What you need to know about the proposed legislation to replace SGR

The plan to replace SGR rests on three pillars. First, it ensures a stable transition period. Second, it ties payments to the value of provided care. Third, it reorganizes the delivery of care to improve care coordination.

1. **Stable transition:**

   The SGR formula would be permanently repealed and replaced with five years of 0.5 percent positive updates to the conversion factor (from 2014 through 2018), followed by a five year freeze (from the beginning of 2019 through 2023). In subsequent years, professionals participating in an alternative payment model would earn an annual update of 1 percent while all other professionals would earn 0.5 percent.

2. **Paying for value:**

   In 2018, all of the existing quality programs would be combined into a single new program called the Merit-Based Incentive Payment System (MIPS). Under the new program, your performance would be assessed in four areas: quality, resource use, meaningful use of EHRs, and clinical practice improvement. Based on your scores in each of the four performance areas, you would receive a composite score that would determine the amount of your future payment adjustment. You are on the right track to prepare for MIPS if you are already reporting measures for PQRS, VBPM and the meaningful use of EHR. If you are not reporting, this is a great year to start to avoid current programs’ penalties. Use these AAN resources to get started:

   - [PQRS](#)
   - [VBPM](#)
   - [Meaningful use of EHR](#)

3. **Reorganizing the delivery of care:**

   The SGR formula was originally enacted to limit the growth in Medicare spending by keeping the overall spending in line with a target amount. This new proposal would limit the growth in Medicare spending by reorganizing the delivery of care and transitioning to alternative payment models. Participants in an alternative payment model would qualify for additional incentives. Although there are presently somewhat limited options for neurologists to participate, the legislation would encourage development of new models for physicians who are not primary care practitioners. Also, the legislation would direct funds and technical assistance to small and rural practices to expand opportunities for wide-scale participation in new delivery models. Use this AAN resource to understand potential transitions for your practice:

   - [New Payment and Delivery Models](#)