MACRA Accelerates Value-Based Approach to Healthcare
Christopher Cheney, June 26, 2017

Medicare’s reimbursement system for physicians is emerging as a major driver of change in the healthcare industry.

The long journey to establish value-based healthcare business models has taken a giant leap forward this year.

The rollout of the Medicare Access and CHIP Reauthorization Act (MACRA), which is linking an ever-increasing share of physician payments for outpatient care to service-value rather than service-volume, is a game changer, according to the presenters of a workshop Sunday at the HFMA-ANI conference in Orlando, FL.

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“The turning tide is largely driven by MACRA. It has changed healthcare significantly in terms of moving the mindset toward more value-based reimbursement,” said Max Reiboldt, CPA, president and CEO of Coker Group, a healthcare consultancy based in Alpharetta, GA.

While there is considerable uncertainty over the ultimate fate of the Patient Protection and Affordable Care Act, MACRA is an example of how value-based healthcare appears destined to advance, he said.

“It has been a long, drawn-out process from March 2010, when President Obama signed the Affordable Care Act, to today. But regardless of what happens to the ACA or how the ACA changes, the concepts involved in shifting to value-based reimbursement are not going to change. MACRA illustrates the point. No one is talking about repealing MACRA.”

Medicare’s physician reimbursement model, which launched with performance reporting this year and is slated for full implementation in 2019, is making the shift from volume to value a real business condition in the healthcare industry, Reiboldt said.

“Everybody is now in a value-based reimbursement setting, and the reason for that is MACRA. We are all subject to MACRA.”

**MACRA is an example of how value-based healthcare appears destined to advance**

MACRA Success Strategy: MIPS versus APMs

There are two physician-reimbursement tracks under MACRA:

1. In the near-term, most clinicians will be paid through the Merit-based Incentive Payment System (MIPS), which features data reporting in four performance categories that drive payment bonus and penalty mechanisms.

2. Clinicians participating in MACRA-approved alternative payment models (APMs) such as Medicare’s Next Generation ACO can earn 5% payment bonuses.
For most healthcare organizations, MIPS is a more attractive option because it takes a blended approach to physician reimbursement based on both volume and value, said Justin Chamblee, CPA, senior vice president at Coker Group.

“It is still very much a volume-based reimbursement methodology, but it is volume-based with strings attached. It’s not just how much you do, but also how well you do what you do.”

From the perspective of physician financial success, the key to MIPS is a highly structured approach to balancing volume of services with quality of services, said workshop presenter William Strimel, DO, president of Mercy Physician Network, Mercy Health System in Philadelphia. MHS is an affiliate of Livonia, MI-based Trinity Health. “You need to have a robust system in place to manage quality.”

Participating in an APM is potentially more lucrative for physicians. However, operating under APM contracts, which feature both significant upside and downside risk, poses more daunting challenges than MIPS, Chamblee said.

“Under an APM, Medicare is saying they will give physicians an annual 5% uptick in reimbursement for at least a few years. So, clearly there is an incentive to be in an APM, but an APM takes a lot more work. You have to be in the Medicare Shared Savings Program or some sort of innovation model to qualify for APM reimbursement.”

Long-term strategy should be a prime consideration for healthcare organizations that are struggling with the decision to embrace MIPS or APMs, Strimel said. “Mercy is looking to get to full risk. So, if we are going to get to full risk, then we need to perform well in an APM. We need to build the infrastructure.”

Christopher Cheney is the senior finance editor at HealthLeaders Media.

Top 3 Challenges for LTC Executive Directors

Mike Wise, May 9, 2017

At the 2017 annual meeting of the MA chapter ACHCA we asked the Executive Directors of long-term care facilities the following two questions:

“What is your number one challenge?” and “What steps are you taking to overcome this challenge?”

EDs talked. We listened. When we distilled the answers we found that there were three answers that came up the most. Special thanks to those who candidly shared their insights on the spur of the moment. On the following pages is a summary of the answers we received.

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1. Recruiting

We’re looking for a new system for managing applicants and onboarding.

CNA’s, RN’s – homecare companies have a higher minimum wage, so candidates are going there. It sounds good, but there is no guarantee of hours. The desired flexibility sounds good but is not guaranteed. Recruiting from certification programs has its own set of challenges. People fail drug-testing or fail the certification exam. Recently, we hired 7 graduates; 4 failed the drug test, 2 failed the exam. We’re also offering great opportunity for overtime, up to 60-80 hours total.

We’ve changed the benefit policy.

Changed traditional vacation, holiday, and sick time to PTO – to be more flexible.

Updated wages.

Recruiting referral bonuses – FT CNA - $500 paid over 6 months.

Pursuing colleges’ programs for training CNA’s and reimbursement.

Reimbursement for T passes if on a transit line.

Interdisciplinary committee focus on retention.

We post openings on local facebook pages.

HR attends staffing meetings and asks CNA’s, RN’s, etc. to share opening with children, relatives, neighbors, etc. These employees work harder and last longer.

Organize fun events.

Continuous communication of benefits.

Regular check-ins with employees.

Employee referral bonus.

Signing bonuses.
2. Compliance

General comment from a director: “The strike zone for compliance keeps getting wider. Too many regulations are micro-managing our business. Someone recently said, ‘We have more reg’s than the nuclear industry.’ As a private one-facility operation, 75 beds, 115 employees, we simply don’t have the budget to staff someone to keep up with the compliance requirements, not to mention the fact that the laws change so often.”

Watching information sources like this, getting the staff together, hiring SME’s.

Interdisciplinary committee, discuss the regulations, develop a plan, if necessary take it to the state and ask for clarity.

Constant change & turnover: laws, trained staff.

Disseminate updates to managers and then staff.

Once a month training, but must train in shifts.

We’re only as good as our least-trained, least-slept employees.

Another issue is single-parent kids who have more responsibility also caring for grandparents. We are educating younger staff on life skills—builds effectiveness and loyalty.
3. Finance

So many more are on medicaid, it takes longer to convert.

Get the stats to Mass Senior Care, work the channels as a group.

Revenue is down, been cutting expenses for a few years.

Hard look at wages & salaries.

Not replacing attritions—one department is down to 12 from 15 employees.

Impact of ACO’s:

- Reducing lengths of stay
- Moving away from SNF’s
- Moving from hospital directly to home
- Home care companies are getting the patients
- We work with the hospitals to stress the importance of rehab

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- Geriatric Medical
- LPA Medical, Inc.
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- Academy of Long-Term Care Leadership and Development
- chapter and district network
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e-mail Dennis_Lopata@LCC.com for information.
Gold and Cigar level sponsorships are sold out!

Proceeds from the tournament go towards affordable educational seminars and financial assistance for members to attend the annual convocation.
Members’ Social

Our last members’ social was held in May at the British Beer Company in Worcester. Over twenty members and business affiliates enjoyed good food, beverages and conversations. Best of all—it was free! The MA Chapter is proud to have introduced these free social events for members. It provides an opportunity to network and enjoy conversation in a relaxed atmosphere. Our slogan for these events is: no speeches, no CEUs and no cost. We are looking to host another social event on the South Shore this fall.
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Survey Shows Americans Optimistic About Aging

Highland Park, New Jersey. (May 11, 2017)

Most Americans appear hopeful and optimistic about aging according to a new, national study, “Aging in America” by Parker. Key findings include:

- **71%** do not fear or worry about aging very much or at all.
- **62%** believe that 80 is not too old to serve in government, run a marathon, be CEO of a Fortune 500 company, teach a class, or practice yoga.
- **49%** each in describing the experience of growing older in America today with positive words (e.g., “hopeful,” “relevant,” “vibrant”) vs. negative words (e.g., “scary,” “depressing,” “lonely”).
- **59%** of Americans feel that not enough technology innovation focuses on the lifestyles of older people.
- While **38%** of Americans feel the most positive thing about getting older is gaining more experience and wisdom, only **1%** believes it is acquiring greater wealth and material goods.

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“This survey underscores how American society’s views on aging are changing for the better, especially as the Baby Boom generation reaches retirement age and beyond,” says Roberto Muñiz, President and CEO of Parker. “Seniors are staying more vibrant, active, and connected well into their seventies, eighties, nineties, and beyond, and society is beginning to embrace that fact.”

What was especially heartening about our survey was that each of these findings was remarkably consistent across gender, race, ethnicity, geography, and household income and education levels. That means, America is getting on the same page when it comes to a more positive and progressive view of aging.

Is there work to be done to continue to help shift people’s perspectives about growing older, and challenge misperceptions about ageism (like the one about older adults not willing to adopt new technology)? Absolutely. In fact, nearly two-thirds of those surveyed (59%) feel that not enough technology today focuses on the lifestyles of older people—a powerful consumer demographic that is embracing tech and social media like never before.

**Survey Methodology**

Parker’s “Aging in America” survey was conducted March 23–26, 2017 using ORC International’s Telephone CARAVAN® omnibus using two probability samples: randomly selected landline telephone numbers and randomly selected mobile (cell) telephone numbers. The combined sample consists of 1,018 adults (18 years old and older) living in the continental United States. Of the 1,018 interviews, 518 were from the landline sample and 500 from the cell phone sample. The margin of error for the sample of 1,018 is +/- 3.07% at the 95% confidence level.

Click » [http://bit.ly/2vqVUsj](http://bit.ly/2vqVUsj) to read the full, original message from Roberto Muñiz, President & CEO of Parker.

Click » [http://bit.ly/2f9y1bQ](http://bit.ly/2f9y1bQ) to read the full, original Parker article about the survey.