

Case Study:

Modeling the Financial Impact of MACRA



Challenge

How does a large integrated healthcare delivery network predict the impact of a new healthcare law that will change Medicare reimbursement? To understand the impact of the Medicare Access and CHIP Reauthorization Act (MACRA) final rule, Legacy Health engaged Point B to develop a predictive model that takes a five-year look at the financial impact.

“Point B’s MACRA Prediction Model is exactly what we need and will help us bring value to our growing network of employed and independent provider groups”

- Lewis Low, M.D., Senior Vice President and Chief Medical Officer, Legacy Health

“Point B’s Impact and Financial Model for MACRA will help us improve our overall quality strategy, and prepare for the shift to value-based care.”

- Merrin Permut, Executive Director, Legacy Health Partners and Director, Care Transformation

Find out how Point B can help you achieve your vision. Visit pointb.com or contact us at insights@pointb.com.

Doing a regulatory deep dive

Point B combined expert insight into a complex federal regulation with the business intelligence experience to tailor a flexible prediction model. Cutting through the complex regulatory language of the 2,000+ page MACRA final rule, our healthcare experts brought insight that proved indispensable in creating the foundation of the model.

We identified which providers must submit performance measures, based on specialty, patient volume, Medicare fee-for-service revenue and individual/group reporting status.

We determined the impacts of provider participation in Alternative Payment Models (APMs), Advanced APMs, and Medical Home Model (MPM) practices.

We also ensured the predictability of financial impact based on past performance with the Physician Quality Reporting System (PQRS), Meaningful Use (MU), and Quality and Resource Use Reports (QRURs).

A powerful predictive tool

Point B dedicated one of our analytic modeling experts to develop a model that not only forecasts bonuses or penalty expectations; it also informs multi-year quality improvement

strategies. Blending a robust business logic layer with a clean and simple user interface, the MACRA model supports:

- Rapid development of performance scenarios across Quality Improvement Activities, Clinical Information and Costs.
- Adjusting revenue subject to Advanced APM and Merit-Based Incentive Payment System (MIPS) bonuses at provider and clinic group levels.
- Detailed forecasting of special bonuses based on qualitative and quantitative measures—both within and across individual categories.
- Decile-based performance scoring across multiple categories, including nationally adjusted quality baselines from the Centers for Medicare and Medicaid Services (CMS).
- Forecasted payouts based on percentile rankings, with sensitivity to including year-over-year performance trending.