

2017

MACRA and Rural Hospitals

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Recommended Citation

Kelley E, Lipscomb R, Valdez J, Patil N and Coustasse A. MACRA and Rural Hospitals. Poster presented at: The Lewis College of Business Research Day; 2017 Nov 10; Huntington, WV.

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ABSTRACT

Introduction: Every year, the cost of healthcare within the United States has continued to increase while the quality of patient care has decreased. To reconstruct the delivery of care, Congress has introduced the Medicare Access and CHIP Reauthorization Act of 2015 which has reinvented Medicare physician reimbursement systems. The purpose of this research was to study the Medicare Access and CHIP Reauthorization Act and its implementation to determine how it would financially impact rural hospitals.

Methodology: The methodology for this study consisted of a qualitative literature review. Twenty-seven research publications were utilized throughout the study. Data limited to the English language from the years 2015 through 2017 were included in the review.

Results: Two reimbursement pathways termed Merit-Based Incentive Payment Systems and Alternative Payment Models have been created for physicians under the Medicare Access and CHIP Reauthorization Act. Each reimbursement pathway has rewards and penalties that affect physicians and healthcare organizations financially. In addition to the pathways, financing and competition among facilities created by the act have been expected to impact physicians and healthcare organizations.

Discussion/Conclusion: Although the long-term effects of the Medicare Access and Reauthorization Act of 2015 have not been able to be studied, physicians and healthcare organizations such as rural hospitals have been expected to be impacted significantly. Rural hospitals have been set to receive reduced government reimbursements and have been predicted to compete poorly with larger hospitals and corporations. The payment tracks available through the act have been projected to impact solo and small practice physicians negatively; therefore, hospitals have been expected to have to provide support and assistance to local clinicians..

OBJECTIVE

The purpose of this research has been to study MACRA and its implementation to determine how it would financially impact rural hospitals.

HYPOTHESIS

The hypothesis of this study was: rural hospitals will be negatively impacted financially by the implementation of MACRA.

METHODS

The methodology for this study consisted of a qualitative literature review. Research articles and peer-reviewed literature were located using Marshall University's EbscoHost, CINAHL, ProQuest, and PubMed research databases.

A professional presentation was also utilized as a source of research for vital data that contributed to the literature review. The information gained from these articles, websites, and presentation were used as the sources of primary and secondary materials.

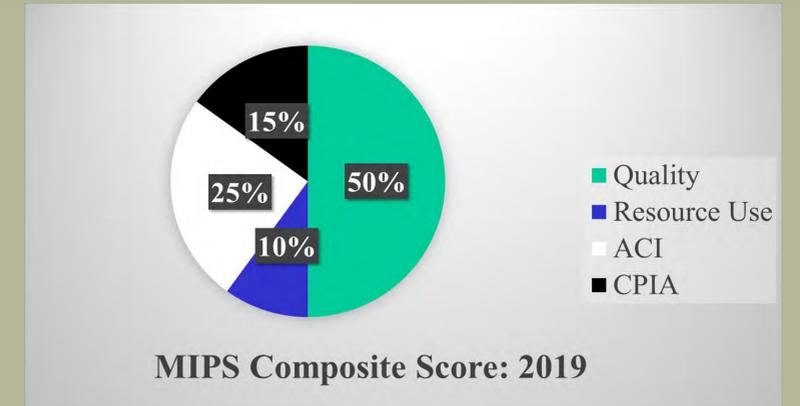
BACKGROUND

In 2015, Medicare spending increased 4.5% to \$642 billion contributing to the United States' (U.S.) national health care expenditure of \$3.2 trillion or approximately 17.8% of the gross domestic product (CMS, 2017). With the continued use of Medicare's former physician reimbursement algorithm termed Sustainable Growth Rate (SGR), national expenditures within the U.S. have been expected to climb 5.6% annually (CMS, 2017). SGR has not been the only factor taking the blame for the rising costs of healthcare; Traditional Fee-For-Service (FFS) payments have also been emerging as a key contributor (Millard, 2016). As these financial expenditures have continued to grow, quality of care within the U.S. has not (Heller et al., 2017). To address these concerns, Congress passed the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) which has permanently eliminated and replaced SGR (Medicare Access and CHIP Reauthorization Act [MACRA], 2015). MACRA has altered Medicare physician reimbursement programs drastically. MACRA has attempted to control national healthcare expenditures while also incentivizing value rather than volume (Kuebler, 2017).

RESULTS

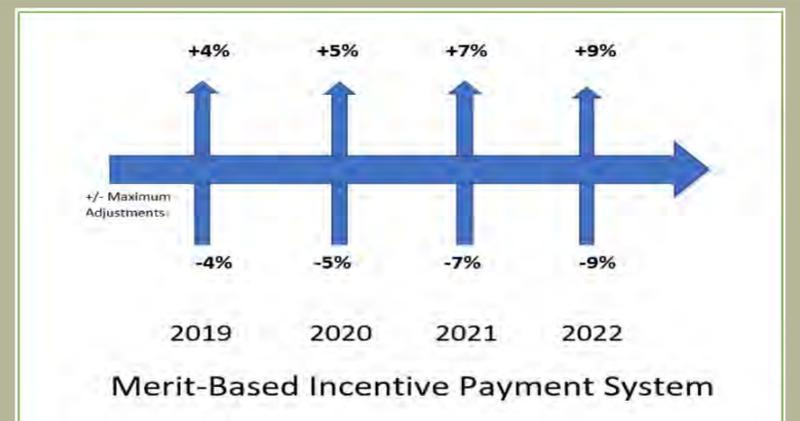
Model Name	Details
Comprehensive ESRD (End-Stage Renal Disease) Care (CEC)	<ul style="list-style-type: none"> ➤ 37 ESCO ➤ 600,000 US citizens engaged ➤ Improve outcome by enhancing care coordination and care experience
Comprehensive Primary Care Plus (CPC+)	<ul style="list-style-type: none"> ➤ 2,893 health care organizations ➤ 1.76 million beneficiaries ➤ 54 aligned payers in 14 regions ➤ Improve the quality of patient care due to flexibility financial resources
Next Generation Accountable Care Organizations (ACO)	<ul style="list-style-type: none"> ➤ Health care providers and suppliers work together voluntarily ➤ Test if the financial incentives worked for the ACOs
Shared Savings Program - Track 2 & 3	<ul style="list-style-type: none"> ➤ Provide better care for patients ➤ Better health for populations ➤ Lowering growth in expenditures ➤ Improve outcomes ➤ Increase value of care
Oncology Care Model (OCM)	<ul style="list-style-type: none"> ➤ 190 practices and 16 payers ➤ Align to financial incentives to improve the care coordination ➤ Appropriateness of care and access to care for beneficiaries undergoing chemotherapy
Comprehensive Care for Joint Replacement (CJR)	<ul style="list-style-type: none"> ➤ Support inpatient hip and knee replacement surgeries ➤ The high volume, quality, and costs of these procedures vary significantly among providers
Vermont Medicare ACO Initiative (as part of the Vermont All-Payer ACO Model)	<ul style="list-style-type: none"> ➤ Vermont start-up funding of \$9.5M ➤ Support care coordination ➤ Bolster collaboration between practices and community-based providers ➤ Began on January 1, 2017 ➤ Conclude on December 31, 2022

Table 1 Advanced Alternative Payment Models Overview



Reference: (CMS, n.d.)

Figure 1: Weighted Categories for MIPS Composite Score 2019



Reference: (Clough & McClellan, 2016)

Figure 2: Merit-Based Incentive Payment System Positive and Negative Maximum Adjustments

CONCLUSIONS AND RECOMENDATION

- MACRA has been attempting to push providers and other healthcare delivery systems to value rather than volume reimbursement methods. MACRA has set two payment tracks for providers that offer many rewards but also several penalties. Most small and independent practices are projected to receive negative reimbursement rates in 2019. Rural hospitals are expected to be awarded reduced amounts of government reimbursements.
- Although the long-term effects of MACRA have not been able to be studied, MACRA has the potential to impact rural hospitals financially negatively. MACRA has potential risks and benefits for physicians associated with its two reimbursement payment methods.

Thank-You

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