The 2020 Medicare Physician Fee Schedule final rule includes provisions for the 2020 Quality Payment Program (QPP), which impacts 2022 payment. The QPP includes both the Merit-Based Incentive Payment System (MIPS) and Advanced Alternative Payment Models (APMs).

CMS set the 2020 MIPS final score threshold at 45 points, up from 30 points in 2019. To avoid the 9% penalty in 2022, physicians must earn at least 45 MIPS points through 2020 performance. CMS is continuing to use the transition flexibility included in the 2018 MACRA technical corrections to set the MIPS threshold at a level other than the mean or median of the previous year’s scores.

Because the total possible penalty is increasing, and the MIPS requirements have become more difficult in 2020, including an increase of the exceptional performance threshold to 85 points, CMS expects potential bonuses to be higher in 2022. CMS estimates that participants scoring 100 points in 2020 are estimated to earn an approximate 5% bonus in 2022, which is inclusive of the exceptional performance bonus.

This guide summarizes and provides insights to help practices understand the impact of the cataract episode-based cost measure, which is part of the Cost category. The Cost category is worth 15% of the MIPS final score in 2020.

ASCRS ASOA has developed guides on each of the categories of MIPS, including Cost, as well as guides for MIPS APMs and Advanced APMs. Please visit the ASCRS ASOA MACRA Center at ascrs.org/macracenter for full details on the program.

What Are Episode-Based Cost Measures?

Episode-based cost measures seek to measure the total costs of caring for a patient related to a specific “episode” of care, such as a surgical procedure or inpatient hospital stay for a particular condition. For procedural episodes, such as the cataract surgery measure, which were implemented in 2019, the measure includes the cost of pre-op care, the surgery itself, the facility payment, anesthesia costs, and any separately billable services furnished in the global period, such as the cost of surgery related to complications. Cost calculations are based on the allowed charge. Some measures may include separately payable drugs. In the case of the the cataract surgery measure, there is one drug on pass-through and several drugs used post-operatively to treat endophthalmitis. These drugs will be updated on an annual basis. ASCRS ASOA opposes the inclusion of any drug on pass-through in the episode measure and is advocating to have it removed.

ASCRS ASOA opposes the inclusion of drugs on pass-through because it defeats the purpose of pass-through to provide separate payment for certain higher-cost new and innovative drugs administered during a surgical procedure and to provide time to introduce the drug into the marketplace. Following the three-year pass-through period, CMS measures the utilization of the drug, adjusts the facility fee using a formula to account for the cost of the drug based on its usage and other factors, and bundles the drug into the facility fee. ASCRS ASOA believes including pass-through drugs in the episode measure will inappropriately influence the utilization data for new drugs and is advocating that no pass-through drug be included in the episode measure.

ASCRS has met with CMS and Acumen, the contractor developing the measure, and submitted letters to advocate removing pass-through drugs from the episode measure. CMS indicated that our point related to influencing the utilization data was well taken, but that the agency could not comment while in rule-making. The AMA has also advocated that pass-through drugs not be included in the episode measures. Despite this advocacy, CMS is continuing to include Omidria in the 2020
measure and updated the measure to include the new J-Code (J 1097) for 2020. No other pass-through drugs are included in the measure.

To be scored on the cataract episode measure, a surgeon must have at least 10 attributed cases. The episode measure is scored based on a surgeon’s total cost related to the cataract surgery, compared to a national average, and awarded points based on a 10-point scale.

Episode-based measures were developed as an alternative to existing population-based, or all-cost, measures, such as total per capita costs (TPCC) and Medicare spending per beneficiary (MSPB), which were first used in the Value-Based Modifier Program and continued into MIPS. Population-based measures seek to measure the total cost of care for a patient in a year and may hold physicians responsible for the cost of care they did not provide. As a result of our advocacy, CMS has removed ophthalmologists and optometrists from attribution to the TPCC measure.

As an alternative to population-based measures, ASCRS ASOA and others in the medical community have long advocated for the development of episode-based measures to ensure that physicians are only evaluated on the costs of care that they can influence. ASCRS participated in a technical expert panel that provided input in the measure and was successful in ensuring accurate attribution, risk adjustment, and sub-grouping to compare surgeries performed in ASCs and HOPDs separately, as well as whether one eye was operated on in the global period or both eyes.

### Cataract Episode-Based Measure Reporting Requirements

Similar to other Cost measures, physicians do not need to submit separate data for the cataract episode measure. CMS will determine scores through administrative claims.

### Cataract Episode-Based Measure Attribution

Ophthalmologists will be attributed the cataract surgery episode measure if they perform uncomplicated cataract surgery on a Medicare Part B patient during the performance year. This includes only surgeries billed with CPT code 66984. No other cataract surgeries, such as 66982, complex cataract surgery, will be included in the measure.

Surgeons must have at least 10 cases that meet the attribution criteria to be attributed and scored on this measure.

In addition, ASCRS was successful in advocating for excluding any patients with significant ocular co-morbidities from this measure. These co-morbidity exclusions are identical to the exclusionary criteria for the cataract quality measure 191, 20/40 or Better Visual Acuity 90 Days following Cataract Surgery.

Any patient that has any of the following diagnoses will be not be included in the cataract episode cost measure:

<table>
<thead>
<tr>
<th>Significant Ocular Condition</th>
<th>Corresponding ICD-10-CM Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Choroidal Degenerations</td>
<td>H35.33</td>
</tr>
<tr>
<td>Choroidal Detachment</td>
<td>H31.411, H31.412, H31.413</td>
</tr>
<tr>
<td>Chronic Iridocyclitis</td>
<td>A18.54, H20.11, H20.12, H20.13, H20.9</td>
</tr>
<tr>
<td>Cloudy Cornea</td>
<td>H17.01, H17.02, H17.03, H17.11, H17.12, H17.13, H17.811, H17.812, H17.813, H17.821, H17.822, H17.823</td>
</tr>
</tbody>
</table>
Corneal Opacity and Other Disorders of Cornea

- Glaucoma
- Retinochoroiditis
- Focal Chorioretinitis and Focal Disseminated Retinochoroiditis
- Disorders of Visual Cortex

Degeneration of Macula and Posterior Pole

- Diabetic Retinopathy
- Degenerative Disorders of Globe
  - Diabetic Macular Edema
  - Diabetic Retinopathy

Disorders of Optic Chiasm

Disorders of Visual Cortex

Disseminated Chorioretinitis and Disseminated Retinochoroiditis

Focal Chorioretinitis and Focal Retinochoroiditis

Glaucoma

- H18.423, H18.43
As noted above, the episode-based measures seek to measure the cost of care related to a specific procedure or condition—what CMS terms an “episode.” The following costs are included in a cataract episode:

- Pre-operative testing,
- The physician’s professional fee for the surgery itself,
- The facility fee,
- Some drugs separately payable under Part B, including one on pass-through administered during surgery,
- Anesthesia, and
- Additional post-operative care billed separately from the surgery, such as additional procedures as a result of a complication.
The measure includes costs 60 days prior to the surgery and 90 days following it. Costs are calculated based on the allowed charge.

Each year, the episode measures will be updated to include new Part B drugs on a case-by-case basis. **Currently, only one pass-through drug is included in the episode: injection of phenylephrine and ketorolac (Omidria). No other drug currently paid on pass-through is included.** As noted above, ASCRS ASOA opposes the inclusion of any pass-through drug in the episode measure and will advocate that annual updates to the measure do not include any pass-through drugs. **It is also important to remember that using the current pass-through drug on a patient who is otherwise excluded from the measure, such as through complex surgery or because he or she has one of the exclusionary co-morbidities, will not be included, and therefore, will not impact the episode measure score.**

CMS has not released updated specifications for 2020; however, for 2019, the following Part B drugs were included in the episode measure, either at all times or in conjunction with certain diagnoses:

<table>
<thead>
<tr>
<th>HCPCS Code</th>
<th>Description</th>
<th>Included Diagnoses</th>
</tr>
</thead>
<tbody>
<tr>
<td>J1097</td>
<td>Phenylephrine 10.16 Mg/Ml And Ketorolac 2.88 Mg/Ml Ophthalmic Irrigation Solution, 1 Ml <em>(currently on pass-through)</em></td>
<td>Included for all attributed cases</td>
</tr>
<tr>
<td>J0278</td>
<td>Injection, amikacin sulfate, 100 mg</td>
<td>H44.021, H44.022, unspecified purulent endophthalmitis</td>
</tr>
<tr>
<td>J0713</td>
<td>Injection, ceftazidime, per 500 mg</td>
<td>H44.021, H44.022, unspecified purulent endophthalmitis</td>
</tr>
<tr>
<td>J3370</td>
<td>Injection, vancomycin hcl, 500 mg</td>
<td>H25.11, H25.12, age-related nuclear cataract; H25.811, H25.812, combined forms of age-related cataract; H26.8, other specified cataract; H26.9, unspecified cataract; H44.021, H44.022, unspecified purulent endophthalmitis</td>
</tr>
<tr>
<td>J3465</td>
<td>Injection, voriconazole, 10 mg</td>
<td>H44.021, H44.022, unspecified purulent endophthalmitis; H44.011, H44.012, panophthalmitis (acute)</td>
</tr>
</tbody>
</table>

**Cataract Surgery Episode Sub-Groups**

Because the cost of cataract surgery varies greatly depending on whether it is performed in an ASC or an HOPD, the cataract episode separates surgeries into sub-groups to compare the cost of similar surgeries. In other words, the cost of surgery performed in an ASC will only be compared to others performed in ASCs, and those performed in HOPDs will only be compared to others in HOPDs. To further sub-divide the episodes, there are sub-groups for whether one surgery was performed within the 90-day window of the measure (unilateral) or if the second eye was operated on within the 90-day global of the first surgery.

Therefore, the measure assigns each episode to one of four sub-groups:

- ASC, unilateral
- ASC, bilateral
- HOPD, unilateral
- HOPD, bilateral
Cataract Episode Measure Score

To calculate the total measure score, CMS will evaluate each surgery, or episode, and calculate an “observed” cost, then compare it to the national average “expected” cost for its sub-group. The observed cost is based on the Medicare allowed charge; however, CMS standardizes the charges to account for geographic differences and does risk adjustment based on Hierarchical Category Codes (HCC), which account for patient complexity but do not include any ophthalmic conditions. The comparison from the national average is done by dividing the observed cost of the episode by its expected cost, which expresses the observed cost’s deviation from the expected cost as a ratio.

CMS will then add all the episodes’ ratios together, across all sub-groups, and divide that sum by the total number of episodes to determine the total average of the surgeon’s episodes’ deviations from the expected costs. That figure is then multiplied by a national average total cost to represent the surgeon’s average deviation from expected costs as a dollar figure. If the surgeon is reporting MIPS as part of a group, then the group's combined average cost is calculated.

CMS then compares the physician’s or group’s average cost to a benchmark and assigns the measure a score of 1 to 10 points. The benchmark will be determined based on cost data from the performance period. The lower the average cost of the cataract episode, the higher the measure score will be. Physicians or groups will not lose or receive negative points for higher costs, but their measure score will be lower.

Once the cataract episode measure is scored, CMS then determines the Cost category score for the physician or group.

The total category points possible for a performance year depend on how many measures the physician, or if reporting as a group, the group is attributed. However, since ASCRS and the medical community were successful in advocating for updated attribution methodology, CMS will now exclude ophthalmologists, optometrists, and other non-primary care specialists from the total per capita cost measure, which is still in the Cost category. In addition, the Medicare spending per beneficiary measure remains, but it is based on inpatient care and unlikely to be attributed to ophthalmologists. Therefore, it is likely that the only cost measure an ophthalmologist is attributed is the cataract episode-based measure, and CMS will base the entirety of the category score on that measure.

If a provider does not have any attributed measures, the Cost category will not be scored, and the Quality category will be re-weighted to 60% to account for the 15% from the Cost category.

Cataract Episode Cost Measure FAQs

Q: I perform all my surgeries in an HOPD because there is no ASC available locally. Will I receive a lower score because the facility fee is greater?

A: Because of the sub-groups, these surgeries performed in an HOPD will only be compared to other surgeries performed in HOPDs. CMS calculates the expected national average cost for each sub-group and then determines by what percentage the surgeon is deviating from that average expected cost for that type of surgery.

Q: Will I receive a lower measure score for using Omidria?

A: It depends. If you use Omidria for its primary indication of pupil dilation, the patient will be excluded from the measure as long as you are using the drug on a patient undergoing complex cataract surgery (66982) or who has one of the listed comorbidities. Therefore, using the drug would not impact your score at all because those cases would not be included. However, if you use it on every case, it will likely increase your average costs and earn a lower score because those patients without comorbidities will be included. ASCRS ASOA continues to advocate that the cost of this drug, or any other pass-through drug, be excluded from the episode.
Q: Will I receive a lower measure score for using any other drug currently paid on pass-through or those that will become available this year and paid on pass-through?

A: No other pass-through drug is included in the episode. None of the drugs that came onto the market since the measure was developed in 2017 were added to the specifications nor count toward the cost of the episode for the 2019 or 2020 performance years. CMS has indicated to ASCRS, however, that adding other drugs, including those on pass-through, would require input from the technical expert panel (of which ASCRS is a member), which has not occurred. ASCRS ASOA continues to advocate that any pass-through drug be excluded from the episode, and we will advocate that individual drugs are not added to the measure through the annual measure update process.

Q: Will using other drugs separately payable under Part B increase my costs?

A: It depends on the drug. As listed above on page 5 of this guide, there are four other Part B drugs included in the measure when they are used to treat endophthalmitis following cataract surgery. Because these drugs are administered as a result of a complication and paid separately, they are considered as additional costs in the episode and will impact the measure score. If a physician administers these drugs to treat another condition with any diagnosis not listed in the measure specifications, then they will not be included in the measure and will not impact the score.

Q: I perform MIGS or other glaucoma procedures in conjunction with cataract surgery. Will this increase my costs?

A: No, any patient with glaucoma is excluded from the cataract episode measure. Performing additional glaucoma procedures in conjunction with cataract surgery will not impact your cataract episode measure score. In fact, a surgeon who specializes in glaucoma procedures may not have the required 10 cases that meet the attribution criteria of uncomplicated cataract with no co-morbidities and, therefore, would not have the cataract episode measure attributed to him or her at all.

Additional Resources

For additional information, you may contact Allison Madson, manager of regulatory affairs, at amadson@ascrs.org or 703-591-2220.