MIPS: Basics and Myths

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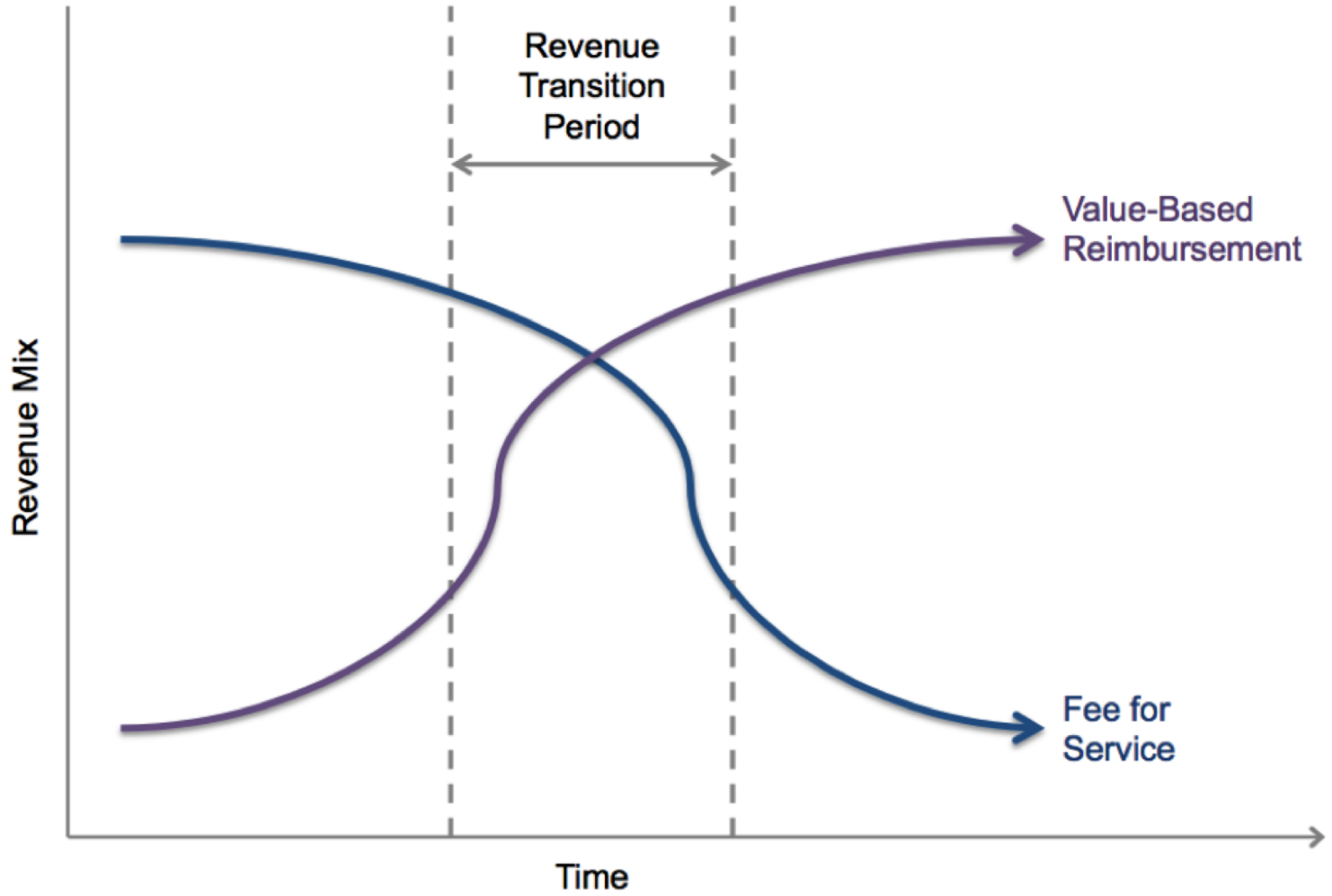
MEDICARE'S VALUE-BASED PAYMENT MODELS

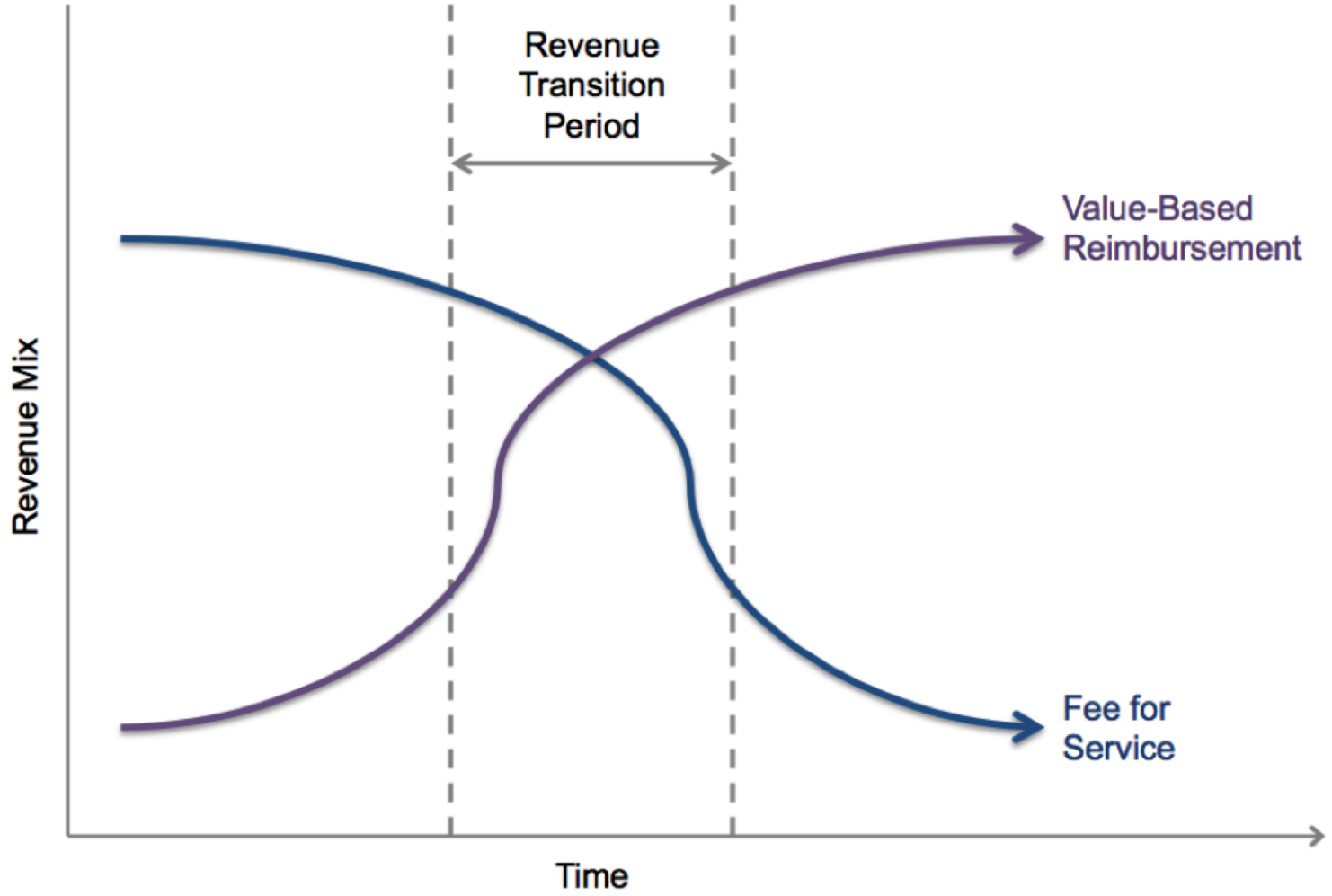
QPP as platform for value-based payment reform

QPP's impact beyond Medicare

MIPS as a QPP participation track


Revenue
Transition
Period
Value-Based
Reimbursement
Fee for
Service
Revenue Mix
Time

Medicare Quality Payment Program (QPP)



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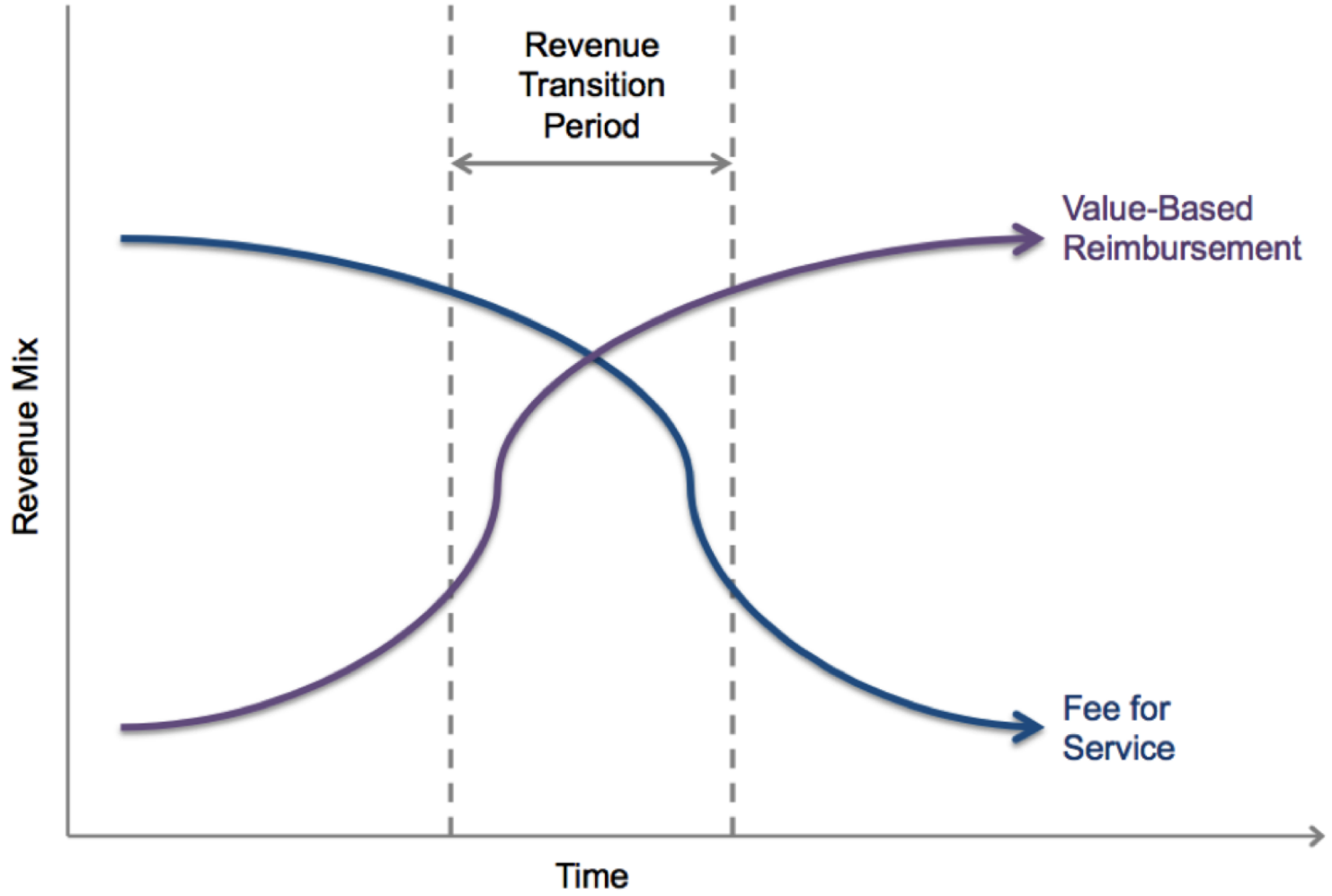

50% of payments (2018)

QPP's Broader impact

Washington State Health Care Authority

HCA Value-based Road Map, 2017-2021

Introduction

There is a national imperative led by Medicare, the biggest payer in the U.S., to move away from traditional volume-based health care payments to payments based on value. Over the past year this movement has gained significant traction since Medicare declared its own commitment to value and quality, announced its own purchasing goals (similar to HCA), and made substantial progress in meeting its goals. At the same time, federal legislation—the Medicare Access and CHIP Reauthorization Act (MACRA) of 2015, supports Medicare's acceleration of value-based purchasing by rewarding providers through higher Medicare reimbursement rates for participation in advanced value-based payments (VBPs) or Alternative Payment Models (APMs) starting in 2019.

Like Medicare, the Washington State Health Care Authority (HCA) is transforming the way it purchases health care. As directed by the Legislature in statute, and as a key strategy under

QPP's Broader impact

Washington State Health Care Authority

HCA Value-based Road Map, 2017-2021

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90% of payments (2021)

QPP's Broader impact

QPP's Broader impact

Health Care Payment Learning and Action Network

Share

The Department of Health and Human Services launched (through CMS) the Health Care Payment Learning and Action Network (LAN) in March 2015 to align with public and private sector stakeholders in shifting away from the current FFS, volume-based payment system to one that pays for high-quality care and improved health. The LAN provides a forum for generating evidence, sharing best practices, developing common approaches to the design and monitoring of APMs, and removing barriers to health care transformation across the U.S. health care system. If you would like more information or wish to participate in the LAN, please visit the LAN website.

Background

All alternative payment models (APM) and payment reforms that seek to deliver better care at lower cost share a common pathway for success: providers, payers, and others in the health care system must make fundamental changes in their day-to-day operations that improve quality and reduce the cost of health care. Making operational changes will be viable and attractive only if new alternative payment models and payment reforms are broadly adopted by a critical mass of payers. When providers encounter new payment strategies for one payer but not others, the incentives to change are weak. When payers align their efforts, the incentives to change are stronger and the obstacles to

QPP Participation Tracks

QPP Participation Tracks

Alternative Payment Models (APM). APMs are a collection of separate, distinct Medicare payment models through which providers assume financial risk *for both facility + professional payments*. Participation in an "advanced" APM (AAPM) is required for this track

QPP Participation Tracks

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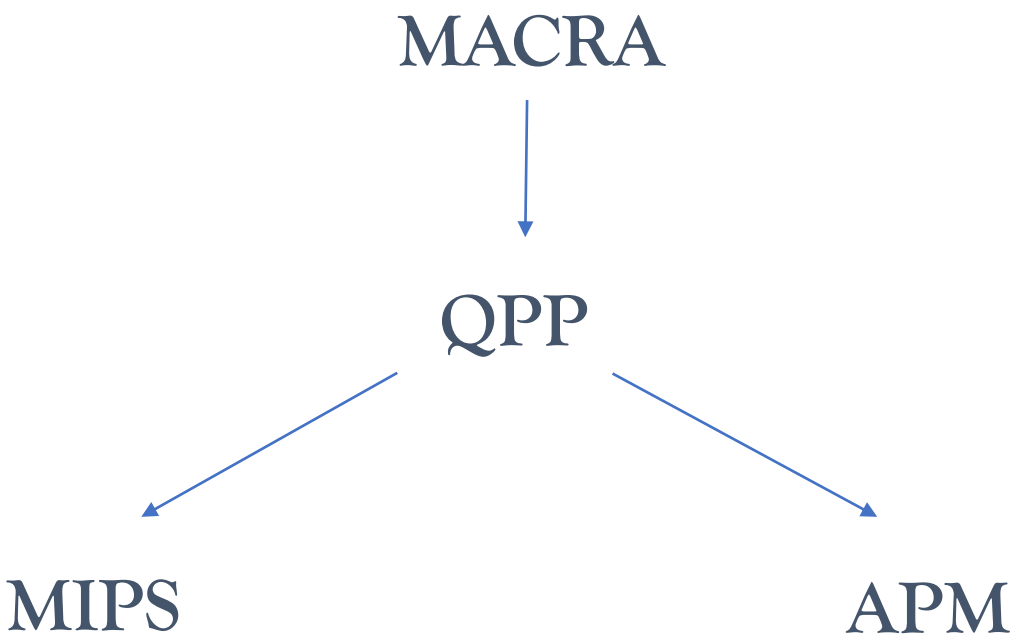
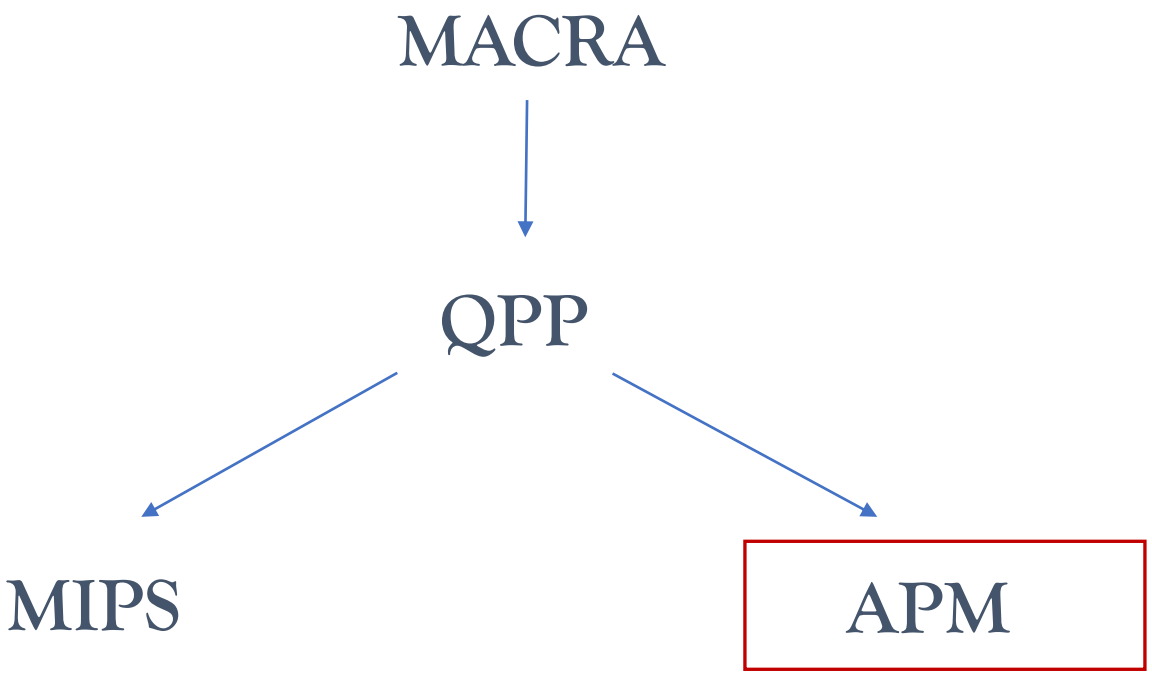
Merit-based Incentive Payment System (MIPS). Consolidates prior CMS programs into a single, budget neutral pay-for-performance program *for professional payments*

QPP Participation Tracks



QPP Participation Tracks



APM Track

Accountable Care Organizations (ACOs)
MSSP (Basic & Enhanced Tracks)
Next Generation ACO
Comprehensive ESRD Care (CEC)
MSSP Tracks 1-3

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Source: CMS. Quality Payment Program. Available at: https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/MACRA-MIPS-and-APMs/Quality-Payment-Program-MACRA-NPRM-Slides.pdf

APM Track

Accountable Care Organizations (ACOs)
MSSP (Basic & Enhanced Tracks)
Next Generation ACO
Comprehensive ESRD Care (CEC)
MSSP Tracks 1-3

Episodes of Care ("Bundled Payments")
Comprehensive Care for Joint Replacement (CJR)
Bundled Payments for Care Improvement Advanced (BPCI-A)
Oncology Care Model (OCM)
Bundled Payments for Care Improvement (BPCI)

Source: CMS. Quality Payment Program. Available at: https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/MACRA-MIPS-and-APMs/Quality-Payment-Program-MACRA-NPRM-Slides.pdf

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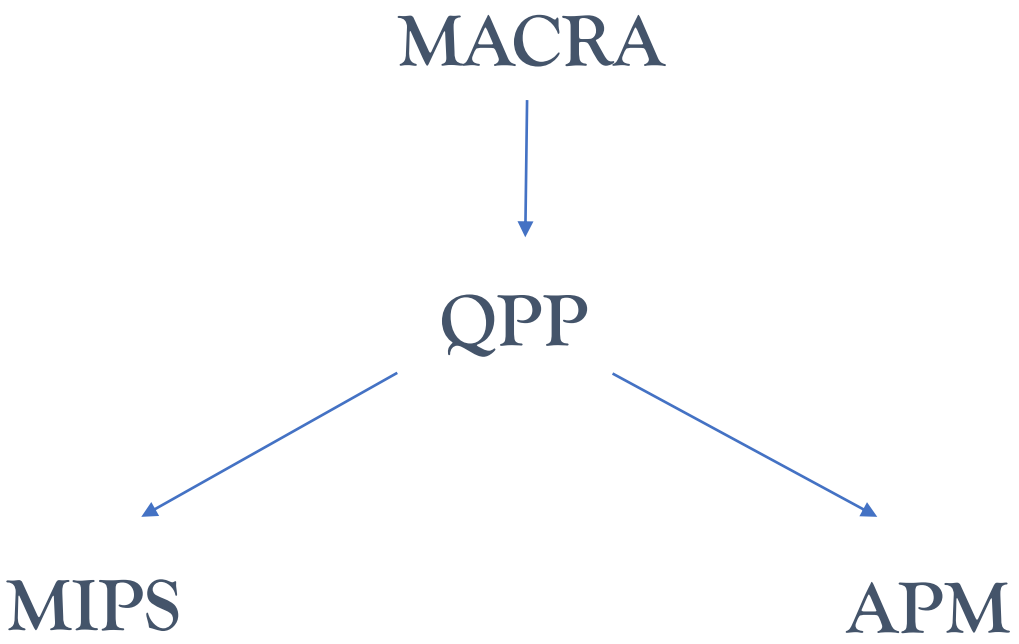

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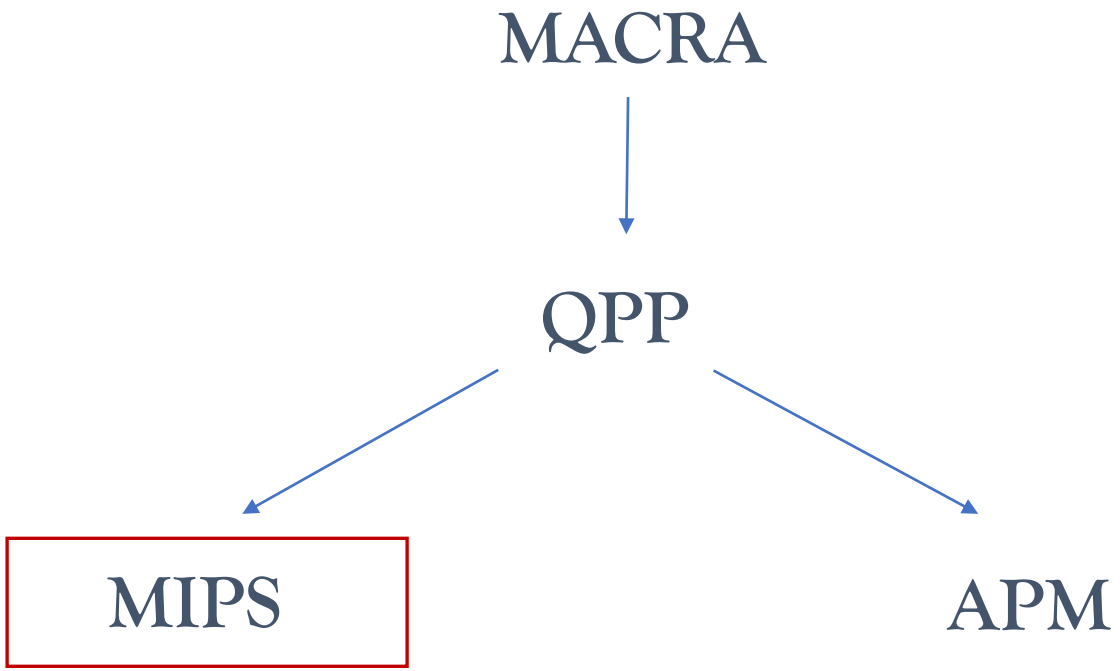


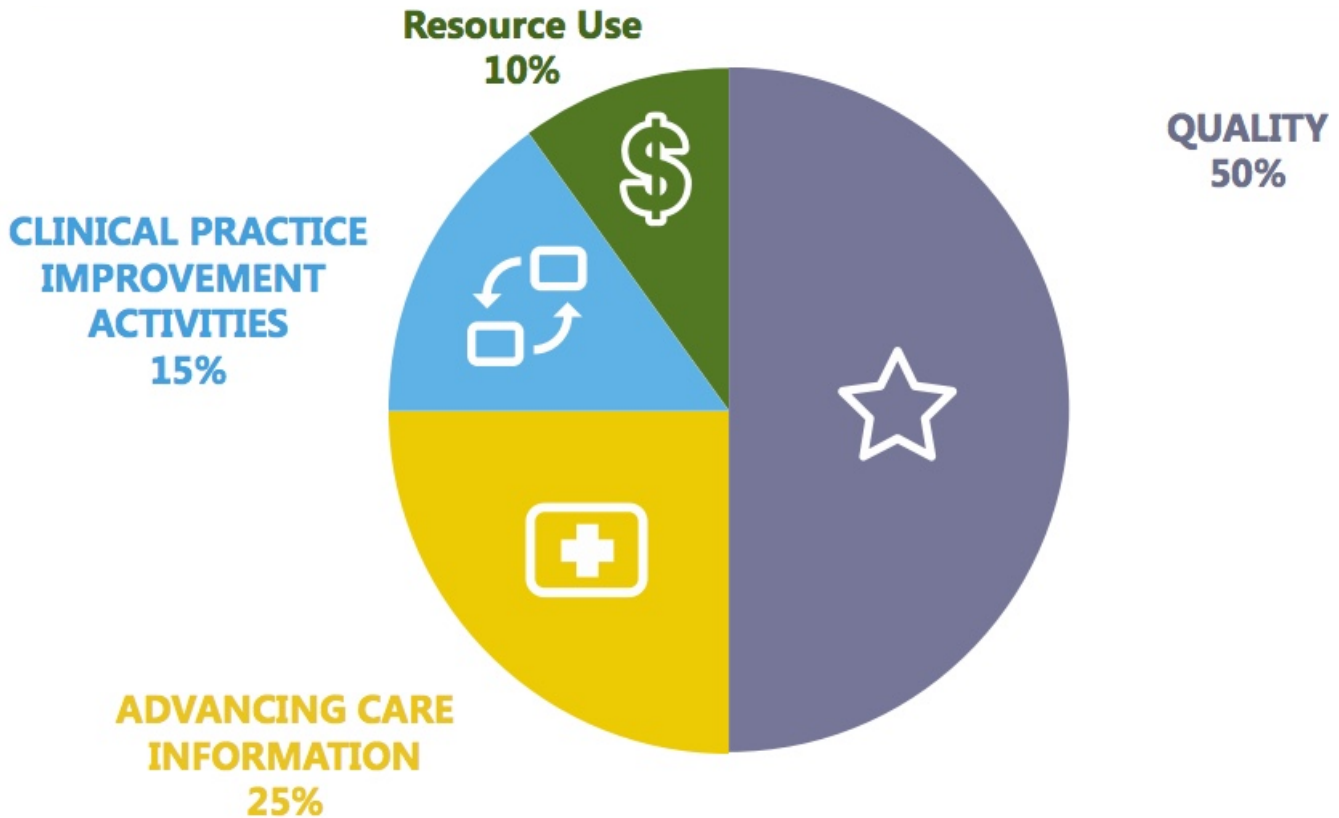
MIPS: BASICS

4 performance domains

Composite Performance Score (CPS)

Financial adjustments

MIPS Track



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MIPS Track

MIPS Domain Weights in 2017-2019			
	2017	2018	2019
Quality	60%	50%	45%
Clinical Improvement Activities	15%	15%	15%
Cost	0%	10%	15%
Promoting Interoperability	25%	25%	25%

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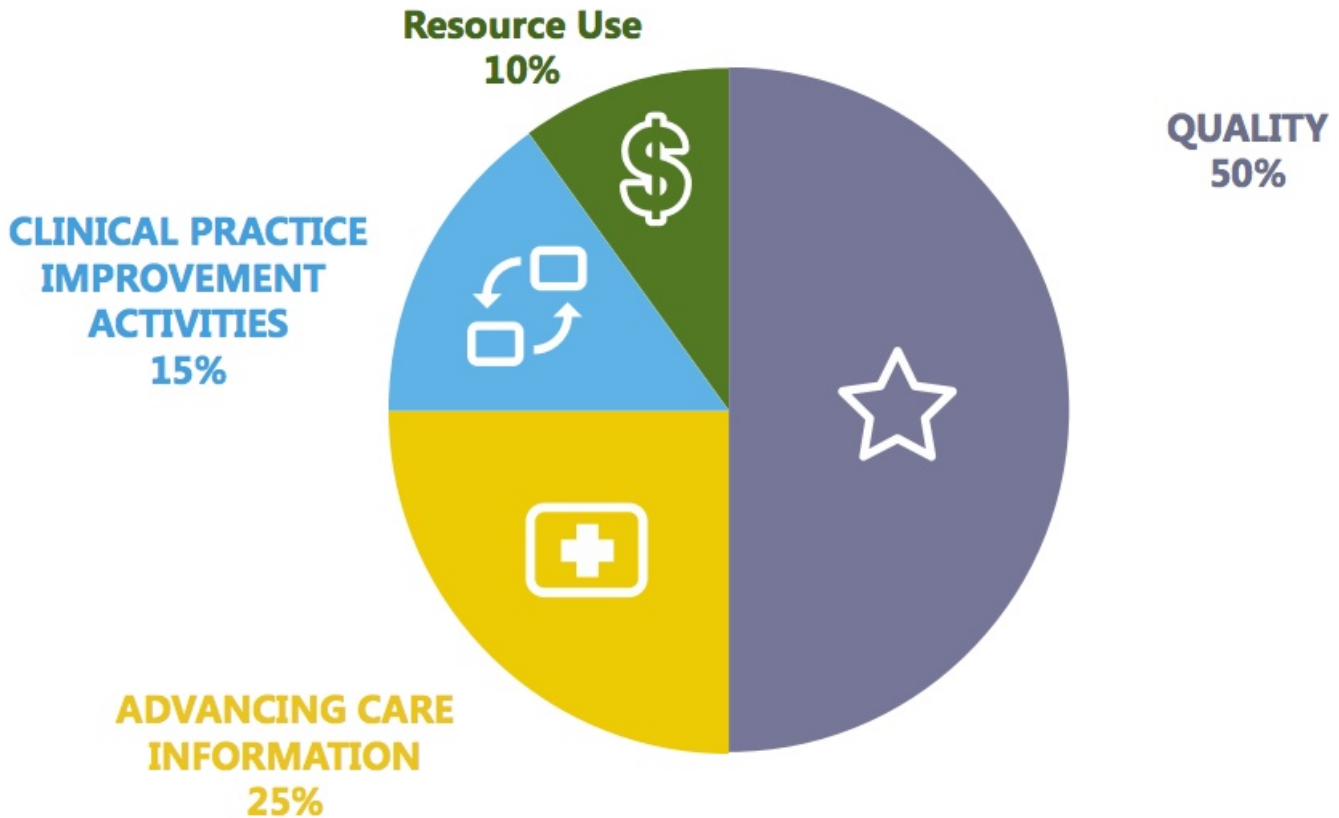
Source: Liao JM, Chen A, Navathe AS. The Real Opportunities of MIPS Payment Adjustments. Health Affairs Blog. 2018.

MIPS Track



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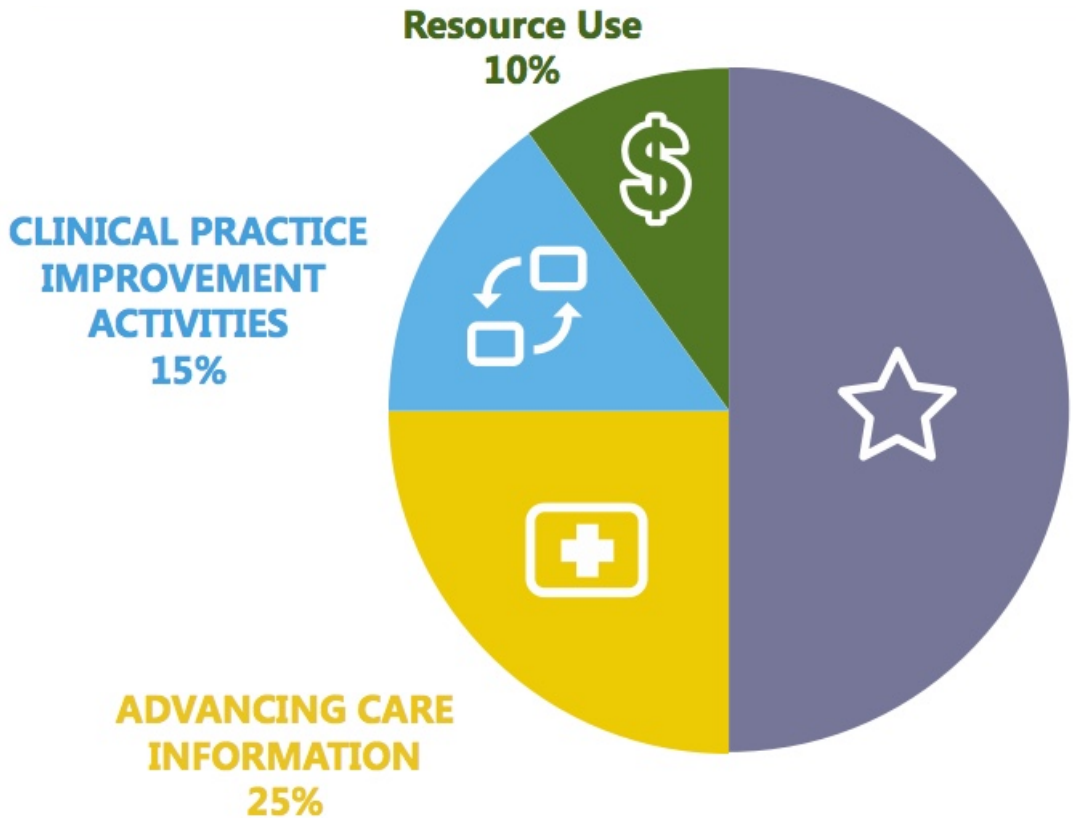
MIPS Track



Composite Performance Score (CPS)

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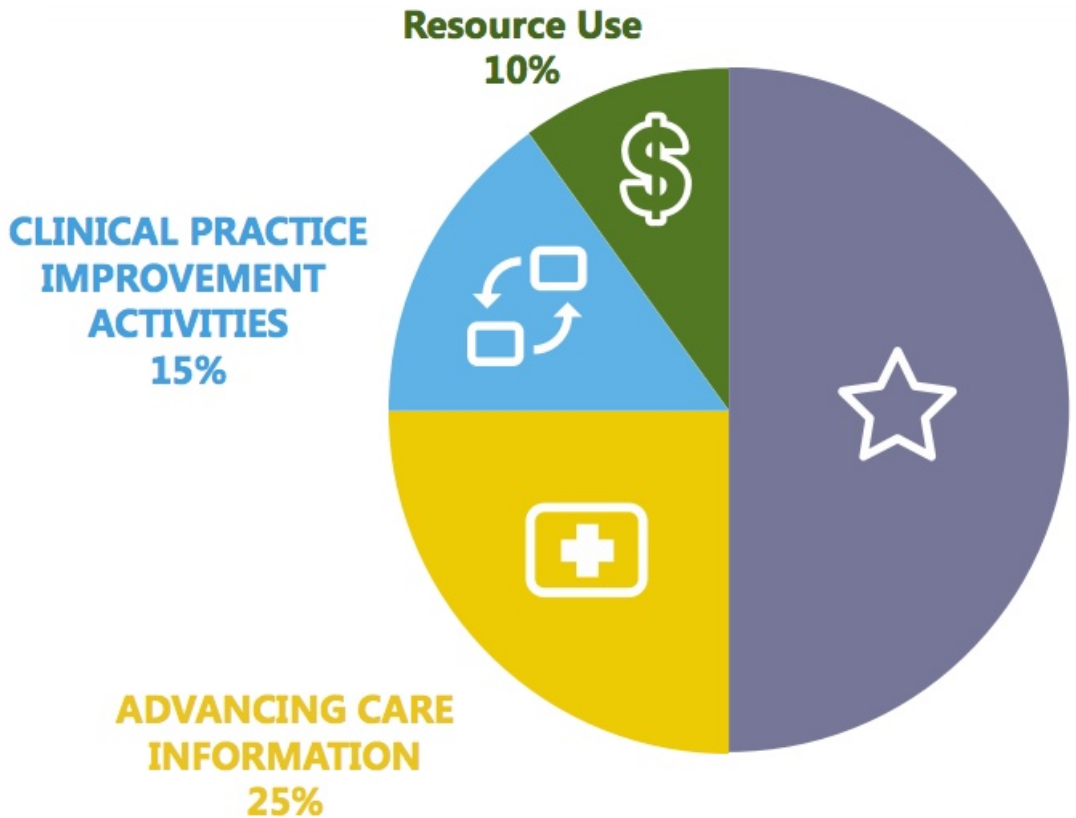
MIPS Track



Composite Performance Score (CPS)

↓

Professional payment adjustment (%)

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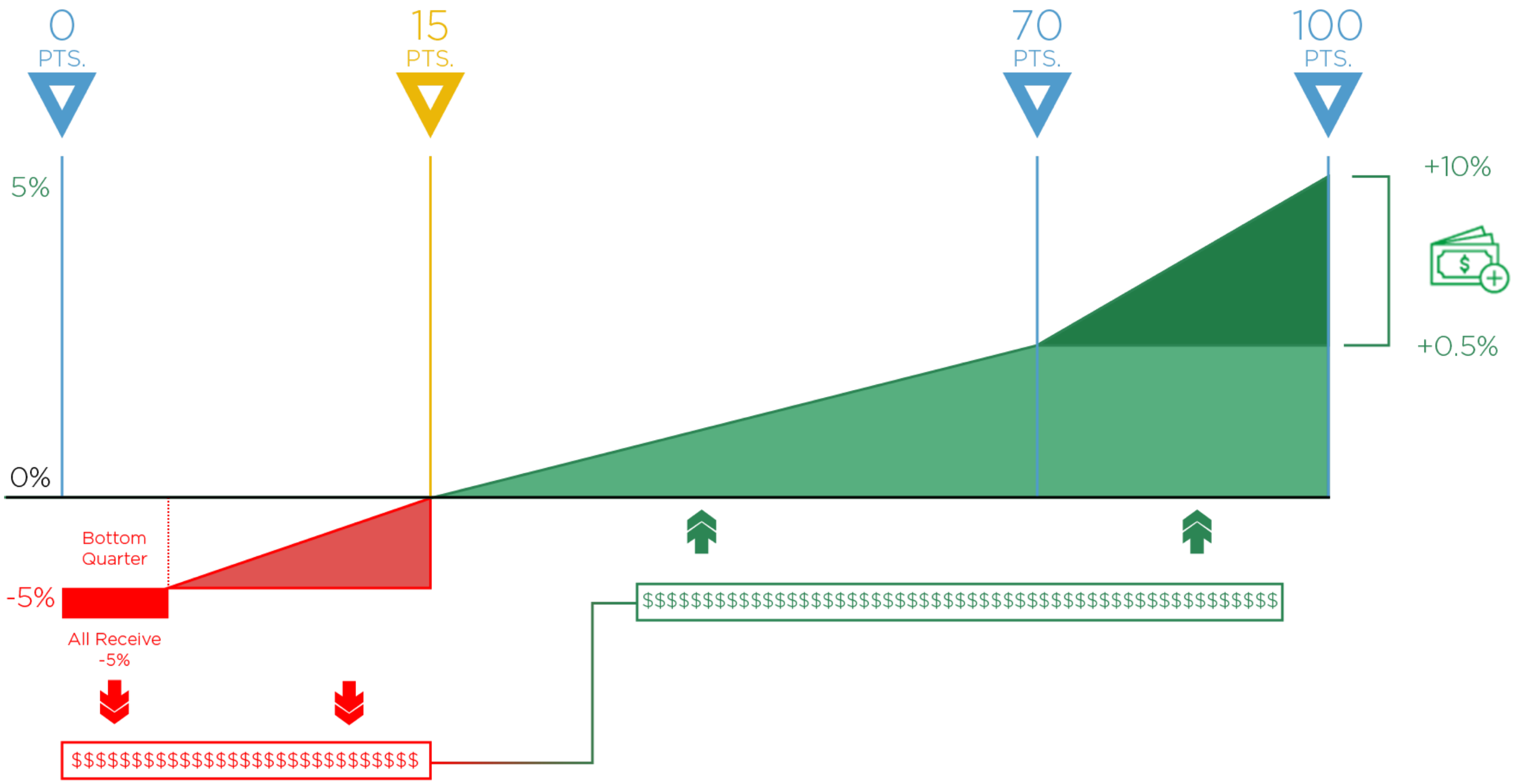
Source: CMS. Quality Payment Program. Available at: https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/MACRA-MIPS-and-APMs/Quality-Payment-Program-MACRA-NPRM-Slides.pdf

MIPS Track

2018 example



Source: https://medisolv.com/academy/part-1-understanding-mips-2018/

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MIPS Track

MIPS payment adjustment ranges		
Performance Year	Max negative adjustment	Max positive adjustment
2017	-4%	+4%
2018	-5%	+5%
2019	-7%	+7%
2020	-9%	+9%

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Source: Liao JM, Chen A, Navathe AS. The Real Opportunities of MIPS Payment Adjustments. Health Affairs Blog. 2018.

MIPS Track

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MIPS Track

MIPS payment adjustment ranges		
Performance Year	Max negative adjustment	Max positive adjustment
2017	-4%	+22%
2018		
2019		
2020		

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MIPS Track

- Default track within QPP

MIPS Track

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- Replaces legacy payment programs

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- Leads to changes in professional payments (% changes to rates)

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- Default track within QPP
- Replaces legacy payment programs
- Performance depends on performance of others
- Leads to changes in professional payments (% changes to rates)
- Payment rate changes can be substantial

MIPS: MYTHS

Impending program changes

Payment adjustments

Clinician eligibility

Impending Program Changes?

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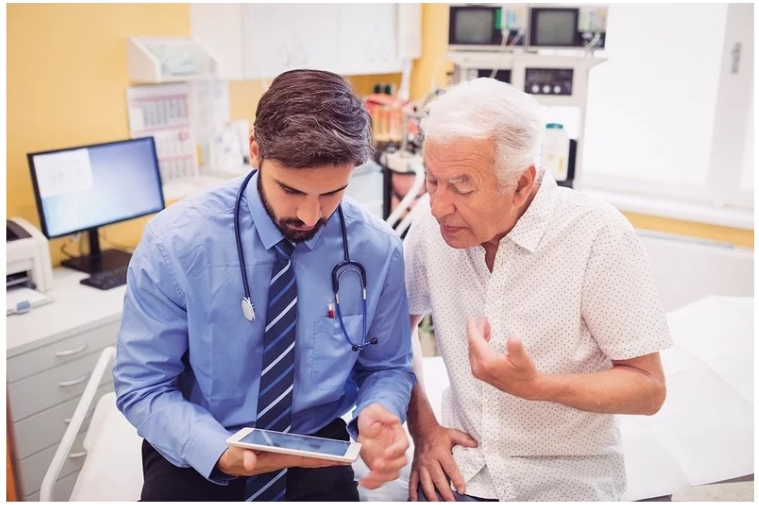
January 11, 2018 12:00 AM

MedPAC votes 14-2 to junk MIPS, providers angered

VIRGIL DICKSON

TWEET | SHARE | SHARE | EMAIL | PRINT



The Medicare Payment Advisory Commission voted 14-2 to repeal and replace a Medicare payment system that aims to improve the quality of patient care. Providers immediately slammed the move.

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The MIPS Needs Ongoing Improvement, Not Replacement

Mar 14, 2018 - 11:02 AM by Nancy Foster

The second year of the Merit-based Incentive Payment System (MIPS) required by the Medicare Access and CHIP Reauthorization Act (MACRA) began on Jan. 1. Yet last month, the Medicare Payment Advisory Commission (MedPAC) voted to recommend that Congress repeal the MIPS and replace it with a new "voluntary value program" (VVP). MedPAC suggests that MIPS is burdensome, inequitable, and too complex and thus "cannot succeed." But is it really time to scrap the MIPS barely one year into implementation?

Would the VVP Work?

While MedPAC's recommendation lacks some details, the proposed framework for the VVP would incentivize clinicians to move toward advanced alternative payment models (A-APMs) by limiting potential bonuses in fee-for-service Medicare. Clinicians not in an A-APM would have a choice between entering the VVP or losing the entire fee schedule withhold. Under the VVP, clinicians would form groups and be scored on uniform, population-level, claims-based measures. MedPAC suggests the use of these measures would reduce data reporting burden. If clinicians could not find a group to join, MedPAC has suggested that CMS could create a virtual "fallback" group as a default. MedPAC suggests that forming these groups under the VVP would serve as an "on-ramp" to forming an A-APM.

However, the AHA believes that MedPAC's recommendation to scrap the MIPS is not only premature but also misguided. Clinicians and hospitals will submit MIPS data for the first time this month. Instead of assuming the program is unworkable before clinicians submit any data, MedPAC should use data and experience from the field to inform any major changes.

Furthermore, the AHA and other stakeholders question the feasibility VVP. The proposed measures would apply to all groups, but may be irrelevant to some specialties, and there are few A-APMs for specialists to join as an alternative. And forming groups might be impossible for some clinicians due to practice or geographic constraints; the virtual "fallback" group would be both logistically challenging and of dubious value, as clinicians would be a group in name only and could do little to influence the overall quality of care provided. Further, AHA and others are concerned by the heavy reliance on claims-based measures, whose reliability and accuracy can be problematic, to evaluate performance.

https://www.modernhealthcare.com/article/20180111/NEWS/180119963/medpac-votes-14-2-to-junk-mips-providers-angered
https://www.aha.org/news/blog/2018-03-14-mips-needs-ongoing-improvement-not-replacement

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UW Medicine

Source: Liao JM, Chen A, Navathe AS. The Real Opportunities of MIPS Payment Adjustments. Health Affairs Blog. 2018.

MIPS Payment Adjustments

Calendar Year 2018

- 97% clinicians with neutral or positive payment
- 74% clinicians with exceptional bonus
- Average adjustment: 0.9%
- Average adjustment for groups +100 clinicians: 1.2%

MIPS Payment Adjustments

Calendar Year 2018

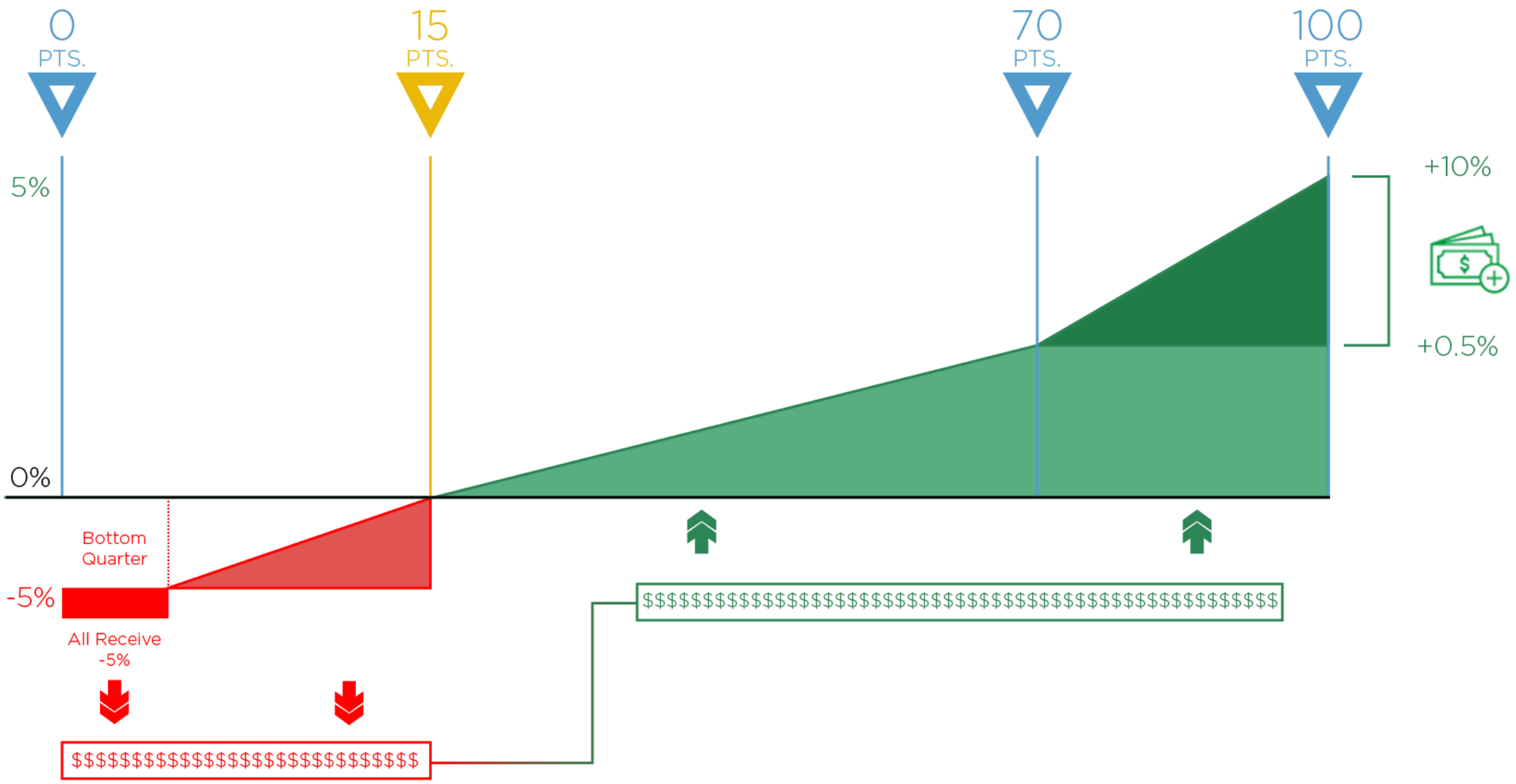
- 97% clinicians with neutral or positive payment
- 74% clinicians with exceptional bonus
- Average adjustment: 0.9%
- Average adjustment for groups +100 clinicians: 1.2%

Calendar Year 2019

- 96% clinicians with neutral or positive payment
- 56% clinicians with exceptional bonus
- Average adjustment: 2.0%
- Average adjustment for groups +100 clinicians: 2.5%

MIPS Track

2018 example



Source: https://medisolv.com/academy/part-1-understanding-mips-2018/

MIPS Clinician Eligibility

MIPS Clinician Eligibility

Participate in an AAPM but fail to meet reimbursement or patient thresholds

- Clinicians must *fully* or *partially* meet AAPM reimbursement and/or patient volume thresholds to be exempted from MIPS
- Clinicians who do not may then be defaulted into MIPS as a MIPS APM

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Participate in an APM that is not "advanced" due to lack of downside financial risk

- Certain APMs are not "advanced" by design
- Ex: MSSP options in which clinicians and organizations are eligible for shared savings but not liable for shared losses
    - Formerly Track 1
    - Currently earlier "levels"

Summary

MIPS is a core element of the Medicare QPP, a major policy driving value-based payment reform

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- The magnitude of MIPS payment adjustments

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- The magnitude of MIPS payment adjustments
- Clinician eligibility in MIPS

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MIPS is complicated with high potential performance and financial uncertainty, with pervasive myths about:

- Impending MIPS program changes
- The magnitude of MIPS payment adjustments
- Clinician eligibility in MIPS

Providers' participation decisions depend on clear understanding of program parameters

Questions?

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Appendix

MIPS – Physician Perspectives

EXHIBIT 2

Physician survey respondents' beliefs about how efforts in four focus areas will ultimately affect the value of care

	Response options		
Focus area (respondents)[a]	**"Somewhat or significantly improve"**	**"Neither improve nor reduce"**	**"Somewhat or significantly reduce"**
Clinical quality[b] ($n = 722$)	55%	31%	14%
Practice improvement[c] ($n = 717$)	70	21	9
Patients' use of resources[d] ($n = 712$)	71	21	7
Electronic health records[e] ($n = 714$)	54	20	26

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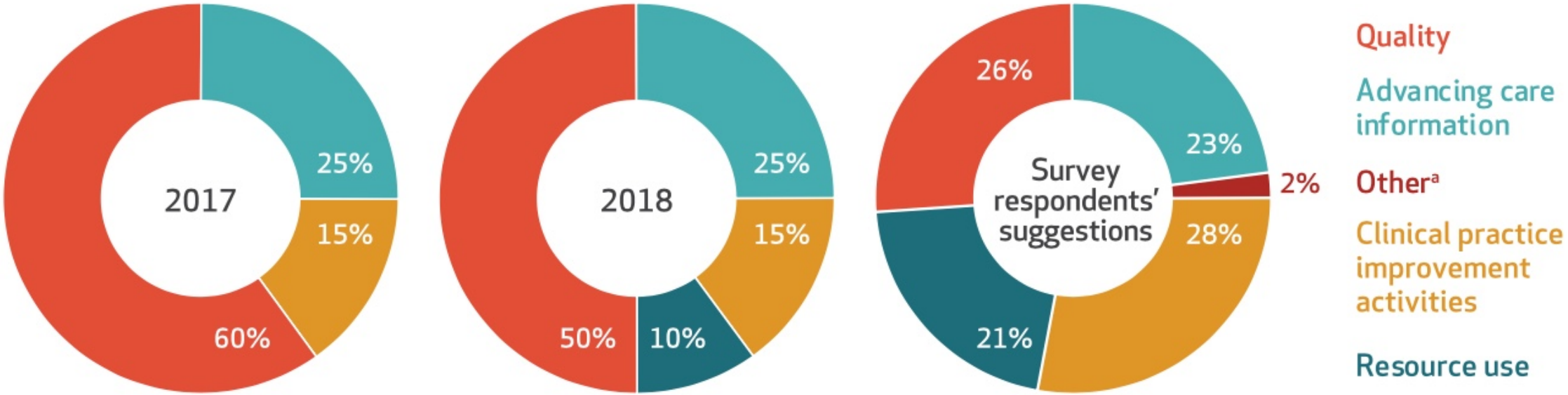
Liao JM, Shea JA, Weissman A, Navathe AS. Physician Perspectives in Year 1 of MACRA and its Merit-based Payment System: A National Survey. Health Affairs. 2018;1079-1086.

MIPS – Physician Perspectives

EXHIBIT 3

Medicare domain weights for the Merit-based Incentive Payment System (MIPS) composite score in 2017 and 2018, and mean domain weights deemed appropriate by survey respondents



Liao JM, Shea JA, Weissman A, Navathe AS. Physician Perspectives in Year 1 of MACRA and its Merit-based Payment System: A National Survey. Health Affairs. 2018;1079-1086.