Committee on Energy and Commerce

Opening Statement
of
Subcommittee on Health Ranking Member Gene Green
July 26, 2018

MACRA and MIPS: An Update on the Merit-based Incentive Payment System

Mr. Chairman, thank you for holding today's hearing on the Medicare Access and CHIP Reauthorization Act (MACRA) and the Merit-Based Incentive Payment System (MIPS).

I also thank our esteemed panelists for joining us this morning.

The Sustainable Growth Rate (SGR) was a thorn in the side of Medicare and doctors who treated Medicare patients for over a decade after its creation in 1997.

SGR's formula led to a reduction of physician payments starting in 2002 and had to be patched annually by Congress.

In 2014 and 2015, our committee, along with other committees of jurisdiction, came together and passed bipartisan legislation, the Medicare Access and CHIP Reauthorization Act, which permanently repealed the SGR.

MACRA did more than just repeal the flawed SGR formula. It was designed to overhaul and realign payment incentives for Medicare and transition our health system to one that rewards value instead of just volume of care.

MACRA provides stability in Medicare payments for providers for the years immediately after its enactment and made it easier for providers to report on and deliver high quality care.

Critically, MACRA encourages providers to move away from fee-for-service and participate in a new delivery model that will reduce costs while increasing quality.

Under the law, physicians who treat Medicare beneficiaries have a choice between participating in MIPS or the Advanced Alternative Payment Models (APMs) to make the shift from fee-for-service and volume-based payment system to a value-based payment system.

MIPS streamlined three prior quality incentive programs that were sunset in 2016 and have been replaced by new MIPS categories: Quality, Improvement Activities, Meaningful Use, and Cost.

Starting in 2017, health care providers could choose whether to participate in an APM or MIPS. Providers are exempt from MIPS if they fall below the "low volume" threshold. For 2017,

the Centers for Medicare and Medicaid Services (CMS) set the low volume threshold for providers who see fewer than 100 Medicare Part B patients or have less than $30,000 in Part B charges annually.

For 2018, CMS increased the low volume threshold to $90,000 in Part B charges, or fewer than 200 Medicare patients per year. And for next year, CMS has proposed maintaining the low volume threshold for MIPS, while adding a third exemption route for clinicians providing less than 200 covered services.

CMS has also proposed allowing clinicians that meet the exemption criteria to opt into MIPS.

Under MACRA, the Department of Health and Human Services is required to set the performance threshold by 2019 at the mean or median of final scores for all MIPS eligible clinicians.

In February, Congress passed legislation changing the timeline to ease the burden of the MIPS transition period.

The Bipartisan Budget Act of 2018 granted HHS an additional three years to ensure a gradual and incremental transition to the mean or median of performance.

I look forward to hearing from our panelists regarding their experience with MIPS, the recent changes made by Congress, and whether additional action is necessary to ensure physicians participating in MIPS are generating savings to Medicare and improving patient outcomes.

Thank you, Mr. Chairman. I yield the remainder of my time.