

Adjusting Strategy on Payment Adjustment: The Math on MIPS

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Quality Payment Program of Illinois
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The logo features a stylized outline of the state of Illinois in orange and red. To its right, the text "Quality Payment Program" is written in a large, bold, green font, with "of Illinois" in a smaller, green font below it.

Quality Payment Program of Illinois

Visit our website at <http://qpp-il.org>! We will help you navigate the complexities of the new CMS payment models so you can focus on what you do best – taking extraordinary care of your patients.

When you sign up for the QPP Resource Center, you get access to resources that help you establish your baseline, identify goals, learn about requirements, and monitor progress. Plus, QPP Advisors are available to answer questions as they come up.



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Agenda

- QPP Overview
- Impact on Payment
- Adjusting Strategy
- Additional Considerations
- Sample Financial Scenarios
- Questions

QPP Overview

MACRA (2015)

- Medicare Access and CHIP Re-Authorization Act
- Repeals “Sustainable Growth Rate”
- Streamlines multiple CMS programs into Quality Payment Program (QPP)
- Expands pathways for level of risk and reward
- Supports multi-payer initiatives

BETTER care
SMARTER spending
HEALTHIER people

Via a focus on **3 areas**



Incentives



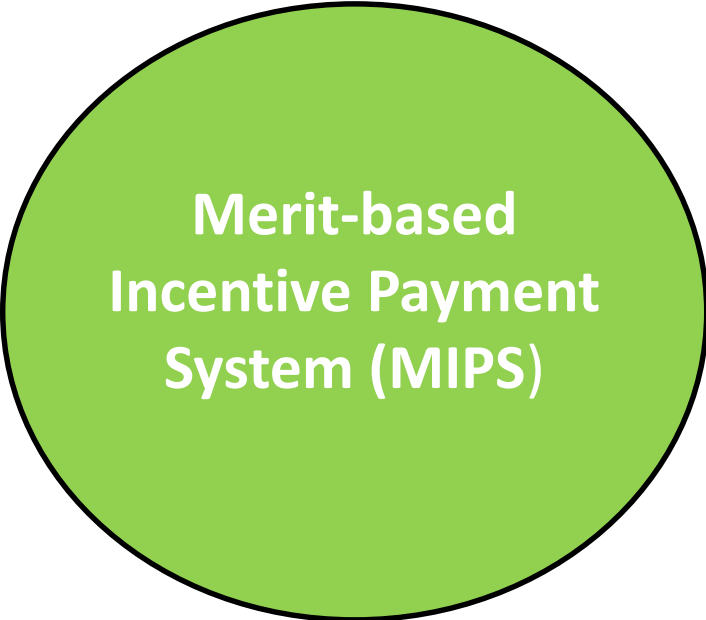
Care
Delivery



Information
Sharing

QPP Tracks

Clinicians have two tracks to choose from in the Quality Payment Program:



**Merit-based
Incentive Payment
System (MIPS)**

Score from 0-100 to receive a variable positive/negative adjustment on future Medicare payments



**Advanced
Alternative
Payment
Models (AAPM)**

Accept downside risk to receive an automatic lump sum payment based on past Medicare billing volume

QPP Participation Lookup

- Check participation status at <https://qpp.cms.gov/participation-lookup>
 - Enter NPI into search box
 - Click Check NPI button
 - Review MIPS and APM participation status

Check your participation status

Enter your National Provider Identifier (NPI) number

Check NPI >

PY 2017 PY 2018 PY 2019

2019 Participation Status

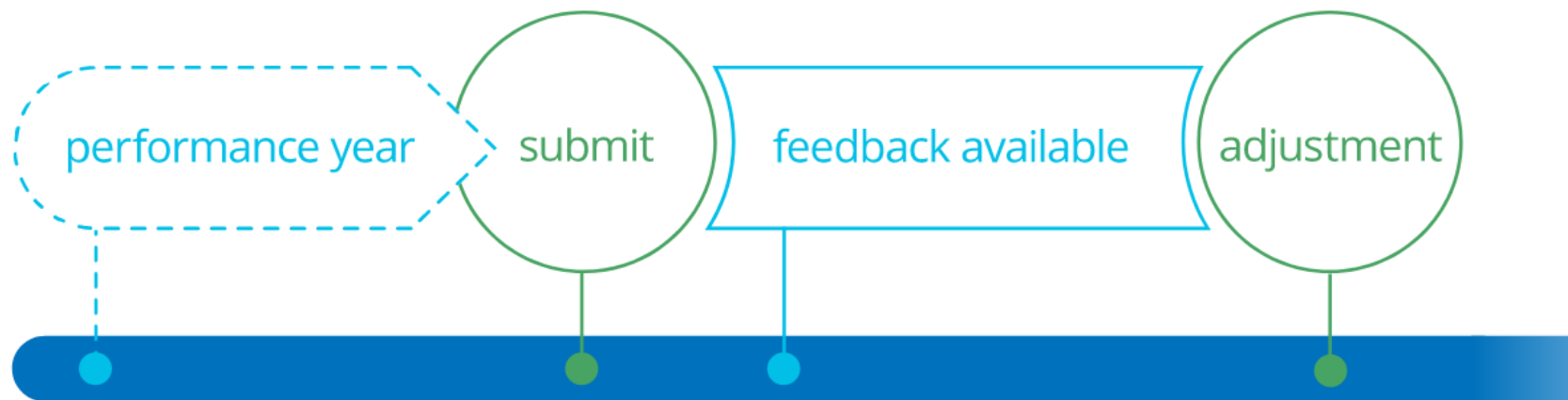
JOHN Q PROVIDER MD
NPI: # 123456789

Associated Practices (1)

JOHN Q PROVIDER at **PROVIDER MEDICAL GROUP**
123 Fake St, Chicago, IL 60622

MIPS Eligibility: INDIVIDUAL GROUP | NOT REQUIRED TO REPORT FOR ANY APMS

2019 QPP Timeline



2019

Performance period begins 1/1/19 and ends on 12/31/19. During the year, record quality data, how you used CEHRT and implemented improvement activities.

March 31, 2020

Deadline to report QPP data to qualify for positive payment adjustment under MIPS or bonus under AAPM.

2020

Medicare analyzes reported data and provides feedback on performance and MIPS payment adjustments or AAPM bonus.

2021

MIPS payment adjustments applied to Medicare Part B reimbursements beginning 1/1/21. AAPM bonuses awarded in 2021.

Impact on Payment

QPP Payment Structure

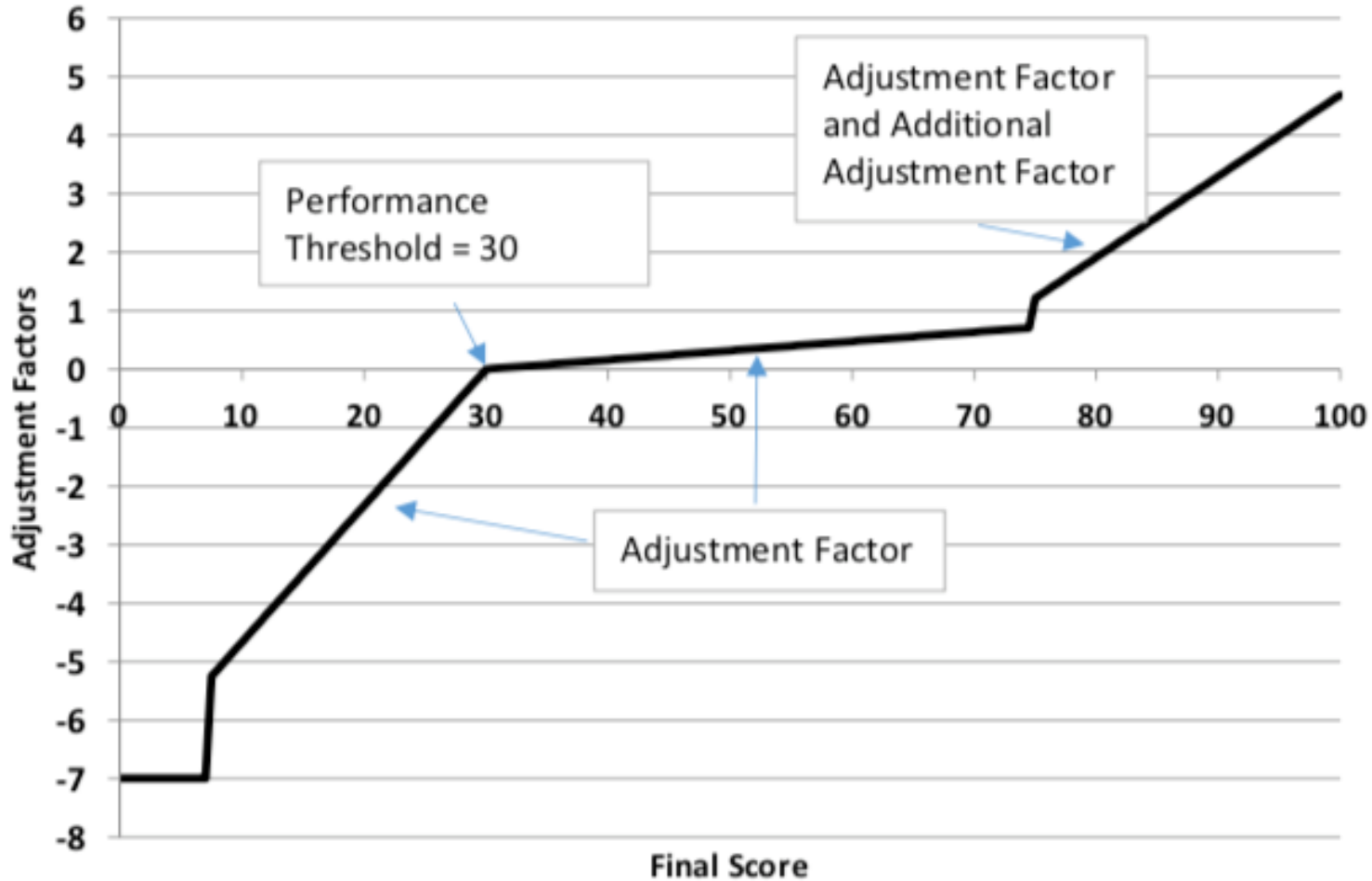
- Participate in QPP during “performance year” (i.e. 2019)
- Receive payment adjustment during “payment year” (i.e. 2021)
- Payment adjustment “follows the clinician”
- MIPS payments based on score relative to all other participants, applied as adjustments against fee schedule

MIPS Max Penalty/Incentive

PERFORMANCE YEAR	PAYMENT YEAR	MAXIMUM PENALTY	MAXIMUM BASE INCENTIVE	MAXIMUM EXCEPTIONAL PERFORMANCE BONUS
2017	2019	-4%	+4%*X (Actual 0.29%)	+10%*Y (Actual 1.59%)
2018	2020	-5%	+5%*X (CMS predicts 0.30%)	+10%*Y (CMS predicts 1.75%)
2019	2021	-7%	+7%*X (CMS predicts 1.11%)	+10%*Y (CMS predicts 3.58%)

- CMS calculates X (the “budget-neutrality factor”) such that the national base incentive pool is set equal to the national penalty dollars assessed
- CMS calculates Y by allocating \$500M per year (available each year through 2022) to an exceptional performance bonus pool for high performers

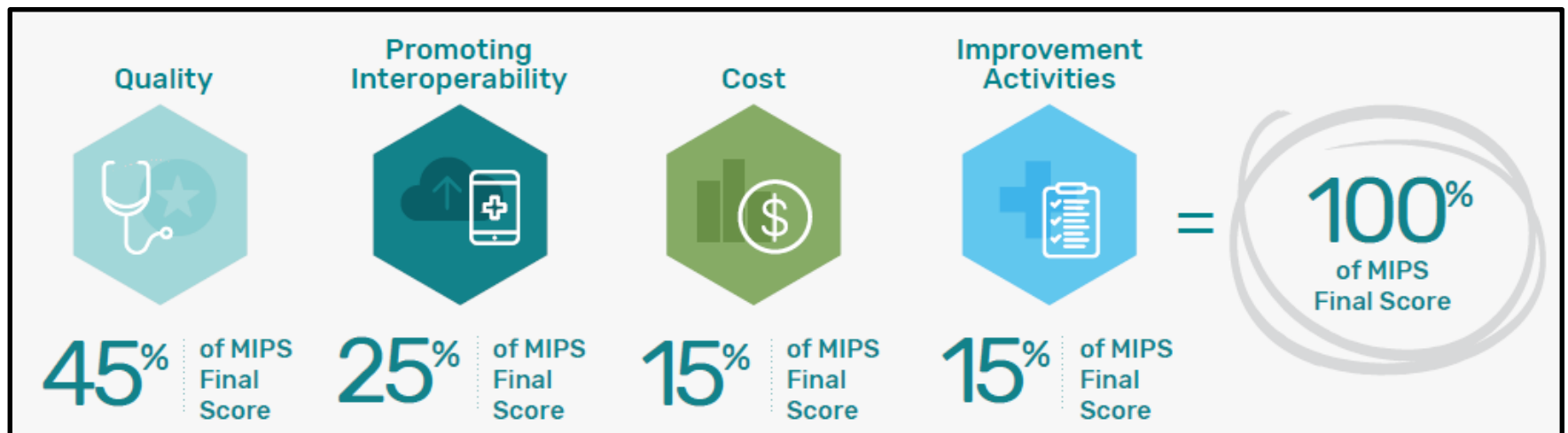
MIPS Adjustment by 2019 Performance



Adjusting Strategy

Review Category Investment

- Category weights indicate relative importance to final score but not necessarily value of investment
- Consider pros and cons of investing resources into each category



Review Category Investment

COST

- No additional action beyond submitting claims
- Low audit burden
- Limited guidance on how to improve
- Complex attribution and risk adjustment rules

PI

- Limited set of measures
- Already invested in 2015 CEHRT
- Only report on patients captured in CEHRT
- Documentation can be cumbersome
- Requires cooperation from patients and referral partners

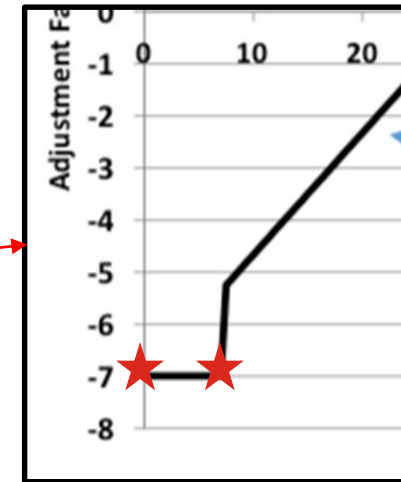
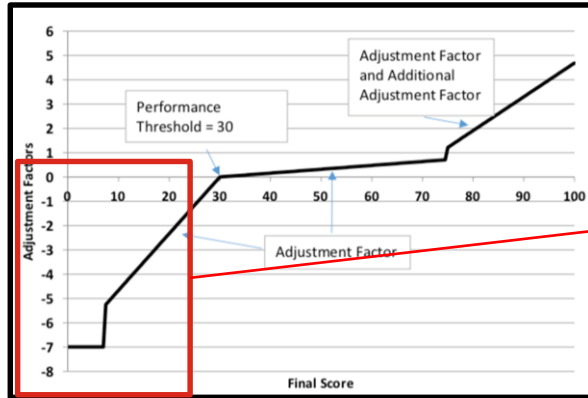
QUALITY

- Most available points
- High opportunity to add clinical value
- Audit documentation is already in medical record
- Claims reporting
- Fees for registries with preferred measures
- Minimum effort only earns 2.3 MIPS points (small practices)
- Data completeness criteria

IA

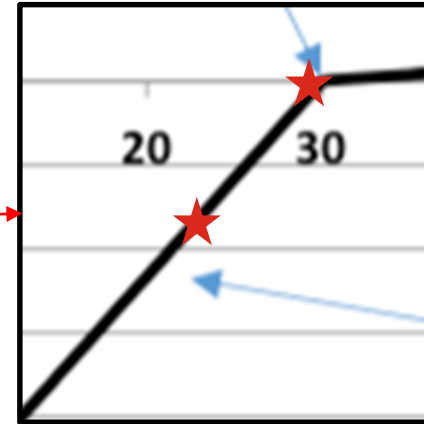
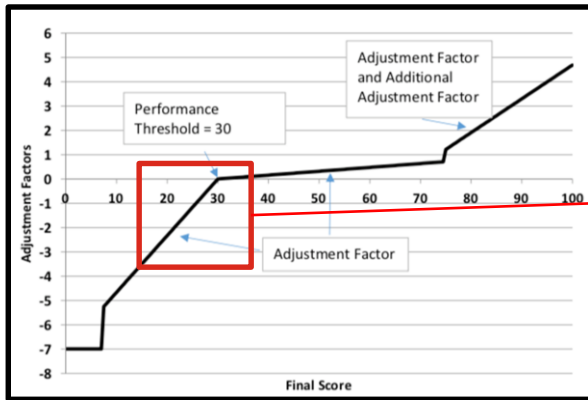
- Likely already doing at least one activity
- Log-in and attest reporting option
- Minimum effort earns 7.5 total MIPS points
- Long list of activities to review
- Additional documentation required for audit

All Points are Not Created Equal



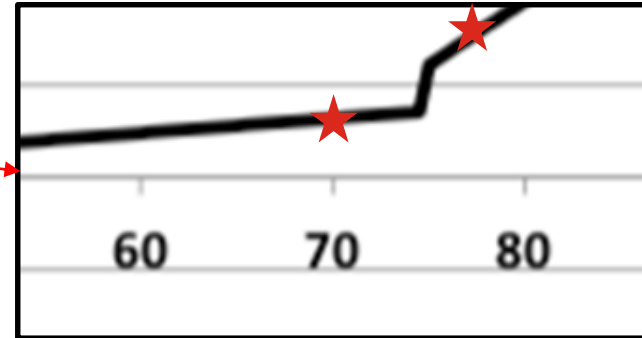
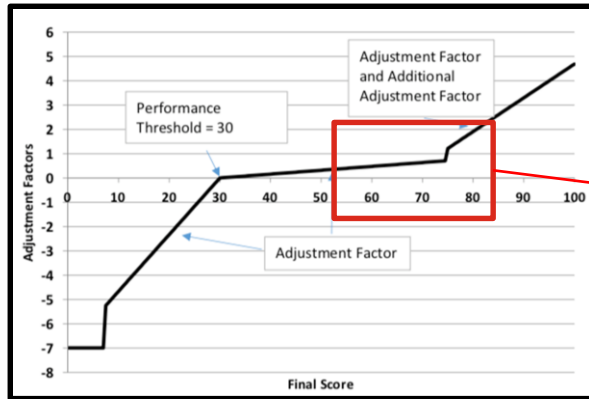
- Submitting nothing (zero points) results in a -7% adjustment
- Earning 7.5 points results in... a -7% adjustment
- Those 7.5 points are worth nothing! Don't waste your time.

All Points are Not Created Equal



- Earning 22.5 points results in ~1.5% negative adjustment
- Earning 30 points results in a neutral adjustment
- Those 7.5 points avoid a 1.5% penalty! The 30 point threshold is a critical milestone.

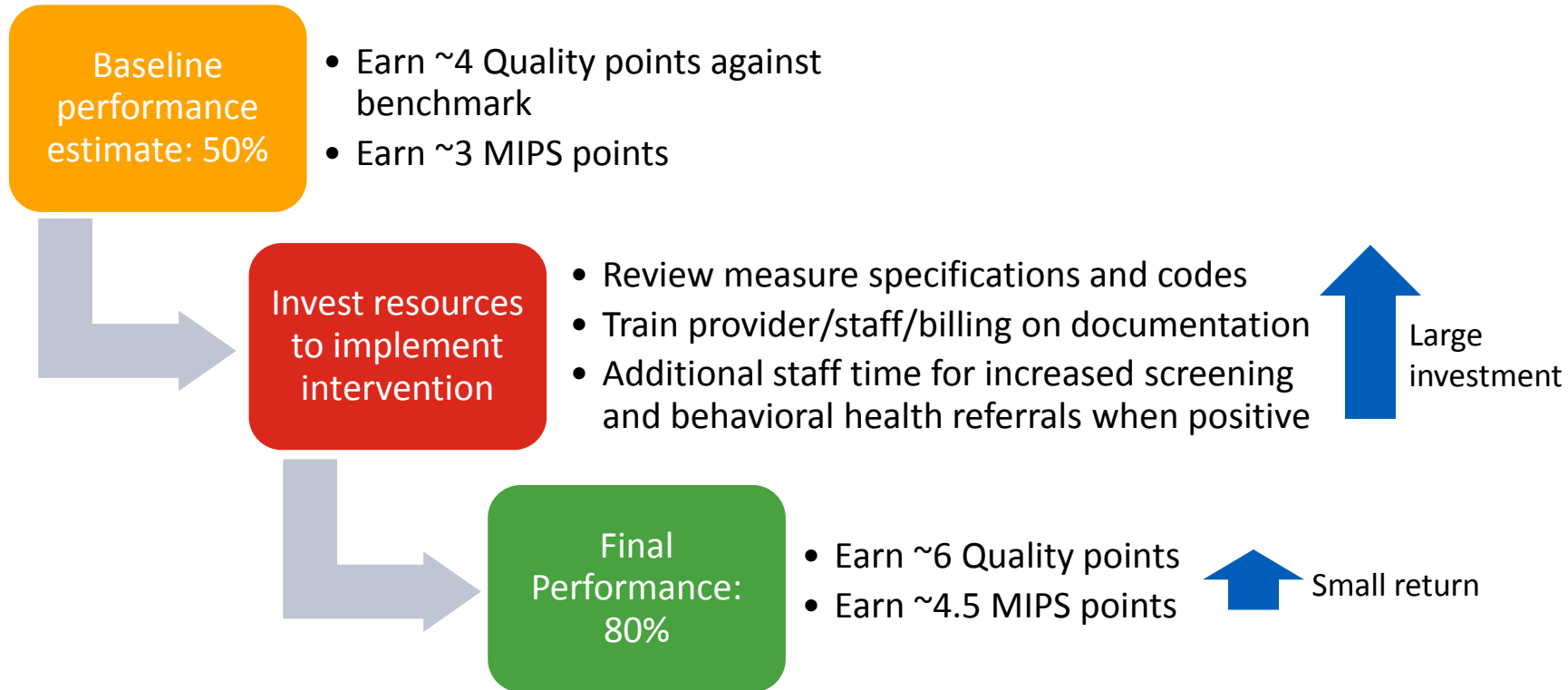
All Points are Not Created Equal



- Earning 70 points results in $\sim 0.5\%$ positive adjustment
- Earning 77.5 points results in... $\sim 1.5\%$ positive adjustment
- Those 7.5 points are worth an additional $\sim 1\%$ bonus! Hitting the exceptional performer threshold is valuable.

Assess Points ROI: Quality Measure

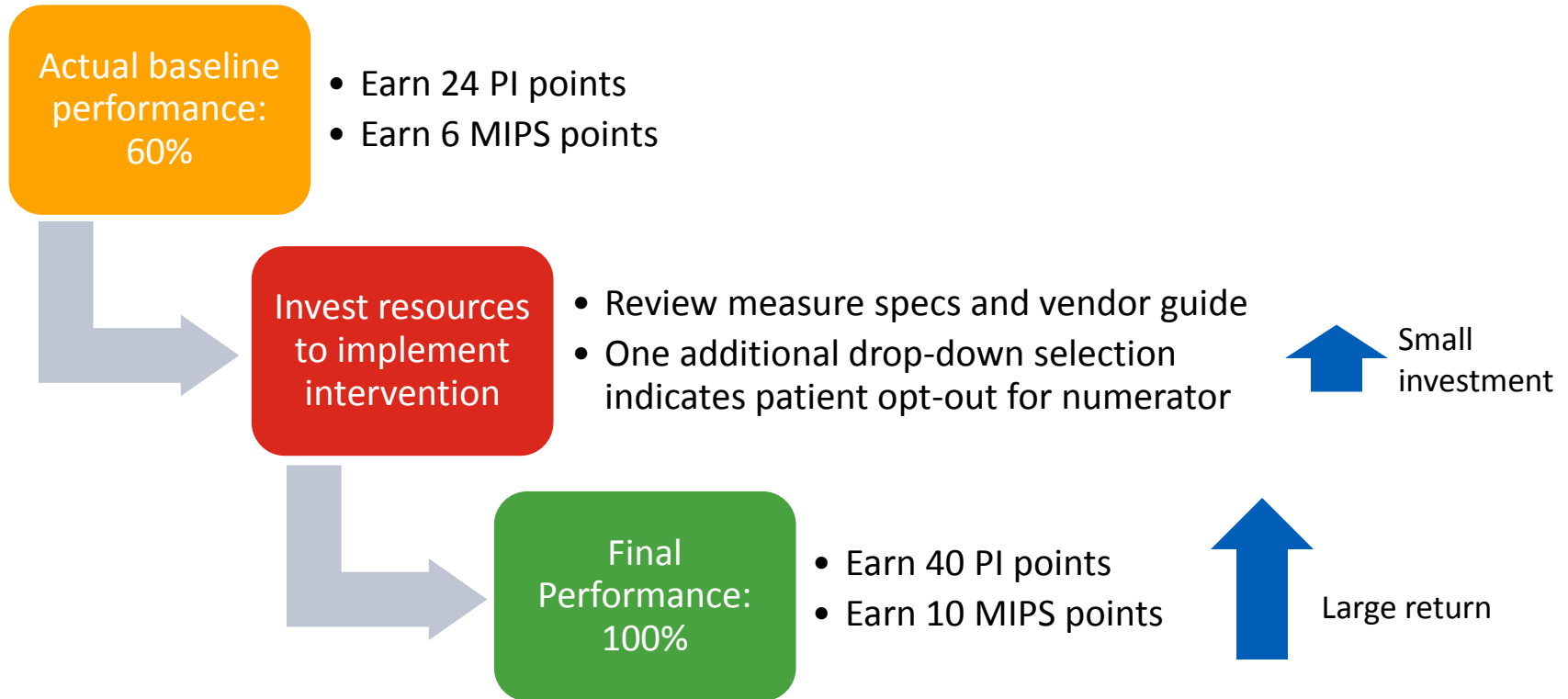
- Example: Depression Screening and Follow-Up (Claims)



Lesson: Avoid “topped out” measures

Assess Points ROI: PI Objective

- Example: Provider to Patient Exchange



Lesson: Low performance may be result of misunderstanding measure or CEHRT documentation issues



Additional Considerations

PI Re-Weight

- Small practices are automatically eligible for hardship exception
- Visit <https://qpp.cms.gov/mips/exception-applications>
- PI points will be re-allocated to Quality, resulting in re-weighting:
 - Quality: 70 points
 - Cost: 15 points
 - Improvement Activities: 15 points
- To maximize score in 2019, take the re-weight if Quality performance % > PI performance %

Small Practice Bonus

- Automatic six points added to Quality category
- Must submit at least one Quality measure
- One patient, one measure translates to 6.8 MIPS points (10.5 with PI re-weight)
- Coding claims for six measures (28 MIPS points with PI re-weight) is nearly enough to avoid penalty

Facility-Based Quality and Cost Scoring

- Special status identified in QPP Participation Lookup
- Must have 75% of services in facility place of service (POS 21, 22 or 23)
- Automatically receive facility-based scoring for Quality + Cost if facility performs better in Value-Based Purchasing
- Facility-based score preview available through QPP submission site
- Limits risk in forgoing investment in Quality + Cost in ambulatory setting



Sample Financial Scenarios

I'd Rather Take the Penalty – Individual

- Projected 2021 Medicare Part B claims: \$100,000
- Projected 2019 MIPS score: 0
- Projected 2021 payment adjustment: -7% (-\$7,000)

Strategy Adjustment

- Review IA options
- Identify high-weight activity already being done
- Create QPP account
- Log-in and attest
- Compile audit documents



Investment

- 1 hour provider time @ \$100/hour
- 3 hours staff time @ \$15/hour
- Total: \$145



Return

- 15 points from IA
- 5 points from Cost (assume average performance)

- Updated 2019 MIPS score: 20
- Updated 2021 payment adjustment: -2% (-\$2,000)

ROI: \$4,855

Skating By – Group (5)

- Projected 2021 Medicare Part B claims: \$1,000,000
- Projected 2019 MIPS score: 25
- Projected 2021 adjustment: -1% (-\$10,000)

Strategy Adjustment

- Hire part-time medical assistant
- Increase electronic referral loops from 5% to 50%
- Improve six Quality measures by one decile



Investment

- Hiring and training costs @ \$2,000
- 15 hours per week * 50 weeks @ \$15/hour
- Total: \$13,250



Return

- 3 points from PI
- 4.5 points from Quality

- Updated 2019 MIPS score: 32.5
- Updated 2021 payment adjustment: +0.25% (\$2,500)

ROI: -\$750

Exceptional Performance – Group (10)

- Projected 2021 Medicare Part B claims: \$2,000,000
- Projected 2019 MIPS score: 65
- Projected 2021 payment adjustment: 0.5% (\$10,000)



- Updated 2019 MIPS score: 77
- Updated 2021 payment adjustment: 1.5% (\$30,000)

ROI: \$15,000

Questions



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