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FOCUS ON: HEALTH CARE

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GUEST COLUMN | CHARLES NORMAND

# Health care changes near

**PRESIDENT-ELECT** Donald J. Trump and congressional leaders have stated they will attempt to repeal and replace the Affordable Care Act, more commonly known as "Obamacare." While the future of Obamacare is unclear, our health care system will continue to undergo profound change in the way health care is delivered and reimbursed.

The federal Medicare and Medicaid programs continue to move the health system away from traditional fee-for-service payment models to alternative payment models. APMs focus on the quality of care provided and reward better-coordinated, more cost-effective care, and impose financial risks if providers do not meet quality or cost targets. Considering many of these initiatives are separate from Obamacare, had bipartisan Congressional support when enacted, and are less likely to be repealed or replaced, it's important to look at how they are expected to affect physicians and patients.

## MACRA AND PHYSICIANS

One such initiative, the Medicare Access and CHIP Reauthorization Act of 2015, will fundamentally change how physicians and other providers are paid under Medicare. On Oct. 14, the federal Centers for Medicare & Medicaid Services accelerated the pace of change with the release of a final regulation to implement MACRA, including a new Quality Payment Program for reimbursing Medicare providers that will be phased in over the next few years beginning on Jan. 1, 2017.

Under traditional fee-for-service payment systems, providers are paid the same amount regardless of the ultimate quality or outcome from the service. Under MACRA, however, payments will be influenced by quality-based measures and patient outcomes. Using such measures will reward quality and value outcomes through increased payments and potentially penalize providers through reduced reimbursement if they fail to meet the target measures or outcomes.

Physicians and other providers participating in Medicare should take steps to determine which track to follow starting on Jan. 1, 2017, because such steps will serve as the basis for the expanded transition in 2018 with reimbursement changes starting in 2019. Providers who participate in integrated or coordinated networks of providers such as accountable care organizations, hospital-sponsored networks, or similar provider organizations may be in the best position to achieve better outcomes for patients and higher reimbursement.

MACRA will lead to further market consolidation and vertical integration as physicians, hospitals and other providers align to collaborate on care delivery. Moving forward, it will also be increasingly difficult for physicians and other providers to remain independent. Unless providers participate in an ACO or other provider network, it will be more difficult to effectively coordinate care or attract patient referrals from colleagues who are strongly encouraged to only refer to providers in their network.

## MACRA AND PATIENTS

MACRA will continue the transition to programs such as ACOs, Medicare Advantage and other payment models that assign or attribute patients to specific providers, such as a primary-care physician. If the PCP is affiliated with an ACO or other network, patients are typically encouraged to receive all care from providers in the network in order to better monitor and coordinate care to hopefully achieve better patient outcomes at lower cost. ■

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