The Medicare Access and CHIP Reauthorization Act of 2015 (H.R. 2)

H.R. 2 is the result of a multi-year, bipartisan, bicameral process representing the most significant change to US health care policy since the Affordable Care Act. It repeals the SGR formula and enacts widespread changes to the way Medicare pays physicians by transitioning from a volume-based to a value-based system over the next decade.

Highlights:

SGR repeal: Effective immediately, the sustainable growth rate (SGR) formula has been permanently repealed. This ends the current and all future payment cuts called for by this faulty formula.

Fee updates: This legislation provides 4.5 years of 0.5 percent annual updates, through 2019. Then, from 2020 through 2025, updates are frozen at 2019 rates. For 2026 and beyond, two conversion factors will take effect:

- 0.75 percent for participants in qualifying alternative payment models
- 0.25 percent for everyone else

Merit-based Incentive Payment System (MIPS): Starting in 2019, Medicare’s key quality initiatives—PQRS, Meaningful Use, and the Value-based Payment Modifier—would be consolidated into a new program, MIPS. Conversion to a single program means physicians will have more options to meet requirements and a streamlined way to track performance for all Medicare quality initiatives.

Payment adjustments: Under MIPS, physicians will have the opportunity to earn bonuses in excess of those available under prior law and would face lower penalties. From 2019 to 2024, additional bonuses are available for exceptional performance.

Improved ways to demonstrate quality: Physicians will have more flexibility to select criteria they wish to report on and receive credit for improving as well as hitting performance targets.
Technical assistance for small and rural practices: From 2016 to 2020, $100 million will be available to help practices of up to 15 professionals and rural practices to participate in MIPS or transition to an alternative payment model.

Alternative payment models (APMs): Participants in a qualifying APM (such as an accountable care organization or a medical home) are exempt from MIPS and are eligible for a 5-percent annual bonus from 2019 to 2024. The bill provides support for the development of new APMs, including those for specialty physicians.

Chronic care management: Through at least one payment code, Medicare will be required to pay for care management of patients with chronic conditions. Payment of this code will not require an annual wellness visit or an initial preventive physician exam.

Electronic health records (EHR): The bill sets a goal of interoperability of EHR systems by December 31, 2018. Should this not happen, the Health and Human Services Secretary is given discretion to adjust the penalties for Meaningful Use and/or decertify EHRs.

Quality measure development: From 2015 to 2019, $15 million per year will be available to stakeholders such as the AAN to support quality measure development.

Children’s Health Insurance Program (CHIP): Funding is extended through fiscal year 2017.

Global periods for surgical services: This bill reverses the decision by the Centers for Medicare & Medicaid Services to phase out the 10- and 90-day global periods. Instead, the HHS must collect data to ensure the accuracy of these bundled payments.

The full impact of H.R. 2 will take time to understand and finalize in the coming years through the rulemaking process. Know that your AAN is committed to keeping you informed and to aggressively advocate for the specific needs of neurology as provisions are defined and implemented. Stay up-to-date by reading the AAN’s Capitol Hill Report (https://www.aan.com/public-policy/capitol-hill-report).