Washington Update

Congressman Andy Harris, M.D. (MD-1)

Anesthesiologist

Disclosures

- I have no pertinent disclosures.

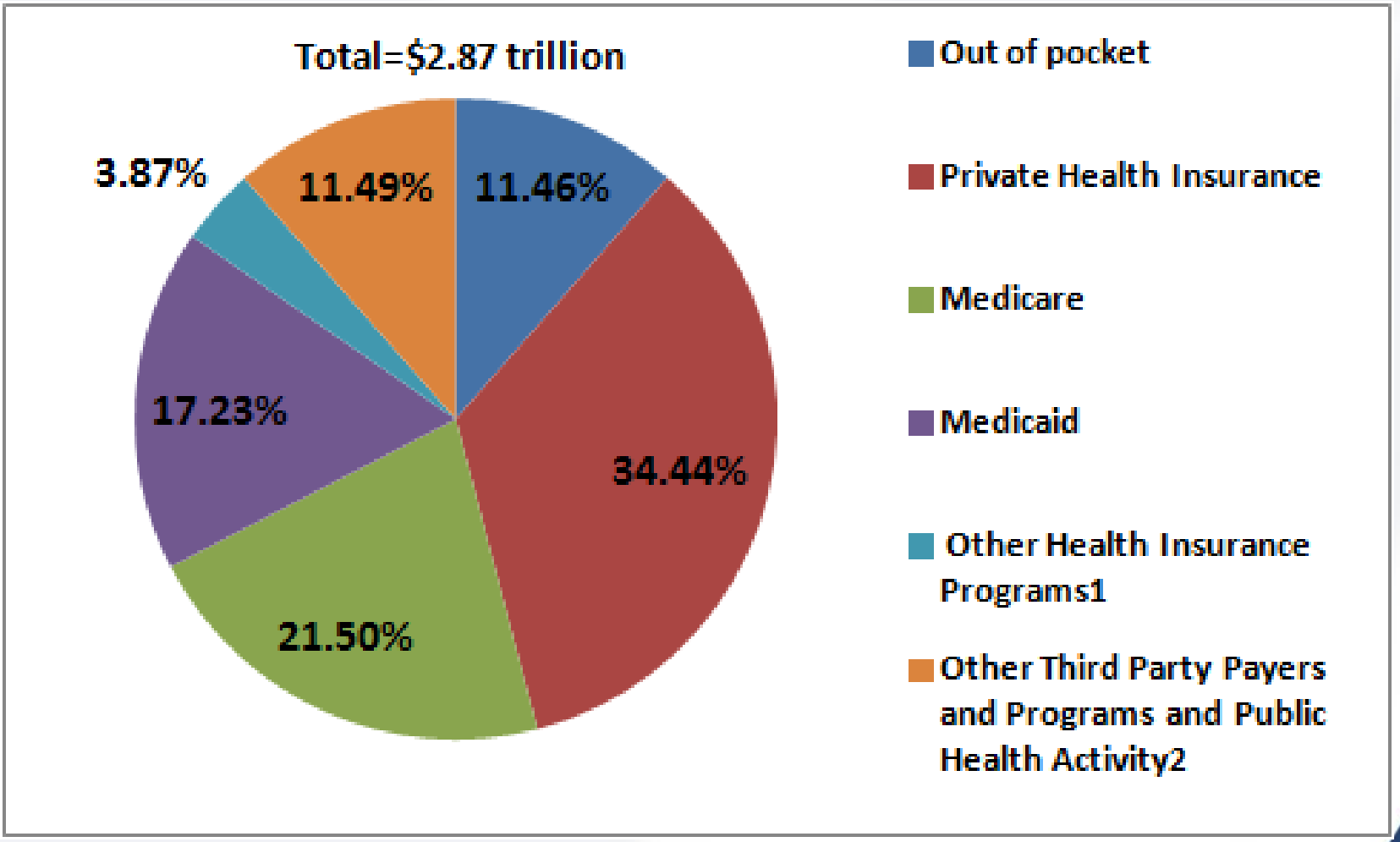
Appropriations Committee

- Only physician on the entire committee
- Serve on subcommittee that deals with all health funding issues (Labor/HHS)
  - HHS: CMS, CDC, NIH
- Serve on Agriculture Subcommittee, which funds FDA
- Can influence other subcommittee appropriation bills that involve health
- Appropriations controls the purse strings

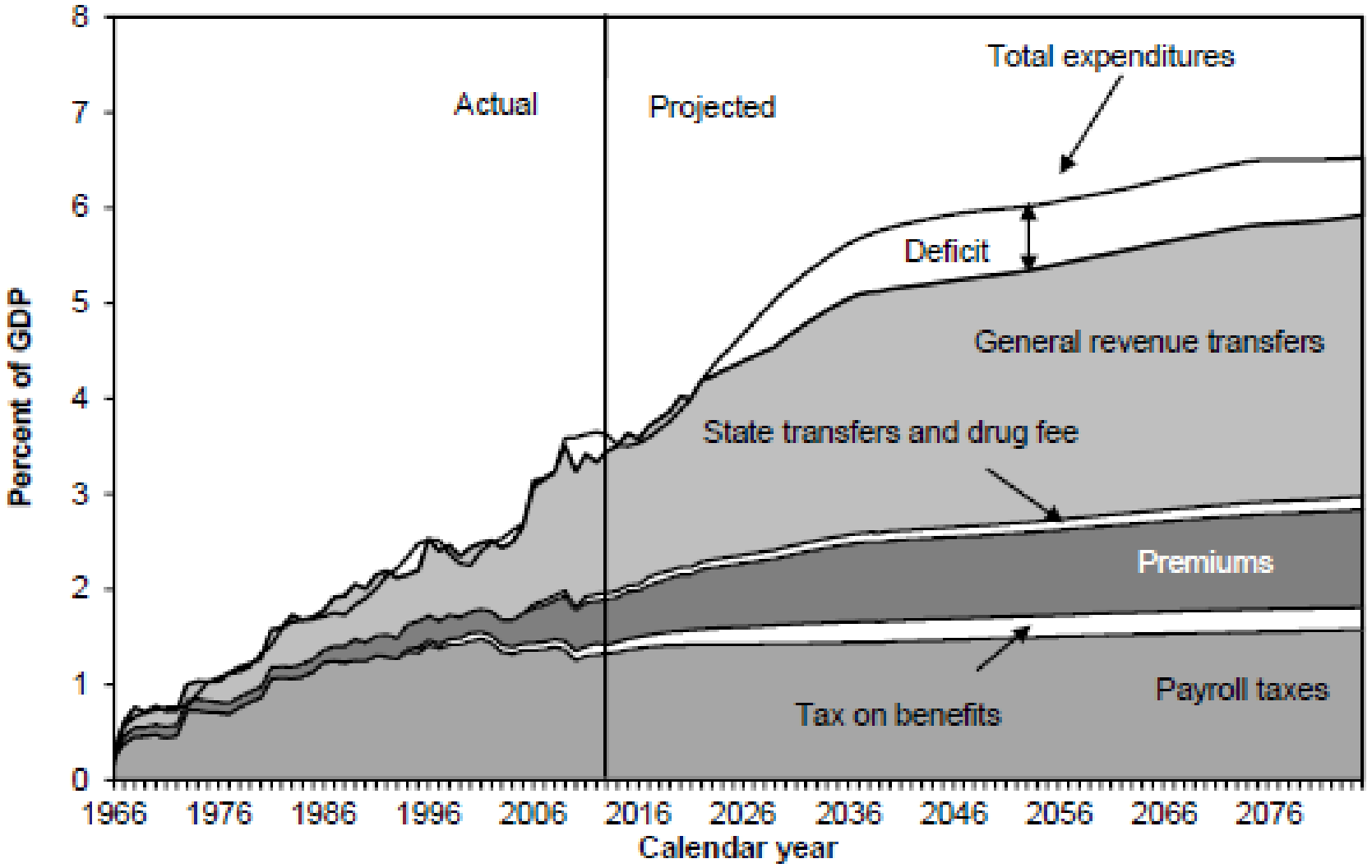
Topics

- Medicare Access and CHIP Reauthorization Act (MACRA)
- Meaningful Use
- The CCJR *Mandatory* Model
- NIH, research reform

US Health Spending by Source - 2014 CMS NHE Account

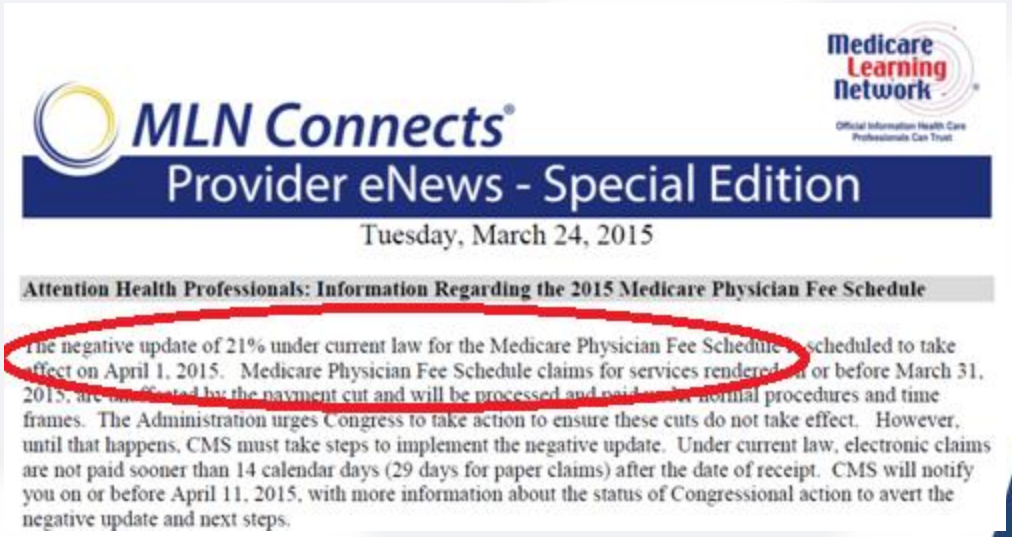


Medicare's Financing Problem



Sustainable Growth Rate (SGR) Repeal

- After 17 different "Doc Fixes" dating back to 2003 and facing a 21% SGR cut last year, finally repealed SGR!



Medicare Learning Network
Official Information Health Care Professionals Can Trust

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Provider eNews - Special Edition

Tuesday, March 24, 2015

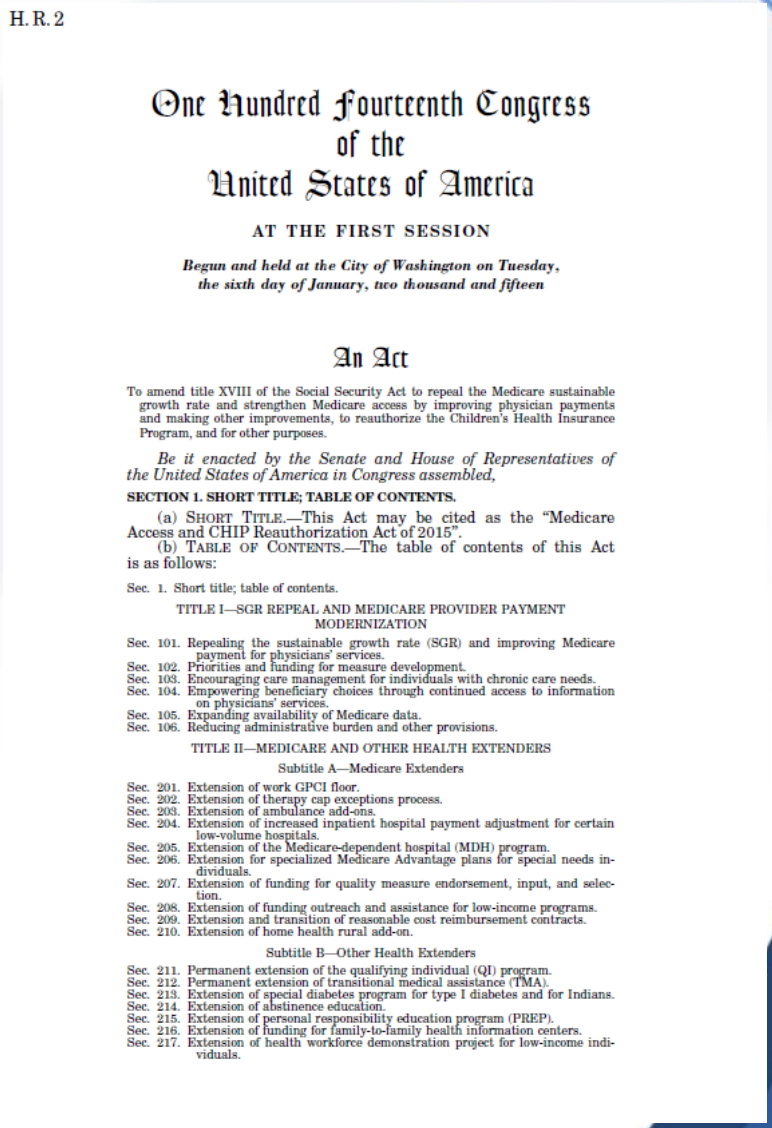
Attention Health Professionals: Information Regarding the 2015 Medicare Physician Fee Schedule

The negative update of 21% under current law for the Medicare Physician Fee Schedule scheduled to take effect on April 1, 2015. Medicare Physician Fee Schedule claims for services rendered on or before March 31, 2015, are not affected by the payment cut and will be processed and paid under normal procedures and time frames. The Administration urges Congress to take action to ensure these cuts do not take effect. However, until that happens, CMS must take steps to implement the negative update. Under current law, electronic claims are not paid sooner than 14 calendar days (29 days for paper claims) after the date of receipt. CMS will notify you on or before April 11, 2015, with more information about the status of Congressional action to avert the negative update and next steps.

Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)

- Reauthorizes CHIP & significant changes to Medicare physician payment:

1) Merit-Based Incentive Payment System (MIPS)
2) Alternative Payment Models (APMs)



H. R. 2

One Hundred Fourteenth Congress
of the
United States of America

AT THE FIRST SESSION

Begun and held at the City of Washington on Tuesday, the sixth day of January, two thousand and fifteen

An Act

To amend title XVIII of the Social Security Act to repeal the Medicare sustainable growth rate and strengthen Medicare access by improving physician payments and making other improvements, to reauthorize the Children's Health Insurance Program, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Medicare Access and CHIP Reauthorization Act of 2015".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Overarching MACRA Impact

Repeals the Medicare SGR

Annual update July 1, 2015 through 2019 is set at 0.5%

2020-2025 the annual update is set at 0.0%

For years 2026 forward the annual update is set at 0.75% for qualifying APM participants and 0.25% for all other physicians

How MIPS Scores

How will physicians and practitioners be scored under MIPS?

A single MIPS **composite performance score** will factor in performance in **4 weighted performance categories**:

Source: CMS

Physicians Choose MIPS or APMs

MIPS

2018: Last year of separate MU, PQRS, and VBM penalties

2019: Combine PQRS, MU, & VBM programs and add CPIA: -4% to +12%

2021: -7% to +21%

2022 and on: -9% to +27%

APMs

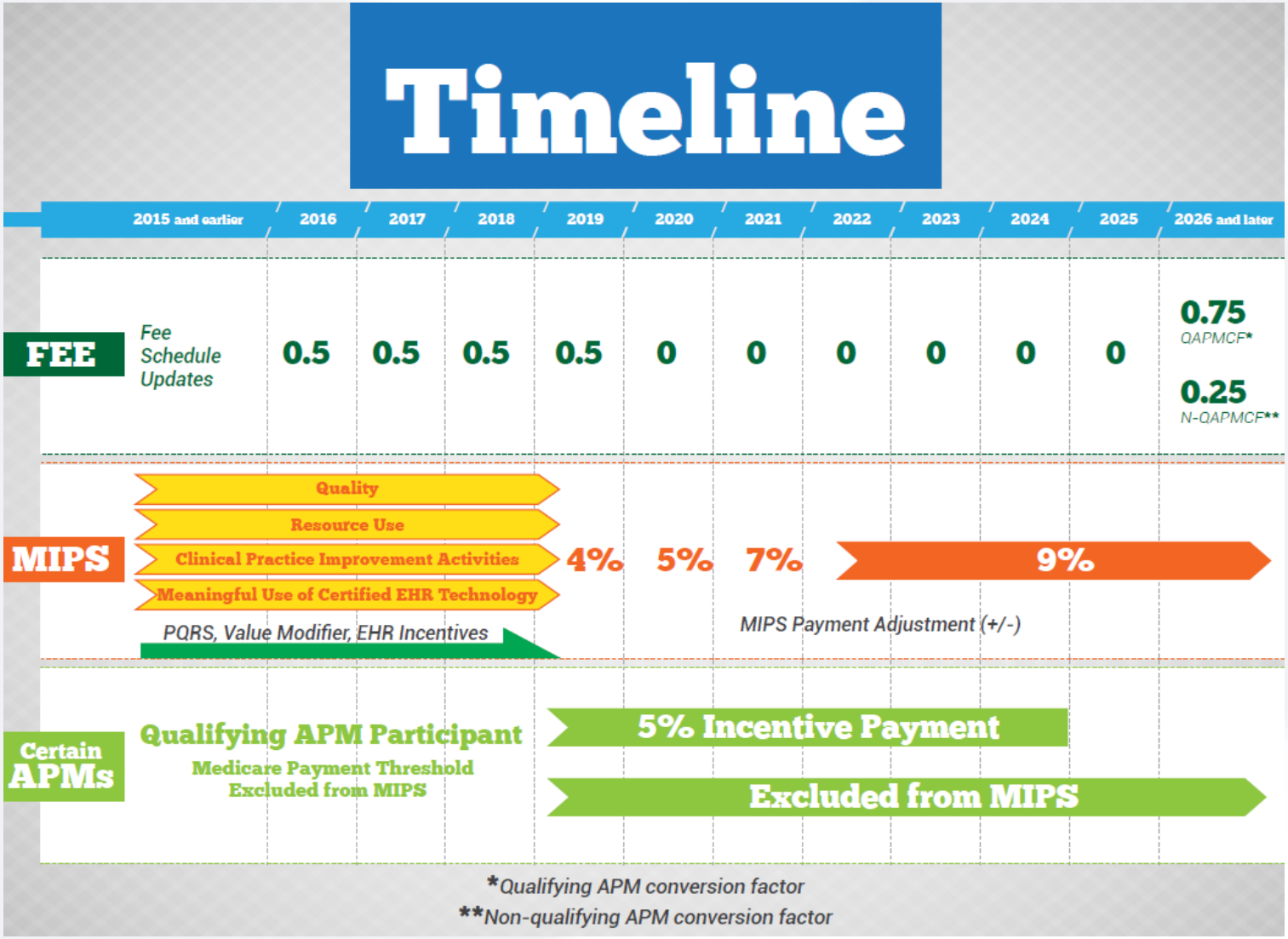
2019 - 2020: 25% Medicare revenue requirement

2019 - 2024: 5% annual participation bonus and additional 0.5% annual update

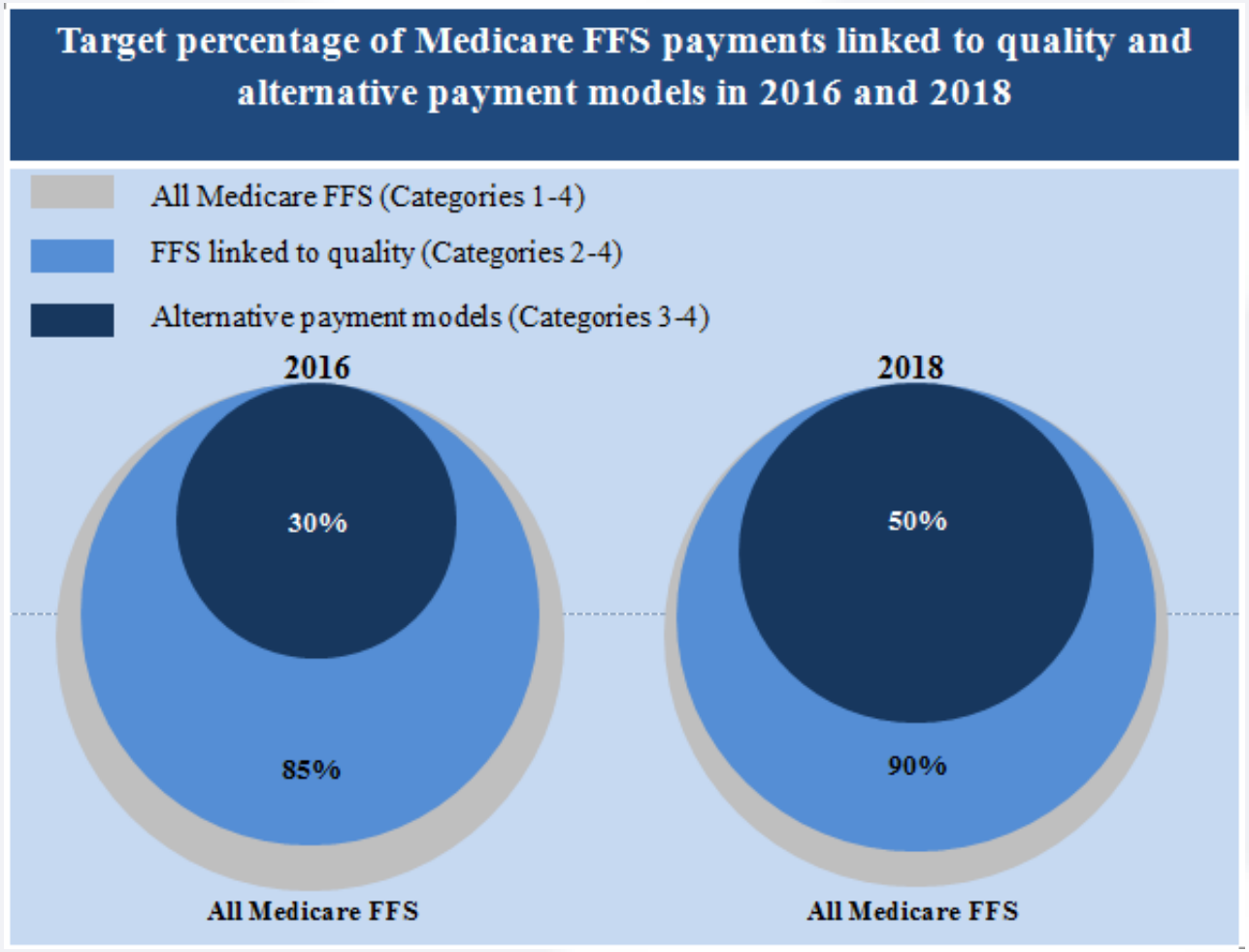
2021 and on:
Ramped up Medicare or allpayer Revenue requirements

*Medicare Fee-for-Service remains an eligible payment model, but will be heavily influenced by MIPS.

MACRA Payment Timeline



How CMS Envisions MACRA Payment Shifts



CMS Newsroom: https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2015-Fact-sheets-items/2015-01-26-3.html

Next Steps for MACRA

- CMS celebrated 1 year anniversary of MACRA passage
- MACRA implementation rule expected soon
- Energy & Commerce Health Subcommittee to host second MACRA implementation hearing focused on physician efforts to prepare for implementation

Unresolved questions

- MACRA is not perfect:
  - Will likely need updates in coming years
  - Many big questions remain on how new system will be implemented
    - Where will MIPS thresholds be set?
    - How will physicians measure Clinical Practice Improvement Activities?
    - Or when it comes to the resource use component to the composite score, who and what will be measured?
    - In APMs, how will levels of risk be established and shared?
    - Etc

Electronic Health Records Meaningful Use Program

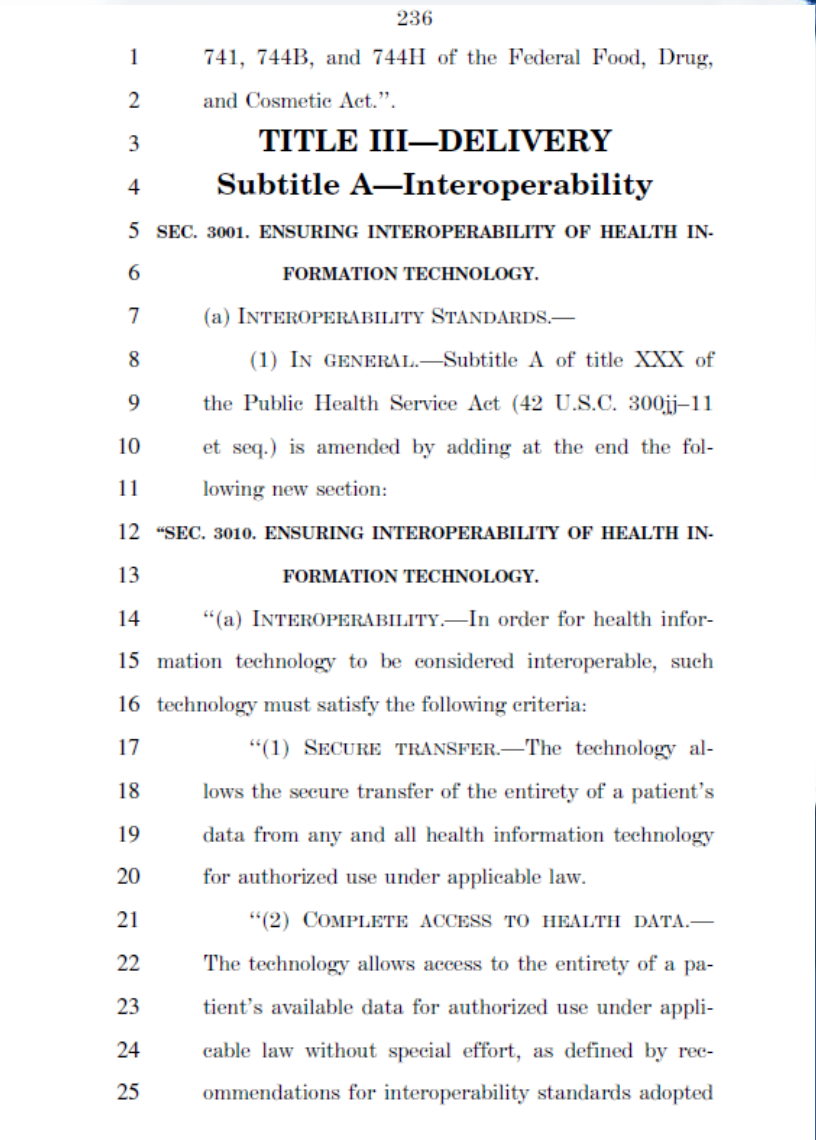
- Host of issues:
  - Interoperability of systems
  - Flexibility of systems to incorporate physician and patient choice
  - Physicians spending more time entering data unrelated to patient needs
  - Low successful compliance despite high EHR usage
  - Etc

The end of Meaningful Use as we currently know it?

- Blanket hardship exemption passed Congress in Dec. 2015 (S.2425)
  - -Also streamlined process to allow group exemptions rather than requiring each physician to apply individually
- Change on the way?
  - CMS Acting Administrator Andy Slavitt stated “The Meaningful Use program as it has existed, will now be effectively over and replaced with something better”

Meaningful Use

- 21st Century Cures Bill and interoperability:
  - Require HHS and ONC set standards on what makes a technology interoperable based on:
    - Allow for secure transfer of all patient data
    - Access to all patient data
    - Not configured to block information



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741, 744B, and 744H of the Federal Food, Drug, and Cosmetic Act.".

TITLE III—DELIVERY

Subtitle A—Interoperability

SEC. 3001. ENSURING INTEROPERABILITY OF HEALTH INFORMATION TECHNOLOGY.

(a) INTEROPERABILITY STANDARDS.—

(1) IN GENERAL.—Subtitle A of title XXX of the Public Health Service Act (42 U.S.C. 300jj–11 et seq.) is amended by adding at the end the following new section:

"SEC. 3010. ENSURING INTEROPERABILITY OF HEALTH INFORMATION TECHNOLOGY.

"(a) INTEROPERABILITY.—In order for health information technology to be considered interoperable, such technology must satisfy the following criteria:

"(1) SECURE TRANSFER.—The technology allows the secure transfer of the entirety of a patient's data from any and all health information technology for authorized use under applicable law.

"(2) COMPLETE ACCESS TO HEALTH DATA.—The technology allows access to the entirety of a patient's available data for authorized use under applicable law without special effort, as defined by recommendations for interoperability standards adopted

Comprehensive Care for Joint Replacement Model

- This Impacting about 800 hospitals over 67 regions, this is CMS' first ***mandatory*** bundled-payment initiative and will apply to hip and knee replacements

- Ultimately, the "episode of care" makes providers responsible for the cost of the joint replacement care from the time of surgery through 90 days post-discharge
  - All medical services delivered including physician inpatient services, outpatient follow-up, home health services, skilled nursing facility services, and hospital readmissions are included

- If costs exceed CMS's target price then the hospitals will pay a penalty.

Delaying CJR implementation

- Co-signed House letter with 60 colleagues to CMS calling for a delay to examine the implications of this new mandatory model
- This mandatory model went into affect 4/1 and there was less than 150 days to prepare
- Impact on future payment will begin at the end of the year
- Co-sponsored H.R. 4848 the “Health Inpatient Procedures Act of 2016” to delay this until January 1, 2018

Young Investigators
Age of Discovery

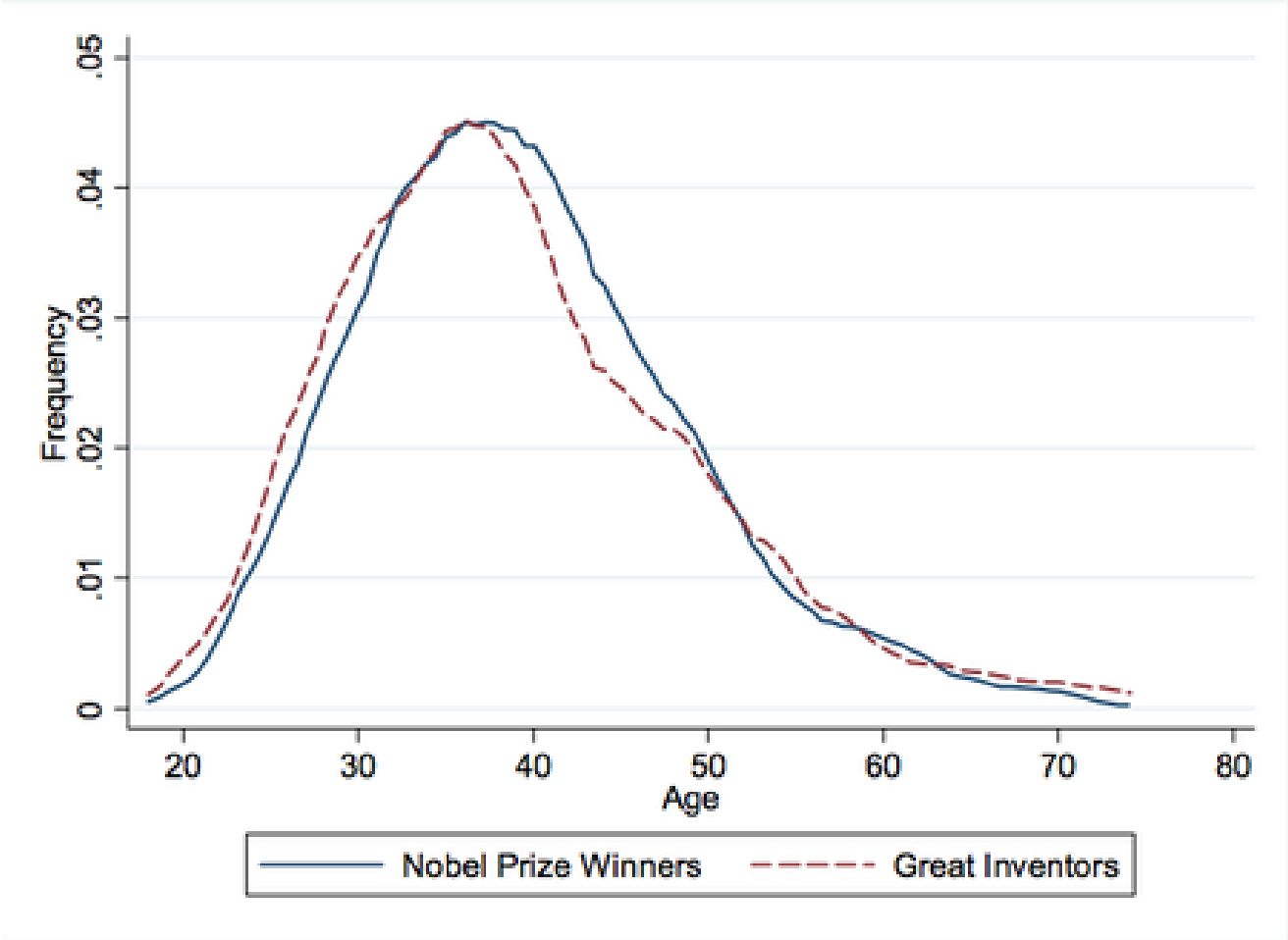
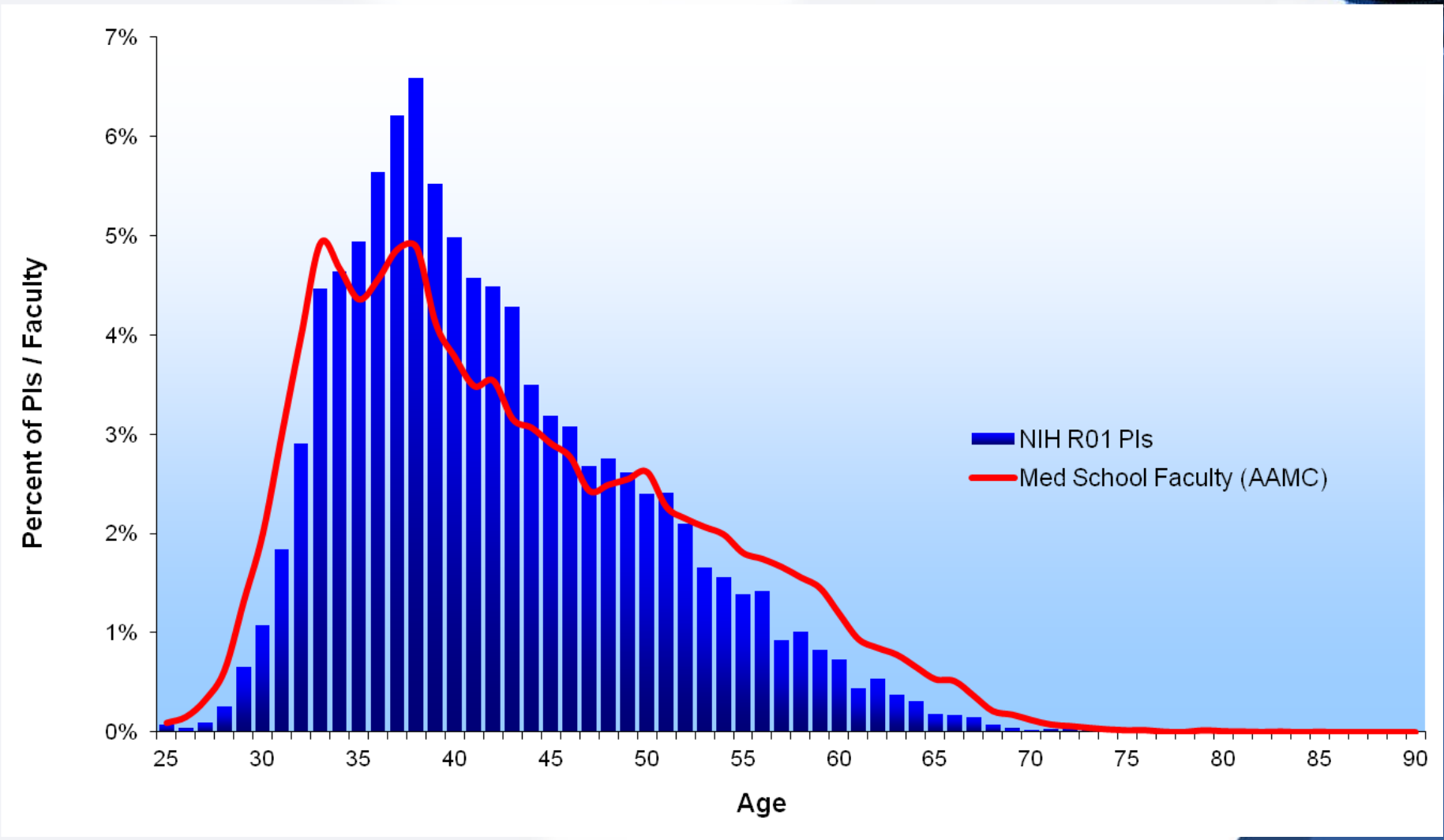


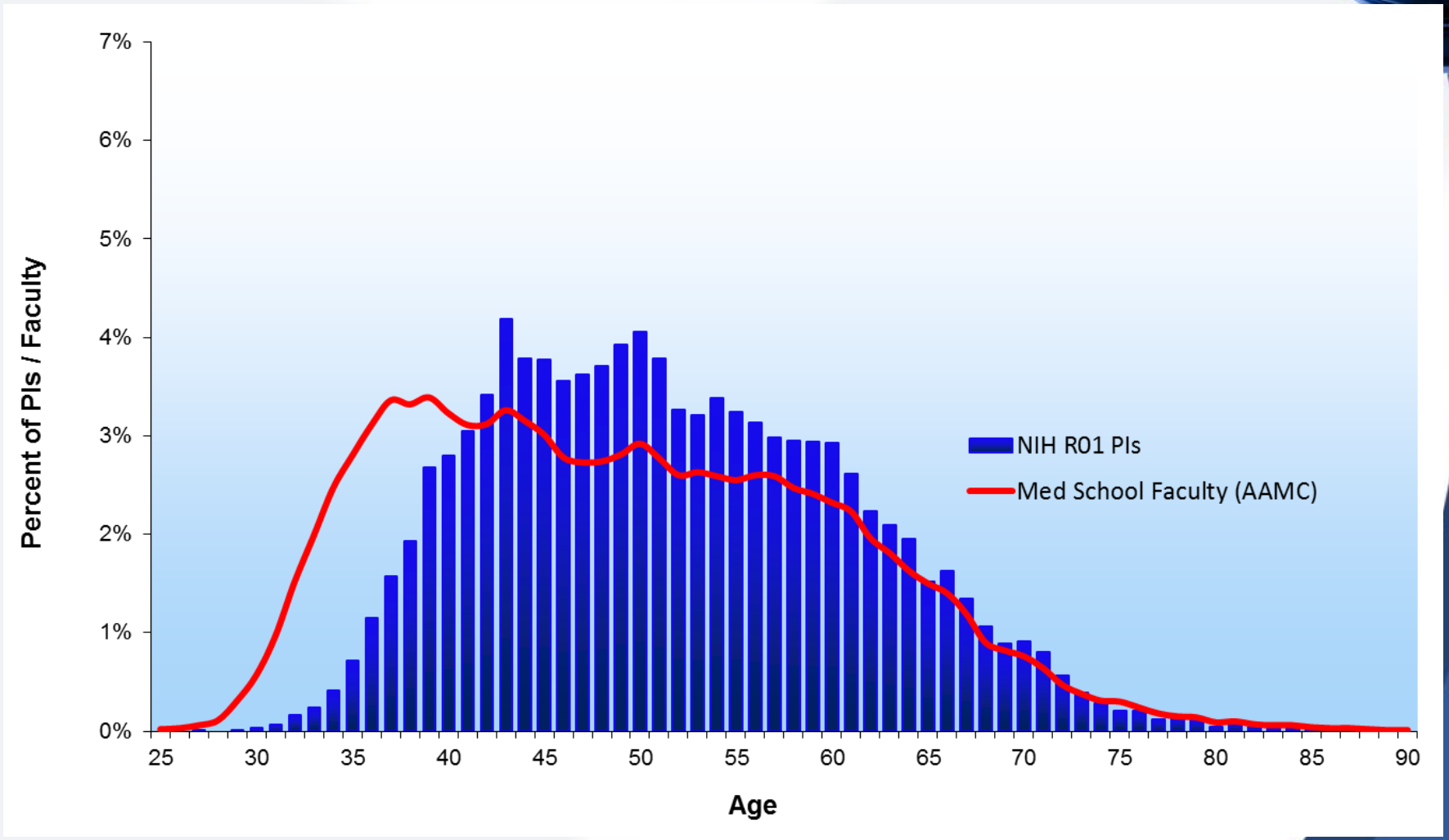
Figure 1: An Age Distribution for Scientific Genius. The Ages at which Individuals Produced Nobel-Prize Winning Insights and Great Technological Contributions over the 20th Century

Age Distribution of RO1 PIs
1980



Source: AAMC

Age Distribution of RO1 PIs
2013



Source: AAMC

Young Investigators Solutions

- '21st Century Cures' Bill – Set aside money to fund emerging scientists
- American Health Care Reform Act – section on Young Investigators, X-prize
- Appropriations Language requiring a workforce study and a greater focus on young investigators

Summary

- Big changes to Medicare payment that the physician community should continue to spearhead
- Meaningful Use appears primed for significant changes
- CCJR may be first step
- Research reform is advancing
- Remain vigilant in addressing the future of medicine