. To learn more about Advanced APMs, see the PAI Advanced APM Overview resource and additional resources on the PAI Advanced APM Pathway page.

**How are payments determined under Advanced APMs?**

Each Advanced APM will have its own participation requirements that specify the payment arrangements, performance requirements, risk arrangement, shared savings/losses under that model, etc. The QPP does not affect or change these arrangements. Physicians who participate in an Advanced APM will receive payments for their services through the Advanced APM, but they may also be eligible to receive an additional lump sum 5% incentive payment for their participation in the Advanced APM. The incentive payment physicians receive under the QPP would be separate and distinct from the payments for services they receive for providing services to patients through the Advanced APM. To learn more about Advanced APMs, visit the Advanced APM Pathway page on the PAI website.

Additional information is available on PAI’s QPP Resource Center, the CMS QPP Resource Library, and the CMS QPP website.