

Introduction to Quality and Federal Policy



NATIONAL
QUALITY FORUM

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What is MACRA, SGR, MIPS, and APMs?

The Medicare Access & CHIP* Reauthorization Act of 2015 (MACRA) made three major changes to how the federal government pays for healthcare:

- ✗ SGR: Repealed the Sustainable Growth Rate (SGR)
- ✓ MIPS: Created a new incentive program framework – Merit-Based Incentive Payment System (MIPS)
- ✓ APMs: Established the use of Alternative Payment Models (APMs)

*CHIP = Child Health Insurance Program

What is the Sustainable Growth Rate Formula?



SGR Payments Repealed
Replaced by MIPS and APM

- The Sustainable Growth Rate, also known as SGR, was a complex formula used for reimbursing clinicians for services provided under Medicare
- Needed to be renewed annually
- Repealed by MACRA in 2015

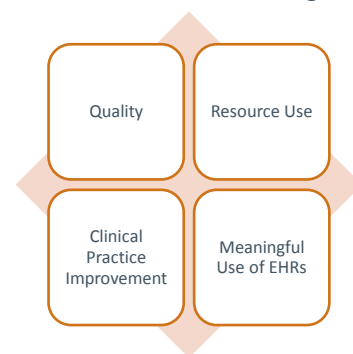
What is MIPS?

MACRA Medicare Payment Option #1: MIPS

The Merit-Based Incentive Payment System (MIPS) is a Medicare payment system that gives healthcare providers an incentive payment for high quality care, or a financial penalty for poor quality care.

There are four performance categories that determine if a provider is giving quality care.

Provider Performance Categories



What is an Alternative Payment Model?

MACRA Medicare Payment Option #2: APM

An Alternative Payment Model, known as APM, is a payment option in MACRA that requires an increasing percentage of a provider's practice to be at financial risk.



APMs incentivize quality of care, not quantity of care. To receive the full payment through Medicare, providers must prove they are giving high quality healthcare. APMs will be phased in through 2026.

For details, visit [CMS' website](#)