From ACO to VBM, and everything in between, it can be hard to keep the virtual alphabet soup of Centers for Medicare & Medicaid Services (CMS) regulations straight, and if you can’t keep them straight, you may be more likely to accrue penalties. In other words, what you don’t know can cost you and your practice… a lot.

It all started with the Health Information Technology for Economic and Clinical Health (HITECH) Act, enacted as part of the American Recovery and Reinvestment Act of 2009. Signed into law on February, 17, 2009 to promote the adoption and meaningful use of health information technology, HITECH sired many changes and acronyms that should become a part of a practicing dermatologist’s vernacular.

They include:

**ACO**
Short for: Accountable Care Organization
ACOs, and there are several models with more in the works, are alternate支付ment models that allow participants to become eligible for bonuses when they coordinate care and deliver that care more efficiently. An example of an ACO is a Medicare Shared Savings Program (MSSP).

**APM**
Short for: Alternative Payment Models
MACRA ended the Sustainable Growth Rate (SGR) formula in favor of two tracks. Alternative payment models are one of them. APMs such as ACOs (see above), Patient-Centered Medical Homes and bundled payment models attempt to better tie volume of care to quality of care. The jury is out on how well APMs work in terms of savings and quality measures.

**EHR**
Short for: Electronic Health Record
An EHR is a digital version of a chart, and the adoption and meaningful use of EHRs are central to the HITECH Act. The Medicare and Medicaid EHR Incentive Programs will provide incentive payments to eligible professionals and eligible hospitals as they demonstrate “adoption, implementation, upgrading, or meaningful use” of certified EHRs.

**ICD-10**
Short for: the 10th revision of the International Statistical Classification of Diseases and Related Health Problems (ICD), a medical classification list by the World Health Organization (WHO).
Most of us are probably already familiar with ICD-10. After several delays, the change took affect on Oct 1, 2015, and left many of us scratching our heads about the new codes as well as how to best integrate them. Among the most absurd new code: “Burn due to waterskis on fire, initial encounter.” That all said, the transition to ICD-10 has been smoother than anticipated.

(Continued on page 30)
(Continued from page 28)

MACRA
Short for: Medicare Access and CHIP Reauthorization Act of 2015

MACRA repealed the dreaded Sustainable Growth Rate formula, in favor of APM’s and MIPs (see below) in an effort to implement a new value-based payment and delivery system.

MIPS
Short for: the Merit-Based Incentive Pay System

Sired by MACRA. MIPS streamlines the different penalty/payment systems into one including Physician Quality Reporting System (PQRS), Value Modifier (VM or Value-based Payment Modifier), and the Medicare EHR incentive program. These payments start January 1, 2019 and are based on care delivered in 2017.

MU
Short for: Meaningful Use

This program sets specific objectives that eligible professionals and hospitals must achieve to qualify for CMS Incentive Programs. It’s more than owning a certified EHR. Instead, providers must show that they are using their EHRs to improve care. MU’s fate is questionable right now.

PQRS
Short for: Physician Quality Reporting System

PQRS is a reporting program that uses a combination of incentive payments and payment adjustments to promote reporting of quality information by eligible professionals (EPs).

SGR
Short for: Sustainable Growth Rate

This method used by the Centers for Medicare and Medicaid Services (CMS) in the United States to control spending by Medicare on physician services. Thanks to MACRA, SGR is now DOA.

VBM
Short for: Value-Based Modifier

VBM is designed to assess both quality of care and the cost of that care under the Medicare Physician Fee Schedule. It is based on PQRS, and thus represents a second bite of the apple by the government.

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