

# EXCLUSIVE SURVEY REPORT

**MACRA: How Ready  
Are U.S. Physicians?**



## EXCLUSIVE SURVEY: Most Practices Need MACRA Help, with Many Still Stuck in Fee-for-Service Environments

*More than 2,000 U.S. physicians were surveyed to gauge providers' readiness for MACRA*

Just one in five practices (20 percent) with 15 physicians or fewer and approximately one in four practices (28 percent) with 16 to 50 physicians report that they are “ready to go” to meet the core requirements under the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA), according to an exclusive survey conducted by *Healthcare Informatics* and SERMO.

The goal of the joint research was to gauge providers' readiness for MACRA, a newly-implemented law that will fundamentally change how eligible Medicare physicians will be reimbursed, starting with an outcomes-based Quality Payment Program that kicked off in January. While the federal government released the MACRA final rule last October, even before that, the Centers for Medicare & Medicaid Services (CMS) said they would treat 2017—the first reporting year—as a “transition year.” What that meant was that eligible Medicare clinicians would be able to

pick their pace of participation for this year, depending on how aggressively they wanted to start. CMS outlines four “pick your pace” options for 2017, and as long as eligible Medicare doctors picked one of these choices, they would avoid a negative payment adjustment in 2019.

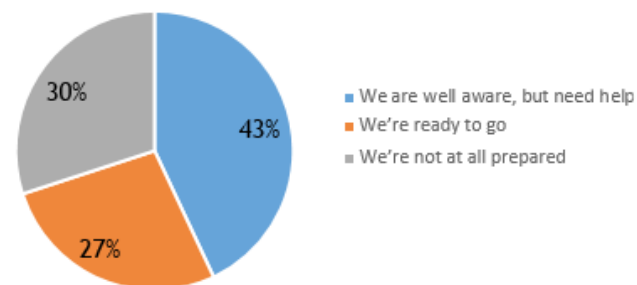
However, all of these options that CMS laid out require doing “something” for MACRA this year, with one of the four choices being participating for the full calendar year in 2017. CMS said at the time of the announcement last fall, “This choice is for practices that are ready to go. We have seen physician practices of all sizes successfully submit a full year’s quality data, and expect many will be ready to do so.”

But as this new survey shows, many practices are not at all “ready to go.” SERMO, founded in 2005, is a global social network

for doctors—a virtual doctors' lounge where doctors anonymously talk real-world medicine and medical crowdsource with their peers. For this specific survey, 2,045 U.S. physicians in SERMO across various specialties participated.

For the survey, 60 percent of respondents were in practices sized 15 physicians or fewer; 16 percent were in practices with 16 to 50 physicians; 15 percent were in practices with more than 100 physicians;

How would you assess your MACRA readiness?



and the remaining 9 percent were in practices with 51 to 100 doctors.

It should come as no surprise that the smaller practices feel less prepared for MACRA. Of those with 15 physicians or fewer, 80 percent said they either needed help with MACRA; or that they were not prepared at all. That unprepared/needing help number dropped to 72 percent for practices with 16 to 50 physicians, while for practices with more than 100 physicians, nearly half (46 percent) said they were fully ready to go with just 16 percent in this practice size range saying they were not at all prepared.

Indeed, there has been significant discussion about how MACRA would affect small practices, from the very first release of the proposed rule. A Black Book survey from last June revealed that two-thirds of high Medicare-volume doctors actually foresee the end of their independence due to the physician payment changes that will take place under MACRA since the amount of risk they would have to take on could potentially result in millions of dollars in payments made to Medicare. Many of these physicians have also previously said that they know very little about MACRA—if anything at all.

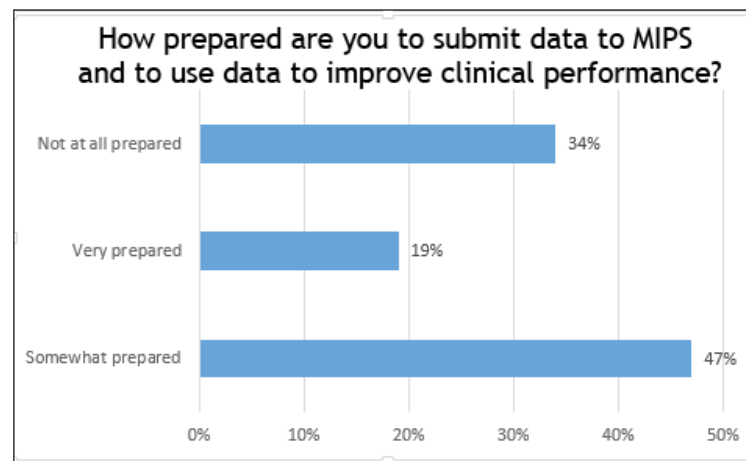
In response, CMS has made effort in recent months to quell that concern. For one, as part of the final rule, MACRA provides \$20 million each year for five years to train and educate Medicare clinicians in small practices of 15 clinicians or fewer and those working in underserved areas. What's more, those smaller practices which fall below the requirements of at least \$30,000 Medicare Part B charges or 100 Medicare patients are exempt from participating in 2017. CMS also made changes in the final rule that redefined nominal risk based on a provider's Medicare income, meaning for small and solo practices, the penalties would likely be far less severe.

Still, our survey reveals that most practices feel they still need significant help. Irrespective to practice size, 70 percent of respondents said they either needed help with MACRA, or that they were not prepared at all.

As it relates to submitting data to the Merit-Based Incentive Payment System (MIPS)—which is one of the two payment paths Medicare clinicians can choose under MACRA, and the one which most doctors will indeed choose early on—the

responses revealed more readiness. Some 66 percent of all surveyed physicians said they were either “somewhat prepared” or “very prepared” in being able to submit data to the MIPS program, and to use data and analytics to improve their clinical performance under the program. Even 57 percent of small practices in the 1 to 15 range said they at least somewhat prepared to do this, and all other practice sizes surveyed were in the 70 to 80 percent range in being at least somewhat prepared for submitting data to MIPS. MIPS, as a reminder, includes four weighted performance improvement categories that physicians are scored on: quality; cost; clinical practice improvement categories; and advancing care information (the new meaningful use).

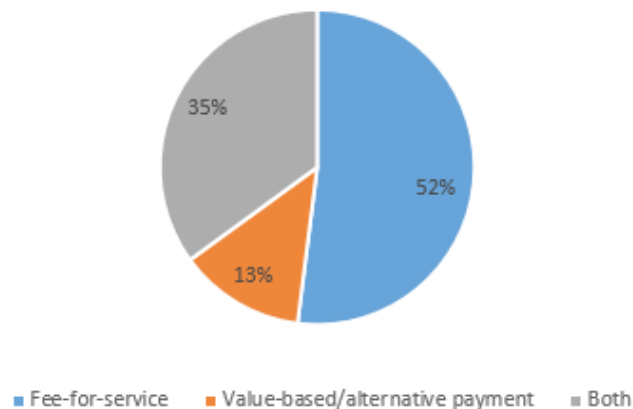
The *Healthcare Informatics/SERMO* survey additionally asked doctors if their



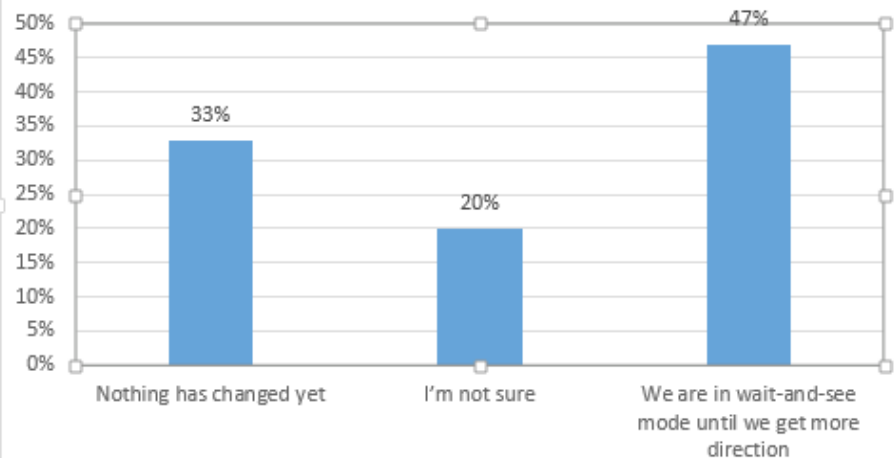
organization still operates in a fee-for-service environment, value-based/alternative payment model environment, or a mix of both. Just 13 percent of all respondents said that they are only operating in a value-based care/alternative payment model setting, while 52 percent said fee-for-service, and 35 percent said a mix of both. Last year, federal officials said they hit their target early of having 30 percent of Medicare payments for hospitals and physicians come via alternative payment models such as accountable care organizations (ACOs) and bundled payments by the end of 2016. But as this research shows, many physicians are reporting that they still have their feet in both payment model buckets.

Finally, physicians in this survey were asked if the Trump administration and a Republican Congress has changed their organization's strategy at all around pushing forward in accountable care and value-based purchasing. Nearly half (47 percent) of respondents said they are still in wait-and-see mode; one third said that nothing has changed yet; and 20 percent said they aren't sure. The new administration has not yet said much about healthcare delivery system reform, instead focusing mostly on the repeal of the Affordable Care Act (ACA). As such, this research discloses that many providers are waiting for more direction in this current period of uncertainty.

Do you operate in fee-for-service, value-based/alternative payment, or both?



Has your strategy around value-based purchasing changed since the election?



On the release of these survey results, *Healthcare Informatics* Editor-in-Chief Mark Hagland said, “This is a critical juncture for healthcare providers as the healthcare system shifts from being primarily fee-for-service payment-driven to value-based payment-driven. It’s important for healthcare IT leaders to get a sense of where clinicians and medical organizations are in terms of understanding the implications of new payment mandates. The results of this survey confirm that many physicians, particularly those in smaller practices, remain woefully unprepared for the new requirements facing them under the MACRA law. It’s been excellent to work with SERMO to uncover the levels of awareness and preparedness for MACRA amongst physicians in private practice.”

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