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How Small Practices Can Comply with MIPS Quality Reporting Requirements

Dr. Birnholz:

The Medicare Quality Payment Program is here, and with that entry brings notable practice changes for clinicians. On today's show we'll examine the issues and opportunities these changes will bring to small practices in particular, and what physicians in these practices need to know in order to succeed.

This is Inside Medicare's New Payment System on ReachMD, and I'm Dr. Matt Birnholz. Joining me today is Richard Deem, Senior Vice-President of Advocacy at the American Medical Association.

Mr. Deem, welcome to the program.

Mr. Deem:

Good to be with you today.

Dr. Birnholz:

It's great to have you with us. So, before we get into specific details for small practices, can you just provide a quick refresher on what the Quality Payment Program is for our audience?

Mr. Deem:

Glad to. The Quality Payment Program pathway that applies to most physicians is called MIPS, which stands for Merit-Based Incentive Payment Systems. MIPS replaced the Physician Quality Reporting, Value-Based Modifier, and Meaningful Use programs. It also adds a fourth component, improvement activities that are aimed at giving physicians credit for their efforts to reduce disparities in care, engage patients in shared decision-making, and other care improvements, many things a physician may already be doing in their practices. Instead of three separate programs that it replaced, MIPS is intended to be a cohesive program with a single score for each physician or group practice. The score would be derived from four components: quality, cost, improvement activities, and advancing care information; think of that as what you're doing with your electronic record system.

Dr. Birnholz:

Excellent. That's a great run-through. And I also want to turn my attention briefly to the Alternative Payment Models or APMs, which is another pathway under the Quality Payment Program. Is there anything that small practices need to know about APMs, just to get us started?

Mr. Deem:

Yes. APMs, or Alternative Payment Systems, are the other alternative under the Quality Payment Program for physicians to increase participation in APMs that qualify for a 4% annual bonus payment on top of the pay that they get for the Alternative Payment Model. CMS has started a second round of comprehensive primary care plus model to allow more medical home practices to participate in 2018, and they also offer a new Accountable Care Organization or ACO model called Track +1 [sic]. More information on Alternative Payment Models can be found at the AMA website, which is AMA-ASS, N as in Nancy, .org, and if you go to Practice Management, information will be found there on the Medicare program.

Dr. Birnholz:

Thank you. Now, why don't we come back to missed participation, which you talked about a little bit, specifically how it's going to work in 2018. When, for instance, will practices be paid for their participation in the QPP that year?

Mr. Deem:

So, the way it works is physicians that participate in the various activities are measured during a calendar year; then two years later their Medicare fee schedule rates are either increased, decreased, or stay the same based on their final score. A physician's 2018 MIPS score will determine their 2020 payment adjustment. A key benefit of the law that created this program is that the potential penalties under MIPS are smaller than the combined penalties under the three older legacy programs: PQRS, Meaningful Use and Value-Based Payment Modifier. It started with a limit of 4% of penalties for 2019, and the limit on penalties for 2020 will be 5%. MIPS also offers more opportunities for positive incentive payments than did the older programs.

Dr. Birnholz:

And I'm definitely going to ask you a little bit more about those penalties versus positive incentive payments a little bit later, but I want to focus on small practices now. Tell us how MIPS affects these physicians in particular?

Mr. Deem:

So, when Congress enacted this law for new Medicare payment for physicians, it recognized the unique challenges facing physicians in small rural practices. For example, the law required the Medicare program to set a low volume threshold so that physicians who do not treat enough Medicare payments to get a positive return for MIPS participation would be exempt from this program. In addition, the law provided for \$20 million per year for 5 years for organizations to provide technical assistance to practices of 15 or fewer physicians.

Dr. Birnholz:

So, given that background, what would you say are the biggest challenges that have been put into place in 2018 under the QPP for small practices?

Mr. Deem:

So, at the AMA we reviewed the MIPS policies in detail, and we urged successfully the Medicare program to make a number of changes. One of the biggest changes made for 2018 was to raise the low volume threshold. In 2018, the low volume threshold exempts from MIPS all physicians with less than \$90,000 in Medicare-allowed charges or treating fewer than 200 Medicare patients. Medicare program estimates that with this change only 37% of clinicians who bill Medicare Part B will be subject to MIPS due to this low volume threshold and other exclusions.

Dr. Birnholz:

Well, for those who are just joining us, this is Inside Medicare's New Payment System on ReachMD, and I'm Dr. Matt Birnholz. I'm speaking with Richard Deem about how the new Quality Payment Program rules will affect small practices.

So, Mr. Deem, turning to a topic that's been getting a fair amount of attention of late, can you tell us a bit about virtual groups and how small practices can participate in them?

Mr. Deem:

Sure. Another major change for 2018 benefitting small practices is that they can join together with other physicians to participate through what are called virtual groups. This can help physicians increase their sample sizes and generate better data, particularly for quality measures, which account for about half of the total MIPS score for 2018. Physicians in solo practices and those of practices up to 10 clinicians will be able to form virtual groups as long as each practice that's joining the virtual group exceeds the low volume threshold. Virtual groups must also have a formal written agreement with the Medicare program before December 31 of the year before the MIPS measurement period. CMS is also going to be making available technical assistance to virtual groups in both 2018 and in 2019.

Dr. Birnholz:

And what about scoring? How does scoring work under MIPS in 2018 for small practices?

Mr. Deem:

That's one of the other new policies that's put in place for 2018. A 5% bonus will be added to the final MIPS score for practices of 15 or fewer clinicians. And the threshold score for 2018—to avoid a penalty—will be 15 points. That 5-point bonus is one-third of the total that

small practices will need to meet.

Dr. Birnholz:

And the requirements under the different components of MIPS, like advancing care information, has anything changed there?

Mr. Deem:

Yes. New for 2018, there will be a hardship exemption for the advancing care information component—that's again using your electronic records—for practices of 15 or fewer clinicians. This category, advancing care information, will be weighted at 0 for those who qualify for the exemption. CMS is also keeping its policy that reduced requirements for small practices and the MIPS improvement activities component to half of that which is required for larger groups. Small practices can get full credit for doing one high-weight or two medium-weight activities in the improvement area. And then, in the quality category, CMS will continue to exempt small practices from a measure that looks at all-cause readmissions, and small practices will get a minimum of three points for reporting each quality measure regardless of whether or not they meet the data completeness standards. Larger practices would only get one point if they didn't report complete data.

Dr. Birnholz:

So, Mr. Deem, getting back to some comments you made earlier about positive incentives and penalty avoidance, I want to look ahead and ask you whether you have a sense of how many practices will be able to avoid penalties in 2018?

Mr. Deem:

According to estimates from the people who run the Medicare program, the clinicians who are in practices of 15 or less that are not excluded from the MIPS program due to that low volume threshold we discussed, 81% will either have a positive or a neutral payment adjustment in '20 under the MIPS program. The AMA has urged CMS, which runs the Medicare program, to maintain a flexible transitional approach in 2018 to help physicians avoid penalties and maximize their opportunities for success in MIPS, and these new small practical accommodations should help to avoid any penalties in 2020 for many, many physicians.

Dr. Birnholz:

With that, I very much want to thank my guest, Richard Deem, from the AMA. We've been talking about the challenges and opportunities of new Quality Payment Program rules for small practices.

Mr. Deem, it was great having you on the program.

Mr. Deem:

Thank you for inviting us to participate, thank ReachMD for the job they're doing to try to educate physicians on this new challenge, and look forward to talking with you in the future.

Dr. Birnholz:

To access this interview and other related content with the AMA, visit ReachMD.com or download the ReachMD app. I'm Dr. Matt Birnholz, as always, inviting you to Be Part of the Knowledge.