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Final Rule for MACRA's Second Year (2018) Expected in November 2017

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On June 20, the Centers for Medicare & Medicaid Services (CMS) released a proposed rule entitled, "Medicare Program; CY 2018 Updates to the Quality Payment Program." CMS proposed changes for the second year (2018) of the Quality Payment Program established under the Medicare Access and CHIP Reauthorization Act (MACRA). The proposed rule aims to simplify reporting requirements and provide greater flexibility for eligible small, independent, and rural providers. The final rule is expected to be released in November 2017.

For additional information, please see our previous overview of the MACRA proposed rule. Based on these proposed changes, CMS estimates that the proposed rule would allow another 134,000 providers to be exempt from MACRA's Merit-Based Incentive Payment System program in 2018, in addition to the roughly 800,000 providers who did not participate in 2017.

On a related note, on August 15, CMS released a proposed rule to scale back several Medicare bundled payment programs started under the Obama Administration to test whether they could reduce costs and improve care for patients. Specifically, CMS proposed changes to the comprehensive care for joint replacement model, scaling the model back to allow for greater hospital choice and flexibility. CMS also proposed to cancel the episode payment model and cardiac rehabilitation model, which were set to go into effect on January 1, 2018. The CMS factsheet on the proposed rule is available here. This is an interesting step, indicating HHS Secretary Tom Price's willingness to follow through on his campaign against mandatory care delivery projects and walk-back the Centers for Medicare and Medicaid Innovation's ongoing efforts. Some stakeholders have questioned whether the elimination of these bundled payment programs would provide fewer options for Advanced Alternative Payment Models (APMs) under MACRA for 2018.

Takeaway: CMS proposed a number of changes to the Quality Payment Program for 2018. Importantly, CMS seeks to continue to reduce provider burden, improve care coordination and support greater transition into Advanced APMs. Stakeholders will be watching closely to see which provisions are finalized and whether any new flexibilities or program options are granted in the final rule.