

Alternative Payment Models and the Merit-Based Incentive Payment System

ISSUE: The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) repealed the existing payment update formula for services provided by physicians and other health professionals billing Medicare—the sustainable growth rate (SGR). Going forward, Medicare’s payments to clinicians will be updated by amounts set in statute. Incentive payments for clinicians will also be available from 2019 to 2024 for clinicians who qualify as participating in an eligible Alternative Payment Model (APM). MACRA establishes a few key requirements for eligible APMs and how clinicians will qualify for incentive payments. The law also establishes a separate Merit-Based Incentive Payment System (MIPS) for clinicians who do not meet the eligible APM threshold.

KEY POINTS: This introductory session will summarize the relevant provisions of law and present initial policy considerations.

ACTION: Commissioners should review the material and be prepared to comment on the policy considerations raised in the paper.

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