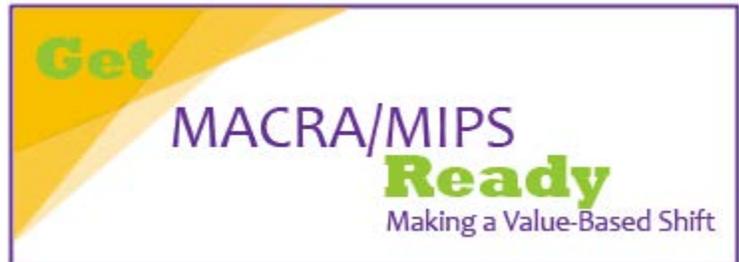## PAM, MACRA AND MIPS – THE BASICS

PAM, MACRA and MIPS

New law goes into effect in 2017 that reforms Medicare payments to physicians. The Patient Activation Measure® (PAM®) has been identified within this law as a key tool to help clinicians and other health professionals improve the quality of care Medicare beneficiaries receive.

What is PAM and how does it help patients?

PAM assesses the knowledge, skills and confidence integral to managing one's own health and healthcare. With the ability to measure activation and uncover related insights into consumer self-management competencies, care support and education can be more effectively tailored to help individuals become more engaged and successful managers of their health.

Over 300 peer-reviewed published studies conducted worldwide over the past decade have validated the ability of a PAM score to predict a broad range of health-related behaviors and outcomes. Hundreds of behaviors and motivators have been mapped to levels of activation, including medication adherence, ED visits and hospitalizations. When providers understand their patients' abilities to assist in managing their own care based on PAM score, they can tailor treatment and services accordingly. Without a systematic way to assess patient capabilities for self-management, coaching and treatment typically take a one-size fits all approach. Too often this leaves lower-activated patients overwhelmed, leading to little change in behavior and overuse of healthcare services.

What are MACRA and MIPS?

The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) established a new payment program for clinicians who serve patients enrolled in Medicare's fee-for-service plan (Part B). The objective of MACRA is to help providers focus on the quality of care they deliver to patients and improving the health of patients.[i] The Quality Payment Program (QPP) replaces the traditional fee-for-service payment model where doctors received compensation based on the number of appointments or services provided to patients. As the name suggests, the QPP is intended to help physicians focus on *quality* rather than *quantity* by basing reimbursement on certain quality indicators rather than the volume of services delivered.

The QPP has two tracks that clinicians can choose for determining their compensation:
- Advanced Alternative Payment Models (APMs) or
- The Merit-based Incentive Payment System (MIPS)

How does PAM fit within MIPS?

PAM has been recommended as a MIPS measure to enable health professionals serving patients with Medicare Part B to earn an annual performance-based positive payment adjustment.

MIPS has four pillars: quality, improvement activities, advancing care information and cost. PAM is designated as one of the eligible improvement activities, meaning that it is expected to improve clinical care delivery and outcomes. For full participation in the improvement activities performance category, clinicians can engage in four medium-weighted or two high-weighted activities.

PAM, MACRA AND MIPS – THE DETAILS

All improvement activities within MIPS are weighted – medium or high – and health professionals will pick and choose the activities that work best within their practices to meet the thresholds for payment. In addition to being weighted, the qualifying activities must fit within one of seven categories:

- Beneficiary Engagement
- Care Coordination
- Population Management
- Patient Safety and Practice

- Achieving Health Equity
- Integrated Behavioral and Mental Health
- Expanded Practice Access

PAM is a medium-weight improvement activity designated to improve beneficiary engagement.

Category	Improvement Activities
Subcategory	Beneficiary Engagement
Activity Description	In support of improving patient access, performing additional activities that enable capture of patient reported outcomes (e.g., home blood pressure, blood glucose logs, food diaries, at-risk health factors such as tobacco or alcohol use, etc.) or patient activation measures through use of certified EHR technology, containing this data in a separate queue for clinician recognition and review.
Activity	Use tools to assist patients in assessing their need for support for self-management (e.g., the **Patient Activation Measure** or How's My Health).
Weight	Medium

Source: Centers for Medicare & Medicaid Services 42 CFR Parts 414 and 495 [CMS-5517-FC] RIN 0938-AS69 Medicare Program; Merit-based Incentive Payment System (MIPS) and Alternative Payment Model (APM) Incentive under the Physician Fee Schedule, and Criteria for Physician-Focused Payment Models, pgs. 720, 2197, 2198.

What does this mean for my organization?
According to CMS, the vision behind MIPS is that over time, the portfolio of quality measures will grow and develop, driving towards outcomes that are of the greatest importance to patients and clinicians. Providers that serve Medicare patients can incorporate PAM to not only predict utilization, deliver activation-based care to improve health outcomes and control costs through efficient use of resources, but also to meet requirements within the new Medicare physician payment system that rewards the delivery of high-quality patient care. Making the investment to increase patient activation through use of PAM can yield positive returns in patient outcomes, resource utilization, and Medicare reimbursement.

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[i] https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/MACRA-MIPS-and-APMs/MACRA-MIPS-and-APMs.html