JULY
2017

Periop

ANESTHESIA MONTHLY

Six Months Into MACRA Rollout, Many Docs Still Unprepared

More than halfway through the first year of the rollout of the Medicare Access and CHIP Reauthorization Act, the majority of medical practice leaders still are not ready to comply with the law, according to a survey by American Medical Association and consulting firm KPMG.

The revelation recently released is based on the responses from 1,000 physicians who have been involved in practice decision-making related to MACRA. The survey found that fewer than 1 in 4 physicians interviewed were prepared to meet statutory requirements this year. This could mean that many will face a financial penalty in 2019, which is when 2017 compliance will be measured. The survey found that that 51% of the doctors responding were only somewhat knowledgeable about MA CRA and its new quality reporting system, the Merit-based Incentive Payment System, or MIPS. In addition, 90% felt the reporting requirements were somewhat or very burdensome, given the time it would take to comply with MIPS requirements. The physicians also raised concerns about understanding requirements, how MIPS performance is scored, and the cost required to accurately capture and report performance.

A week before the AMA/KPMG report was released, the agency announced that more small providers would be exempt from MACRA.

Unsurprisingly, the report found that those without experience with value-based reporting systems were most likely to find MIPS requirements burdensome and feel less prepared for long-term financial success. It also found that respondents in a large practice with 50 or more physicians were more likely to feel prepared. Physician practices with less than $90,000 in Medicare revenue or fewer than 200 unique Medicare patients per year would be exempt under the new draft rule released June 20. The move will exclude about 834,000 more clinicians from complying with the quality reporting program under MACRA. The original threshold was $30,000 or fewer than 100 Medicare patients.

GOP Adds Opioid Money To Health Bill; Fate Remains Uncertain

Top Republicans have agreed to add $45 billion to battling opioid abuse to their proposed healthcare bill, but the fate of the bill seems to be uncertain. Leaders have been confronted with a expanding chorus of GOP detractors.

Senate Majority Leader Mitch McConnell is hoping the added money will help win over moderate GOP senators like Rob Portman of Ohio and Shelley Moore Capito of West Virginia. Their states are among many battered by rising death tolls from illegal drug use and they've been pushing for the additional funds. Those same senators are also insisting on easing cuts the GOP legislation would impose on Medicaid, the health insurance program for low-income and disabled people that their states also rely upon. There's no indication an agreement has been reached to pull back on those reductions. That leaves McConnell still short of the votes he needs to push legislation through the Senate repealing much of President Barack Obama's healthcare overhaul. The measure would fail if three of the chamber's 52 Republicans vote no, since all Democrats are opposed.

The added opioid funds, which would be provided over a decade, were described by people who spoke on condition of anonymity to discuss private negotiations. To succeed, McConnell must balance demands from his party's two wings. It's a challenge that's intricate but not impossible, with some saying an eventual compromise could include elements both want. Centrists from states that expanded Medicaid coverage for the poor under Obamacare are battling to ease the bill's cutoff of that expansion, and to make the measure's federal subsidies more generous for people losing Medicaid coverage. Conservatives including Ted Cruz of Texas, Utah's Mike Lee and Kentucky's Rand Paul want to let insurers sell policies with fewer benefits.

111 Continental Drive
Suite 412
Newark, DE 19713
203-530-4548
mstewart@periop.com

Spending To Fall 35% In Two Decades Under Senate Healthcare Bill

Senate Republicans' bill to repeal and replace Obamacare will cut federal Medicaid spending by 35% over two decades compared with current spending, according to a new Congressional Budget Office report. Democrats in the Senate had asked the nonpartisan agency to estimate outside the typical 10-year budget window, because the Better Care Reconciliation Act changes the growth rate for the per-capita cap in the ninth year.

The CBO report may make it more difficult for GOP leadership to line up moderate votes to pass the bill, and they may have to scrap the bill's proposed change to a lower inflation rate in 2025 to ensure passage.

Until then, the cap for the federal contribution is expected to be higher than projected growth for the elderly and disabled, and lower than the growth rate for healthy children and adults. All groups would have the growth pegged to medical inflation, but the elderly and disabled would have medical inflation plus 1 percentage point. In 2025, that growth rate would be limited to general inflation, which the CBO projected would be 2.4% annually. "In later years, (the) gap would continue to widen because of the compounding effect of the differences in spending growth rates," the CBO report said. Disabled children are exempt from any cap in the bill.

The agency did not make an estimate of how the declining federal commitment to Medicaid would affect coverage, but said "enrollment in Medicaid would continue to fall."

Sen. Ron Wyden (D-Ore.) said the bill would put states "in a budgetary vise, pushing them to choose between cutting Medicaid, raising taxes on the middle class, or cutting other important state spending like funding for schools."

"This analysis makes clear that the massive cuts to Medicaid are only going to get worse," he said.

Some Republicans have argued that the rollback of a 3.8% tax on "net investment income" such as dividends, capital gains or hedge fund compensation should be scrapped, but Sen. Bob Corker (R-Tenn.), one of the advocates of that provision, wants that money to fund individual insurance subsidies, rather than Medicaid. That tax is only for individuals who earn more than $200,000 or married couples with a household income of $250,000 or more.