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The Requirements of the **Medicare Access and CHIP
Reauthorization Act of 2015 (MACRA)**
which is the basis for the **Merit-Based Incentive Payment System (MIPS)**
SETMA's Analysis of and Preparation for MIPS
And CMS's Assessment of SETMA's Past Performance

1. [A Brief Overview of the MIPS: Scoring System – Effective for 2019 Payments Based on 2017 Provider Performance](#)
2. [A Detailed Review of MACRA and MIPS](#)
3. [SETMA's Medicare Fee-for-service Results of CMS Quality Resource Utilization Report \(QRUR\) for the First Half of 2015](#)

[MACRA and MIPS: An Analysis of the Final QRUR for the Full Year 2015](#)

The second document under number three is the finalized 2015 Quality Resource and Utilization Report (QRUR) for SETMA. This was released September 27, 2016. In 2014 our Quality Composite Score was 0.18 and increased to 0.30 for 2015. **This represents an increase in our quality performance.** We have designed a tool described below which should enable us to improve this score significantly. Our goal is to at least exceed one deviation above the mean.

In 2014 our Cost Composite Score was 0.47 and increased to 0.57 for 2015. **This represents a deterioration in our cost performance.** We have designed tools for helping us decrease our rate of admissions which should improve our overall cost performance in 2017. Our goal is to get at least down to the mean on cost.

We still fall within the “Average Cost” and “Average Quality” categories **which means we will see no change in our Medicare reimbursement in 2017.**

In the following material there is additional analysis of how we can improve our performance and description of two new tools which will support that improvement:

- **This link is to SETMA's tutorial for how to refer patients to our outpatient infusion clinic because we have close to 2,000 long-term residential care patients, many get sent to the hospital for urinary tract infections, bacterial pneumonia**

and dehydration making our rate of admission and ultimately our cost for these conditions to be higher than the benchmark. The infusion center can help us decrease those admissions

[Outpatient Infusion Center for Intravenous Antibiotic Therapy and Other Meds](#)

- The following link is to SETMA's tutorial for SETMA's Merit-Based Incentive Payment System (MIPS) Quality Metric Tool Tutorial. This tutorial. The function described in this tutorial will allow SETMA's providers to efficiently meet the metric standards. SETMA's performance as seen in the 2015 Final GRUR above is very good but our goal is for all metrics to be at least above one standard deviation from the mean.

[SETMA's Merit-Based Incentive Payment System \(MIPS\) Quality Metric Tool Tutorial](#)

4. [SETMA's Prescient Preparation for MACRA and MIPS As Of September, 2016](#)

Four Categories of MIPS's Scoring System

An Analysis of SETMA's **QRUR** report for the first half of 2015 (link number three above) gives us direction for how to improve our performance in 2017. 2016 data will be analyzed by CMS in 2018 to determine healthcare providers "Composite Performance Score" (CPS). The analysis of our **QRUR** report shows SETMA's performance on the **four categories** (Quality, Cost/Resources Utilization, Advancing Care Information -- MU, Clinical Practice Improvement Activities -- PC-MH) of the MIPS Scoring System are:

- **Quality**, represents 50% of the MIPS "Composite Performance Score," quality is the residual of the PQRI and PQRS programs:

[SETMA's Use of Quality Metrics 1998-2016](#)

[Clinical Quality Measures \(CQM\) - Part of the Future of Healthcare PQRI and PQRS - Part of the Past which Created the Future](#)

SETMA's Performance is shown on a "scatter plot" which reflects that for 2014 we had average quality and average cost

[MIPS September 2016 Advanced Care Information \(MU\) & Clinical Practice Improvement \(PC-MH\)](#)

Quality Also is Reflected by Outcomes Measures in SETMA's QRUR's "Calculated Quality Outcome Measure Performance." SETMA is shown to have a high rate of admissions per thousand patients in three categories: bacterial pneumonia, urinary tract infection, dehydration. The following

addresses why we think this is the case for SETMA and the steps of action, we will take to improve our performance. The major cause of this result is that SETMA treats almost 1700 patients in long-term-residential-care where these diagnoses are frequent.

[MIPS September, 2016 Nursing Home Population – Pneumonia, Urinary Tract Infection, Dehydration](#)

Exhibit 5. CMS-Calculated Quality Outcome Measure Performance

Performance Category	Measure Number	Measure Name	Your TIN's Eligible Cases	Your TIN's Performance Rate	Benchmark Rate	Reference Range
Hospitalization Rate per 1,000 Beneficiaries for Ambulatory Care Sensitive Conditions	CMS-1	Acute Conditions Composite	4,843	9.69	6.90	1.46 - 12.35
	-	Bacterial Pneumonia	4,843	13.59	9.96	1.23 - 18.68
	-	Urinary Tract Infection	4,843	10.47	7.02	0.00 - 14.77
	-	Dehydration	4,843	5.00	3.69	0.00 - 7.87
	CMS-2	Chronic Conditions Composite	2,831	51.04	54.56	28.73 - 80.39
	-	Diabetes (composite of 4 indicators)	1,910	17.44	17.98	0.00 - 38.09
	-	Chronic Obstructive Pulmonary Disease (COPD) or Asthma	1,033	70.39	76.29	28.54 - 124.04
	-	Heart Failure	1,136	99.11	112.54	57.74 - 167.34
Hospital Readmissions	CMS-3	All-Cause Hospital Readmissions	1,173	16.14%	15.32%	13.88 - 16.75

- **Cost/Resources Utilization – Cost/Resource Utilization contributes 10% to the MIPS Score -- SETMA's Resources Utilization high in Emergency Room Utilization and in Post-Acute Care**

[What is Post Acute Care?](#)

The below Exhibit from SETMA's QRUR shows that in ten categories our cost is below the benchmark which is considered positive and in four categories it is high. However, it is never however than .48 of a standard deviation and it is never high in a category which would reflect that resources are being used for the financial advantage of the healthcare providers. SETMA has put into place processes for improving resource utilization in the ER and in Post-Acute Care.

Exhibit 9. Differences between Your TIN's Per Capita Costs and Mean Per Capita Costs among TINs with these Measures, by Service Category:
Per Capita Costs for All Attributed Beneficiaries and Beneficiaries with Specific Conditions

Service Category	Amount by Which Your TIN's Costs Were Higher/(Lower) than Benchmark: Per Capita Costs for All Attributed Beneficiaries	Amount by Which Your TIN's Costs Were Higher/(Lower) than Benchmark: Per Capita Costs for Beneficiaries with Diabetes	Amount by Which Your TIN's Costs Were Higher/(Lower) than Benchmark: Per Capita Costs for Beneficiaries with Chronic Obstructive Pulmonary Disease	Amount by Which Your TIN's Costs Were Higher/(Lower) than Benchmark: Per Capita Costs for Beneficiaries with Coronary Artery Disease	Amount by Which Your TIN's Costs Were Higher/(Lower) than Benchmark: Per Capita Costs for Beneficiaries with Heart Failure
TOTAL PER CAPITA COSTS	\$2,473	\$3,075	\$4,580	\$4,610	\$2,893
Evaluation & Management Services Billed by Eligible Professionals in Your TIN*	(\$41)	(\$47)	(\$50)	(\$47)	(\$74)
Evaluation & Management Services Billed by Eligible Professionals in Other TINs*	(\$45)	(\$36)	\$7	(\$5)	\$56
Major Procedures Billed by Eligible Professionals in Your TIN*	(\$19)	(\$18)	(\$26)	(\$29)	(\$30)
Major Procedures Billed by Eligible Professionals in Other TINs*	(\$23)	(\$12)	(\$34)	(\$33)	(\$16)
Ambulatory/Minor Procedures Billed by Eligible Professionals in Your TIN*	(\$52)	(\$44)	(\$45)	(\$46)	(\$43)
Ambulatory/Minor Procedures Billed by Eligible Professionals in Other TINs*	(\$108)	(\$114)	(\$57)	(\$113)	(\$42)
Outpatient Physical, Occupational, or Speech and Language Pathology Therapy	(\$101)	(\$113)	(\$78)	(\$114)	(\$135)
Ancillary Services	(\$25)	(\$122)	(\$127)	\$60	\$65
Hospital Inpatient Services	(\$105)	(\$674)	(\$1,662)	(\$513)	(\$3,518)
Emergency Services Not Included in a Hospital Admission	\$53	\$84	\$102	\$112	\$57
Post-Acute Services	\$2,835	\$3,652	\$6,485	\$5,386	\$6,331
Hospice	\$573	\$725	\$767	\$729	\$1,003
All Other Services**	(\$469)	(\$207)	(\$702)	(\$776)	(\$761)

- **Advanced Care Information** – category of the MIPS' Scoring System is based on electronic patient records and reflects the values and functions of the standards previously known as Meaningful Use. This category is valued at 25% of the MIPS Score. SETMA meets all of the parts of this category of MIPS's Scoring.

[MACRA MIPS Where Does SETMA Stand](#)

- **Clinic Practice Improvement Activities** – this category is valued at 15% and is fully met by a practice being recognized by NCQA as a Tier 3 Medical Home. SETMA's PC-MH recognition by NCQA has been the highest from 2010-2019.

Summary by standard deviation for quality and cost and by scatter plot and MIPS assessment of payment for 2014 data

Your TIN's Quality Composite Score: **Average**

The graph below displays your TIN's standardized Quality Composite Score.



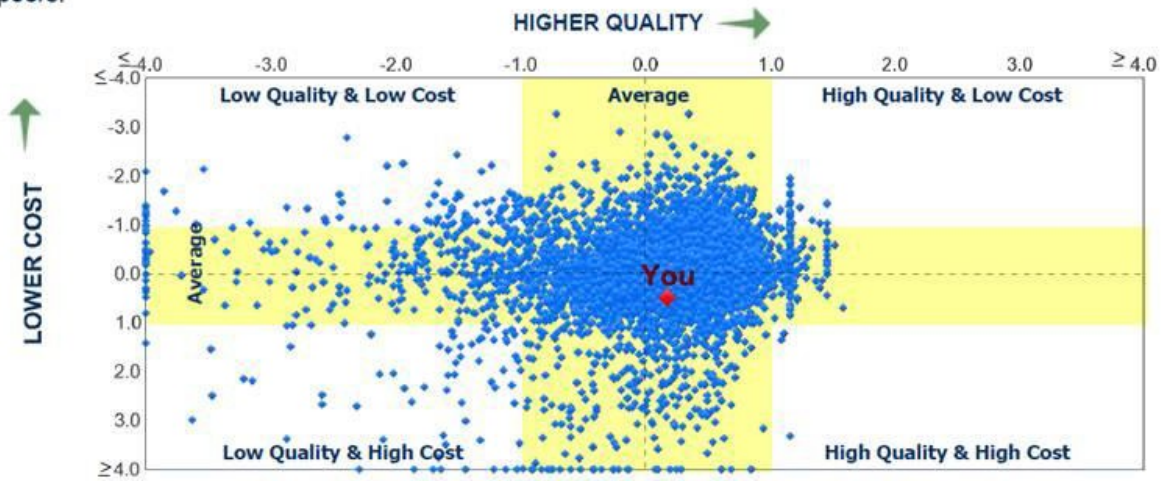
Your TIN's Cost Composite Score: Average

The graph below displays your TIN's standardized Cost Composite Score.



Your TIN's Performance: Average Quality, Average Cost

The scatter plot below displays your TIN's quality and cost performance ("You" diamond), relative to that of your peers.



Note: The scatter plot reflects the performance of a representative sample of your peers.

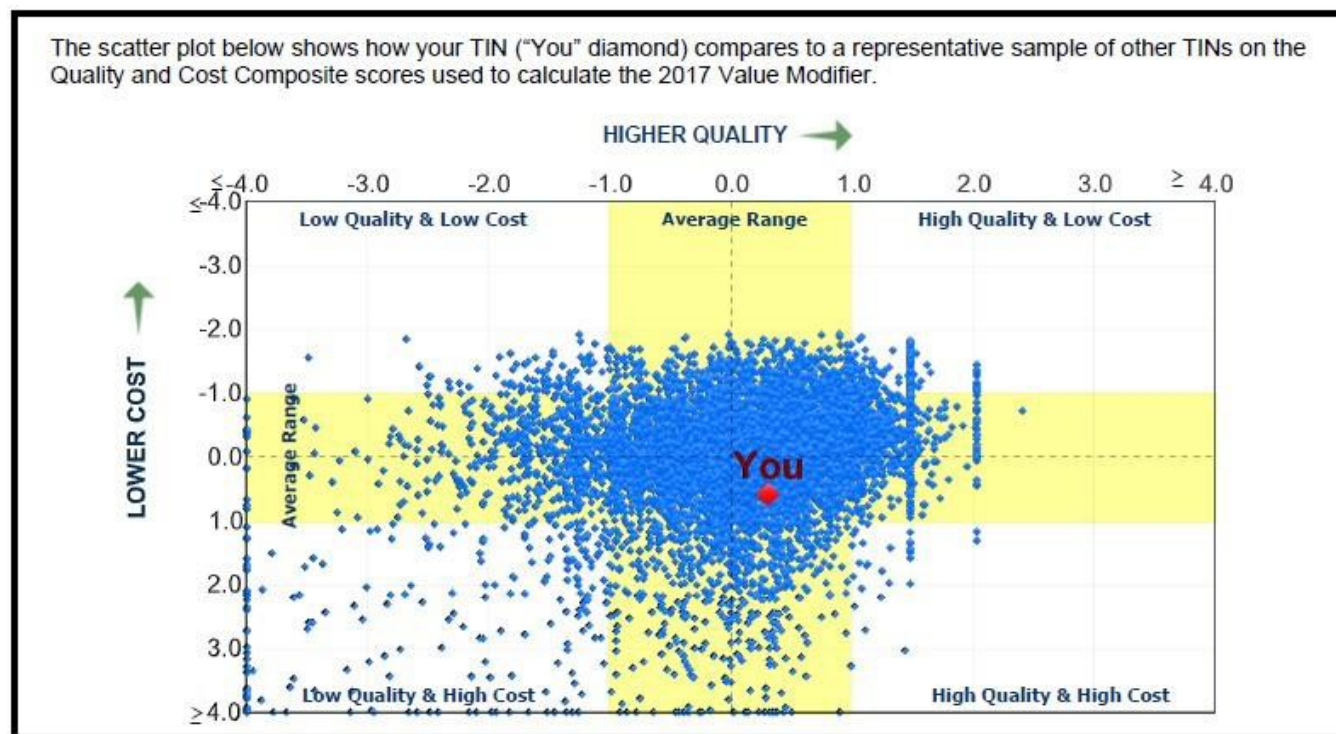
Your TIN's Value Modifier: Neutral Adjustment

The highlighted payment adjustment will be applied to payments under the Medicare Physician Fee Schedule for physicians billing under in your TIN in 2016.

	Low Quality	Average Quality	High Quality
Low Cost	0.0%	+1.0 x AF	+2.0 x AF
Average Cost	0.0%	0.0%	+1.0 x AF
High Cost	0.0%	0.0%	0.0%

The following is the scatter plot for SETMA's Performance for the full year of 2015. This is the data which will be used to calculate our Quality and Cost Composite Scores for payment in 2017. Year over year between 2014 and 2015, SETMA's quality went from 0.18 standard deviation above the mean to a 0.30 standard deviation above the mean. In quality measurement, the higher the positive number, the better. Our goal as previously stated is to improve our quality measures to at least 1.0 standard deviation above the mean. This will place SETMA in the high quality range.

Between 2014 and 2015, SETMA's cost went from 0.48 standard deviation above the mean in 2014 to 0.57 standard deviation above the mean for cost. Relative to cost, positive scores reflect a higher cost than a negative score. For 2017, SETMA's goal is to move our cost to the mean or slightly below it.



**Exhibit 1. 2017 Value Modifier Payment Adjustments under Quality-Tiering
(TINs with 10 or More Eligible Professionals)**

	Low Quality	Average Quality	High Quality
Low Cost	0.0%	+2.0 x AF	+4.0 x AF
Average Cost	-2.0%	0.0%	+2.0 x AF
High Cost	-4.0%	-2.0%	0.0%