Quality Payment Program—Year 4
2020 Overview

On November 1, 2019, CMS released the 2020 Medicare Physician Fee Schedule (MPFS) final rule, which includes the Quality Payment Program (QPP) Year 4, beginning January 1, 2020, and impacting 2022 payments. The QPP includes both the Merit-Based Incentive Payment System (MIPS) and Advanced Alternative Payment Models (APMs).

This guide provides an overview of the Quality Payment Program Year 4. In-depth guides on each of the categories of MIPS and other elements of the program are also available.

Additional details on the QPP are available on the ASCRS ASOA MACRA Center website at ascrs.org/macracenter.

Key Changes to the QPP

The 2020 MPFS final rule implemented several modifications to the QPP, Specifically, these changes include:

- **Continuing MIPS transition flexibility by setting the MIPS performance threshold at a level other than the mean or median of the previous year's scores.** For 2020, the MIPS performance threshold is set at 45 points, up from 30 points for 2019. In addition, CMS set the 2021 threshold at 60 points. MIPS participants must score at or above the 45-point performance threshold to avoid a penalty in 2022.

- **Increasing the exceptional performance threshold:** CMS modified its original proposal of setting the exceptional performance threshold at 80 points and increased it to 85 points in the final rule.

- **Continuing to increase the weight of the Cost category gradually before reaching a final weight of 30% of the MIPS final score.** At the request of ASCRS and the medical community, CMS modified its proposal to weight the Cost category at 20% of the final MIPS score for 2020 and instead will keep the category weight at its 2019 level of 15%.

- **Modified the attribution methodology of the total per capita cost measure that will exclude ophthalmologists, optometrists, and other non-primary care specialists from attribution of this measure.** ASCRS has long opposed the attribution methodology for this measure because it potentially holds physicians responsible for the cost of care they did not provide.

- **Increasing the Quality reporting data completeness threshold to 70%:** MIPS participants must report on at least 70% of Medicare Part B patients for claims reporting, and 70% of all patients, regardless of payer, for registry or electronic reporting.

- **Modified the group reporting requirements for Improvement Activities:** CMS finalized its proposal to require that at least 50% of the participants in a group complete the improvement activities reported but modified it slightly so that participants would not all have to complete the activity within the same 90-days.

2020 Performance Period for 2022 Payment

For full participation in the MIPS program in 2020, for 2022 payment, **the performance period for the Quality and Cost categories is a full year, and any period of at least 90 days for the Promoting Interoperability and Improvement Activities categories.**

Final Score and 2020 Performance Threshold

Using authority gained from the ASCRS-supported MACRA technical corrections, CMS is continuing its transition flexibility by setting the 2020 performance threshold at a level other than the mean or median of the previous year's scores. **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 in 2020.** In addition, CMS set the 2021 threshold, for 2023 payments, at 60 points.

CMS increased the 2020 exceptional performance threshold to 85 points, up from the 75-point threshold for 2019. MIPS participants who score above the 85-point threshold are eligible for an additional bonus above and beyond the yearly available MIPS positive payment adjustment level. Congress set aside additional funds for exceptional performance in MACRA, which is not subject to the budget neutrality requirements of the MIPS payment adjustments. CMS noted in the final rule it will keep the exceptional performance threshold at 85 points in 2022.

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.

Small Practice Accommodations in MIPS

CMS will continue providing certain reporting and scoring accommodations in MIPS for small practices of 15 or fewer Medicare-eligible clinicians. Specifically, these include:

- Continue the small practice hardship exemptions for the Promoting Interoperability category.
- Continue to receive full credit in the Improvement Activities category by submitting one high-weighted activity.
- Small practices will receive no fewer than 3 points for any quality measure submitted.
- The small practice bonus of 6 points will continue to be added to Quality category score.

Low-Volume Threshold and MIPS Opt-In

CMS maintained the low-volume threshold of $90,000 in allowed Part B charges or 200 patients, or 200 or fewer covered professional services. If a physician falls below at least one of these criteria, he or she is considered low volume. Physicians falling below the low-volume threshold are exempt from MIPS and would not receive a 2022 payment adjustment.

CMS will continue to allow physicians who exceed at least one of the criteria of the low-volume threshold to opt in to MIPS and be eligible for payment adjustments.

Complex Patient Bonus Points

CMS is maintaining the complex patient bonus of up to 5 points added to the final score of an individual or practice of any size if the practice treats certain complex patients. CMS will continue to use the Hierarchical Condition Category

(HCC) index to determine bonuses. The HCC measures the percentage of patients with certain chronic diseases and those dually eligible for Medicare and Medicaid. It does not take into account any ocular comorbidities. ASCRS has recommended that CMS develop new methodologies to determine patient complexity and risk adjustment that can be applied to other categories, especially the Cost category.

MIPS Performance Categories

MIPS assesses the performance of clinicians based on four categories: Quality, Cost, Promoting Interoperability (EHR), and Improvement Activities.

Quality: 45% of Total Score in Year 4 (2020)

CMS maintained the previous reporting requirements of a minimum of six measures, with at least one outcome measure, if available. If no outcome measure is available, the clinician or group must report one "high-priority measure." CMS increased the reporting threshold (or data completeness requirement) for quality measures to 70% of Part B patients if reporting via claims, and 70% of all patients for registry and EHR reporting. **Large practices of 16 or more Medicare-eligible clinicians are not permitted to submit quality measures via claims reporting.** In addition, as part of the ASCRS-opposed topped-out measure methodology, CMS removed two measures: Measure 192, Cataracts: Complications within 30 Days Following Cataract Surgery Requiring Additional Surgical Procedures, and Measure 388, Cataract Surgery with Intra-Operative Complications (Unplanned Rupture of Posterior Capsule Requiring Unplanned Vitrectomy). Following opposition from ASCRS and the medical community, CMS did not finalize its proposed problematic claims-based population health measure, All-Cause Unplanned Admission for Patients with Multiple Chronic Conditions for 2021.

Cost: 15% of Total Score in Year 4 (2020)

Following advocacy from ASCRS and the medical community CMS will maintain the category weight in 2020 at the 2019 level of 15% of the final score. **Following years of ASCRS advocacy dating back to the sunset Value-Based Payment Modifier program, CMS updated the attribution methodology for the total per capita cost measure to better target costs to primary care physicians**. Under the proposed methodology, CMS will exclude any physician who does not provide primary care, such as ophthalmologists and optometrists, from attribution to the measure. **CMS will continue to include episode-based cost measures, including cataract surgery, in the Cost category. Unfortunately, CMS has not indicated if it will remove the drug currently on pass-through status from this measure. We will continue to advocate that pass-through drugs be excluded from calculations of the cataract episode measure.**

Promoting Interoperability (PI): 25% of Total Score in Year 4 (2020)

Following the 2019 overhaul of this category, which included removing or modifying measures that relied on the actions of patients or other physicians and simplifying the category scoring, CMS did not make major changes for 2020. While ASCRS supported the 2019 modifications to the category, we were concerned that the category maintained the "all-or-nothing" scoring because clinicians would receive no points for the entire category if they failed to report on all measures. We will continue to advocate that CMS remove the all-or-nothing scoring and provide full credit in the category for physicians who use EHR fully integrated with a QCDR, such as the IRIS Registry.

Improvement Activities: 15% of Total Score in Year 4 (2020)

CMS did not change its scoring policies for this category; therefore, small practices will continue to receive full credit for reporting one high-weighted or two medium-weighted activities. However, CMS modified its policy for group reporting of this category. Previously, if only one clinician in the group is participating in an improvement activity, then the entire group may report it for credit. Instead, CMS will require that at least 50% of the group's clinicians participate in the improvement activity for the entire group to receive credit toward the category score. However, the group participants do not all have to complete the activity in the same 90-day period.

MIPS Value Pathways (MVPs)

In the proposed rule, CMS sought feedback on a potential new pathway for MIPS participation in 2021 called MIPS Value Pathways (MVPs.) MVPs would be designed to integrate measures across all categories of MIPS around a specific condition or specialty and allow physicians to report on clinically meaningful measures. While we have advocated that CMS should streamline the MIPS program and give credit across the components, the system CMS put forward in the request for information is far from what ASCRS and the medical community envisioned.

Chiefly, we opposed that CMS was considering making the MVPs mandatory and requiring specific measures or activities in each of the categories. In the final rule, CMS notes that is not making any proposals related to the MVPs until the 2021 rulemaking cycle but based on the feedback received from ASCRS and the medical community, was still determining whether it would make the MVPs mandatory.

Based on the details provided in the 2020 proposed rule, CMS envisioned assigning a set of quality measures to each MVP, which could be fewer than the current six required quality measures and could vary based on the individual MVP. In addition, the MVPs would include required improvement activities related to the condition or specialty of the MVP and would continue to use the existing episode-based cost measures, such as cataract surgery, and the all-cost measures, such as total per capita costs and Medicare spending per beneficiary. Clinicians would continue to be required to report the Promoting Interoperability category in the same manner as they currently do, but CMS noted in the proposed rule they are open to comments on other types of technology that could be used other than CEHRT. No cross-category credit would be awarded. CMS anticipates that quality and cost measures would continue to be scored on a 10-point scale relative to benchmark scores, and the Improvement Activities and Promoting Interoperability categories will also be scored in the same way as they are currently. ASCRS and the medical community have advocated that CMS modify the MIPS scoring methodology to simplify it and provide multi-category credit for certain measures or activities, and recommended CMS rethink the structure of MVPs rather than rely on the current scoring methodology in our comments on the proposed rule.

In addition to our opposition to the mandatory nature of the MVPs, ASCRS and the medical community strongly opposed CMS' plan to integrate several flawed claims-based population health measures into the Quality component of MVPs. CMS has not proposed specific population health measures but is seeking feedback on which measures may be included, such as ones currently used by payors for HEDIS scores and those used in the ACO program, including the All-Cause Unplanned Admission for Patients with Multiple Chronic Conditions that CMS proposed for inclusion in the Quality category for 2021, but did not finalize (discussed above). These measures, which are primary-care based, have long been opposed by ASCRS and the medical community because they potentially hold physicians responsible for the quality and cost of care they did not provide.

CMS notes that as it develops proposals for the MVPs beginning in 2021, it will work with stakeholders to incorporate their input. We will recommend that CMS allow physicians to choose whether they continue to report in the existing MIPS program or participate in the MVP.

Incentives and Penalties

Based on the MACRA statute, MIPS participants will receive a positive, negative, or neutral payment adjustment based on their final score. The **negative adjustment** will be capped at 9% in 2022.

For 2022, based on 2020 performance, only physicians who score below the 45-point performance threshold will be subject to a penalty. Physicians scoring in the estimated lowest quartile will receive the full 9% penalty. In the final rule, CMS estimates that based on previous years' performance, the lowest quartile of scores for 2020 performance will include scores between 0 and 15 total MIPS points.

Under the MACRA statute, physicians with final scores above the 45-point performance threshold will receive **positive payment adjustments.** The higher performance scores will receive proportionally larger incentive payments up to three times the annual cap for negative payment adjustments each year. Positive incentives are increased or decreased by a

scaling factor to achieve budget neutrality with the aggregate application of negative adjustments. Despite the potential to earn up to three times the annual cap on penalties, it is unlikely that participants will earn significant bonuses, due to the budget neutrality requirement. MIPS positive payment adjustments are funded using the penalties collected from low-scoring participants. Since CMS has made it relatively easy to avoid penalties during the MIPS transition years, bonus amounts are predicted to remain modest.

Participants who score above the 85-point exceptional performance threshold will receive an additional bonus. The MACRA statute set aside funds for exceptional performance that are not subject to the MIPS payment adjustment budget neutrality.

As noted above, since 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.

Advanced Alternative Payment Models (APMs)

CMS continues to encourage participation in Advanced Alternative Payment Models (A-APMs). The MACRA statute awards a 5% bonus to eligible clinicians who participate in APM entities that collectively receive a significant share of their revenues—or treat a certain percentage of patients through an APM that involves more than nominal risk of financial loss, includes a quality measure component, and has the majority of participants using CEHRT. Each year, to be considered a qualifying participant in an A-APM and receive the bonus, the A-APM entity in which a clinician participated must collectively meet increasingly higher participation or revenue thresholds. The MACRA statute provides this bonus for payment years 2019 to 2024. Payments are based on the same two-year lookback as MIPS; therefore, the participation level in an A-APM in 2020 will determine whether the clinician receives the 5% bonus on 2022 payments. A-APMs include Accountable Care Organizations (ACOs) with two-sided risk, as well as medical homes.

For 2020 performance and 2022 payment, at least 50% of collective eligible payments or 35% of collective eligible patients must be derived from an A-APM for participants to receive the bonus payment in 2022. **Clinicians participating in APMs that achieve those thresholds will be excluded from MIPS requirements. These percentages of payment amount or patients will increase in future years.**

There continue to be no ophthalmology specific Advanced APMs. In addition, current available models are, for the most part, focus on primary care, such as ACOs or certified medical homes. Some ophthalmologists currently participate in Medicare Shared Savings Program Basic Track ACOs (formerly Track 1), but since those models do not include two-sided risk, they are not considered A-APMs and will not be eligible for bonus payments under the APM category. Furthermore, CMS' recent Medicare Shared Savings Program (MSSP) Rule only went into effect in July of 2019, and its impact on whether ACOs without two-sided risk will be able to stay in the MSSP is unclear at this time.

MIPS APMs

For 2020, CMS will continue to give physicians the opportunity to earn points in MIPS by participating in certain APMs and A-APMs that CMS determines to be "MIPS APMs." Each year, CMS will release a list of MIPS APMs prior to the performance period. **CMS has not released the final list of 2020 MIPS APMs, but included a list of models they anticipate will be considered MIPS APMs in the final rule because the models have not changed substantially from previous years (see ASCRS MIPS APM/APM Guide for full list).** CMS recently finalized an overhaul of the Medicare Shared Savings Program (MSSP) that simplified the ACO tracks by characterizing them as "basic," with no down-side risk, and "advanced," with down-side risk. Basic MSSP ACOs will continue to be considered MIPS APMs only, and not eligible for the A-APM bonus.

As noted above, MSSP ACOs are still determining their path forward under the new rule. **ASCRS recommends that any ophthalmologists participating in Basic Track 1 ACOs reach out to their ACO's managers for details about their specific ACOs under this new policy.**

To earn MIPS points from a MIPS APM, a provider must:

- **Be included in the participant list of a non-A-APM that CMS has determined to be a MIPS APM, or**
- **Be included in the participant list of an A-APM entity that did not meet the thresholds to be eligible for the bonus payment and, therefore, elect to participate in MIPS.**

For models that CMS determines to be "MIPS APMs," participants will:

- **Report the required quality measures for the APM through the APM entity (if an APM entity does not report data on behalf of individuals or groups participating in the APM, those physicians will be required to report quality data on their own);**
- **Report data for the Promoting Interoperability category on their own; and**
- **For 2020 performance, automatically earn full credit for the Improvement Activities category score.**

CMS will maintain the MIPS APM scoring standard in 2020. Similar to determining the thresholds for participation in A-APMs, **CMS will award the same final MIPS score to all the participants in a MIPS APM entity—including for data they reported individually or as a group under a single TIN**. Under the terms of the models considered MIPS APMs, participants in the APM entities are already assessed collectively for meeting certain quality and cost metrics; therefore, CMS **will score the Promoting Interoperability and Improvement Activities categories collectively, as well.** CMS will use an average score of all the participants' scores for Promoting Interoperability to determine a group score. CMS finalized to allow MIPS APM participants to report Promoting Interoperability data either individually or as a full TIN group practice in 2020 but will still average the scores across the entire APM entity. All participants in the MIPS APM will receive the same total available score for Improvement Activities. The MIPS APM entity's final MIPS score will be applied to the participants in the entity at the TIN/NPI level.

Additional Resources

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