

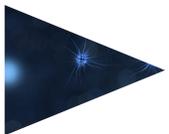
As a life science trainer, you may be asked about the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). This law is radically changing how physicians receive payment from the government for treating Medicare patients.

Here are some key concepts you need to know as you consider how your sales force can better serve physicians bracing for new pressures on their practice.



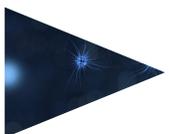
What is MACRA?

MACRA, also known as H.R. 2, was signed into law on April 16, 2015. The law is part of the US government's broader push for better healthcare quality and value.



When does it take effect?

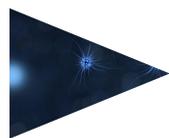
MACRA is scheduled to go into effect on Jan. 1, 2017, but the Centers for Medicare & Medicaid Services (CMS) announced in September 2016 that the government will allow providers to pick their pace of participation.



What does MACRA replace?

MACRA replaces the Sustainable Growth Rate (SGR), the controversial formula used since 1997 to determine Medicare payments. For years, the SGR was a source of frustration for many physicians.

MACRA also combines several quality reporting systems into one new program.



What is the MACRA Quality Payment Program (QPP)?

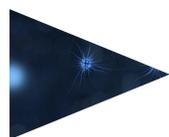
The QPP provides two distinct paths for physicians and practitioners to be paid under Medicare:

1. **The Merit-Based Incentive Payment System (MIPS)**, which links fee-for-service payments to quality and value
2. **Alternative payment models (APMs)**, such as accountable care organizations (ACOs) and patient-centered medical homes (PCMHs), which are designed to make physician payments more transparent and quality focused



What is the potential impact on physicians?

MACRA does not put an end to the traditional, fee-for-service payment model for Medicare Part B services. Under MACRA, physicians who treat Medicare patients will receive a modest **0.5% annual fee increase** from 2016 to 2019. However, physicians will **not** see such an increase in their fees from 2020 to 2025. As a result, many practices may struggle financially.



How might MACRA impact product utilization?

MACRA could affect how physicians participating in MIPS and APMs use pharmaceuticals and medical devices. More than ever before, physicians will be focused on how the use of products and technology affects clinical and financial outcomes.