Current and Future Status of Merit-Based Incentive Payment Systems

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KEYWORDS

• MIPS • MACRA • Quality payment program

KEY POINTS

- The Quality Payment Program established by Medicare Access and CHIP Reauthorization Act (MACRA) legislation establishes the guidelines for payments now and in the future to Medicare providers.
- The program consists of 2 current pathways (Alternative Payment Models and Merit-based Incentive Payment Systems [MIPSs]) and 1 proposed future pathway (MIPS value pathways).
- The program is complex and reporting is burdensome, and both Centers for Medicare and Medicaid Services and providers are looking for ways to achieve the goals of MACRA without creating more administrative burdens.

INTRODUCTION

The Medicare Access and CHIP Reauthorization Act (MACRA) created the Quality Payment Program (QPP), which is responsible for paying Medicare providers. The goal was to emphasize a balance between quality and cost and to assess the overall value of care delivered to the beneficiaries. Now that the QPP is in its fourth year, providers, beneficiaries, and Centers for Medicare and Medicaid Services (CMS) are reviewing its effects both for its burdens and its effects on care. The program is evolving; however, certain parts of the legislation will become absolute law in the next few years. This article is an examination of this evolution and a discussion of the future of MACRA, Alternative Payment Models (APMs), and Merit-based Incentive Payment Systems (MIPSs).

HISTORY

The history of the current physician fee schedule began in 1992 when the resource-based relative value scale (RBRVS) was put into place by the Omnibus Budget Reconciliation Act of 1989.[1] A formula would determine what each procedure performed by physicians was worth based on different costs involved in providing the service. These costs included physician work, practice expense, and malpractice. CMS is responsible for the final fee schedule but the RUC (Relative Value Scale Update Committee) advises CMS. This committee is composed of 31 volunteer physicians whose purpose is to advise Medicare on the value of the work of a physician depending on the procedure. Specialty societies advise the RUC about proposed updates to the RBRVS. The RUC then makes the recommendations to CMS, which then addresses these revisions in its final rule every year.

The Balanced Budget Act (BBA) of 1997 included key Medicare provisions meant to assure the solvency of Medicare over an extended period of time. This assurance was to be achieved by reducing spending by limiting the growth of payments to hospitals and physicians as well as

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