Highlights of H.R. 2
"Medicare Access and CHIP Reauthorization Act of 2015"

H.R. 2, the "Medicare Access and CHIP Reauthorization Act of 2015" was introduced on March 24, 2015. This bipartisan bill would permanently repeal the SGR and stabilize Medicare payments for physician services with positive updates from July 1, 2015, through the end of 2019, and again in 2026 and beyond. It would replace Medicare's multiple quality reporting programs with a new single "MIPS" program that makes it easier for physicians to earn rewards for providing high-quality, high-value health care. The bill would support and reward physicians for participating in new payment and delivery models to improve the efficiency of care, while preserving fee-for-service as an option. Here are some highlights of the legislation that would improve Medicare reimbursement policy and quality programs.

- **Permanent SGR repeal:** The Sustainable Growth Rate formula would be permanently repealed. This would avoid the 21.2 percent cut scheduled to take effect on April 1, 2015, and prevent SGR cuts in future years.
- **Positive updates for 4 1/2 years:** The bill includes annual updates (for Medicare Physician Fee Schedule services) of: 0 percent for January 2015 through June 2015; 0.5 percent for July 2015 through 2019; and 0 percent for 2020 through 2025. For 2026 and beyond, the update would be 0.75 percent for eligible alternative payment model (APM) participants and 0.25 percent for all others.
- **The "Merit-based Incentive Payment System" (MIPS) quality program:** The MIPS would adopt some features of Medicare's current quality programs – the Physician Quality Reporting System (PQRS), Meaningful Use (MU), and Value-Based Payment Modifier (VBM) – but with more fairness, flexibility, and new opportunities to earn significant bonuses. The MIPS is designed to be a more accurate scorecard of each practice's actual quality of care, and to relieve physicians from the onerous burden of current requirements.
    - **Physicians could earn bonuses and face lower penalties.** Maximum MIPS bonuses and penalties would be 4 percent in 2019; 5 percent in 2020; 7 percent in 2021; and 9 percent in 2022 and beyond. Additional bonuses of up to 10 percent would go for exceptional performance, with $500 million of Medicare funds set aside each year for that purpose. And if all physicians perform well, none would get penalties.
    - **PQRS, MU and VBM penalties would end in 2019.** The last reporting period would be for 2018. Current program penalties could exceed 9 percent, starting in 2019.
    - **It would be easier for physicians to demonstrate the true quality of their care.** Physicians would be judged by what is relevant to their practice, and get credit for improvements as well as hitting performance targets. They would know those targets at the start of each reporting period, and receive more timely individual feedback. MIPS scores include four factors: quality (PQRS/30 percent); resource use (VBM/30 percent); MU (25 percent); and clinical practice improvement activities (15 percent). But these percentages are adjustable for individual physicians or group practices.

    - **$75 Million for quality measure development.** $15 million per year, from 2015 to 2019, could go to physicians, physician groups, and the AMA-convened PCPI. New measures could be adopted without endorsement by the National Quality Forum, and must be developed in close collaboration with physicians and other stakeholders.
    - **$100 Million for technical assistance to small practices.** $20 million per year, from 2016 through 2020, would assist practices of up to 15 professionals to participate in the MIPS program or transition to new payment models.
    - **Qualified Clinical Data Registries (QCDRs):** Would be supported and have access to Medicare claims data.
- **Electronic health records (EHRs):** The bill sets a goal of achieving interoperability of EHR systems by December 31, 2018. If not achieved, the Secretary could adjust MU penalties and/or decertify EHRs. A study is required to assist physicians in comparing and selecting among certified EHR products.
- **Alternative payment models (APMs):** Qualifying participants would receive annual bonuses of 5 percent for services in 2019-2024, and not be subject to MIPS requirements. Support is provided for the development of new APMs by physicians, plus greater flexibility for medical homes. Fee-for-service would remain an option, and the basic Medicare payment system for physician services.
- **Care management for patients with chronic needs:** Requires Medicare to pay for care management of patients with chronic health problems, without requiring an annual wellness visit or initial preventive physician examination.
- **Opting out:** Physicians who choose to opt out of Medicare would no longer have to renew their status every two years (or risk serious consequences for failing to do so).
- **Standard of Care Protection Act:** Quality program standards (of PQRS, MU, etc.) could not become a "standard of care" in medical liability actions.
- **Physician claims data:** Physician data would be annually released with no explicit safeguards. Qualified Entities (QEs) would have broader authority to sell and provide non-public reports with explicit protections.
- **Reports on physician-hospital gainsharing and telemedicine:** The bill requires a report from the Department of Health and Human Services on gainsharing and a report from the Government Accountability Office on barriers to telemedicine and remote patient monitoring.

ADDITIONAL PROVISIONS

- **Global periods for surgical services:** Preserves the 10-day and 90-day global periods for over 4,000 surgical service codes, reversing a recently adopted rule by the Centers for Medicare & Medicaid Services (CMS) that would unbundle these services. The Secretary must collect information to ensure the accuracy of the bundled payments, and may withhold portions of payments to incentivize reporting of information.
- **Geographic Practice Cost Index (GPCI):** Extends the existing 1.0 floor on the physician work cost index until January 1, 2018.
- **Children's Health Insurance Program (CHIP):** Funding is extended through fiscal year 2017 (the program is already authorized through 2019).
- A summary of additional extenders, offsets, and other provisions can be found here.