



MACRA and the Quality Payment Program

Frequently Asked Questions

2021 Edition

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What is New to Consider in 2021?

For 2021 Merit-based Incentive Payment System (MIPS) participation, the Centers for Medicare & Medicaid Services (CMS) extended many policies developed last year in response to the COVID-19 pandemic. More significant changes to the MIPS were delayed into future program years. SHM continues to monitor changes to the program and works to address issues in the program on behalf of hospitalists.

Major relevant changes to the program in 2021 include:

- Extending the extreme and uncontrollable circumstances policy to allow MIPS participants to submit an exception application to request reweighting of any or all MIPS performance categories. More information about the exception application can be found at qpp.cms.gov/mips/exception-applications?py=2021.
- Postponing implementation of the MIPS Value Pathways (MVP) reporting pathway until the 2022 performance period at the earliest.
- Continuing to adjust MIPS category weights to meet the category weights required by law in 2022. For 2021, category weights are Quality (40%), Cost (20%), Improvement Activities (15%), and Promoting Interoperability (25%).
- Increasing the MIPS Performance Threshold. In the 2021 performance year, MIPS participants must achieve at least 60 points in the MIPS to avoid a penalty. This is an increase of 15 points from last year's threshold of 45 points.

Hospitalists should also keep in mind that the **Facility-based Measurement Option** will apply to their practice and will give them or their group a score in the Quality and Cost categories of the MIPS. CMS automatically calculates a score in each of these categories based on a provider or group's hospital's Hospital Value-Based Purchasing (HVBP) score. Providers or groups may also elect to report on measures in the Quality category, in which case CMS will use the higher of the scores (facility-based or self-reported measures) for the total MIPS score.



Overview

What is MACRA?

MACRA stands for the Medicare Access and CHIP Reauthorization Act. It is legislation that was signed into law on April 16, 2015. It permanently repealed Medicare's Sustainable Growth Rate (SGR) formula, restructured Medicare provider pay-for-performance programs, and created an incentive for the adoption of alternative payment models.

What is the Quality Payment Program?

The Quality Payment Program (QPP) is the program that the Centers for Medicare & Medicaid Services (CMS) created to implement MACRA. In other words, the QPP is MACRA. The intent of the QPP is to begin moving Medicare away from straight fee-for-service payments towards payment that rewards quality and value.

How do payments work under the QPP?

The QPP is broken down into two pathways. These are the **Merit-based Incentive Payment System (MIPS)**, which combines past programs such as the Physician Quality Reporting System (PQRS), value-based payment modifier, and Meaningful Use into one streamlined pay-for-performance program, and **Alternative Payment Models (APMs)**, to incentivize the adoption of payment models that move away from a fee-for-service system.

The MIPS pays providers on a modified fee-for-service system. Providers will receive payment adjustments based on performance across a range of measures and activities.

APMs pay providers based on the rules associated with the model itself. Providers in APMs receive their APM payments and are potentially eligible for an additional 5% payment increase to their Medicare Part B billing if they and the APM in which they are participating meet the APM pathway requirements.

What is at risk under the QPP?

The QPP has both financial risks and rewards for participants, depending on the pathway. The program operates on a two-year time lag. For the MIPS, performance on measures in 2021 will determine payments in 2023. For APMs, performance in 2021 will determine eligibility for an incentive payment in 2023.

The MIPS operates in a budget-neutral manner. That is, money collected as penalties form the pool of money available for reward payments.

Payment Adjustment Year				
	2020*	2021*	2022*	2023>*
MIPS Reward	+5.0% [†]	+7.0% [†]	+9.0% [†]	+9.0% [†]
MIPS Penalty	-5.0%	-7.0%	-9.0%	-9.0%
APM Incentive	+5.0%	+5.0%	+5.0%	+5.0%
APM Risk	Downside risk as part of the alternative payment model rules			

*Payment adjustment years correspond to the performance year two years prior. E.g., 2021 payment adjustments are based on 2019 performance.

[†]MIPS reward payments can be up to 3x these percentages, depending on the funds available.

Who participates, and who is excluded?

Providers may participate in the Quality Payment Program in either the MIPS or in an Advanced APM. MIPS is the default program for all providers who bill Medicare Part B. These include physicians, physician assistants, nurse practitioners, certified nurse specialists, and certified registered nurse anesthetists. Providers may be exempt from the MIPS if:

- They do not exceed one or more of the low volume thresholds, which are:
 - Billing \$90,000 or less in Medicare Part B allowed charges for covered professional services; or
 - Providing covered professional services for 200 or fewer Part B-enrolled individuals; or
 - Providing 200 or fewer covered professional services to Part B-enrolled individuals.
- They are in their first year of participating in the Medicare program.
- They are participating in a qualifying Advanced Alternative Payment Model and meet the thresholds for participation.

How do I know if I'm eligible?

If you are unsure if you are eligible to participate in the Quality Payment Program, go to qpp.cms.gov. Enter your National Provider Identifier (NPI), and CMS will automatically check your participation status.

Where do hospitalists fall?

Hospitalists are participating in the Quality Payment Program in a variety of ways. Some hospitalists participate in traditional MIPS reporting. Others, such as those who are directly employed by a hospital, may be participating as a multispecialty group and reporting on measures well beyond the scope of hospital medicine. Many hospitalists are participating in risk-based alternative payment models, such as Bundled Payments for Care Improvement Advanced (BPCI Advanced) or Accountable Care Organizations (ACOs). However, they may not meet the APM Qualifying Participant (QP) threshold and therefore may still be required to participate in the MIPS through the APM Performance Pathway (APP).

Merit-based Incentive Payment System (MIPS)

The MIPS combines performance across four categories to create a total score per provider or group. That total score will then determine whether the providers get a positive, neutral, or negative payment adjustment to their Medicare Part B billing. Providers will need to report on measures and activities eligible for a positive payment adjustment:



Quality

which replaces the Physician Quality Reporting System, requires the reporting of quality measures.



Cost

which replaces the cost evaluation of the Physician Value-Based Modifier, consists of CMS-calculated cost measures.



Promoting Interoperability

(formerly, Advancing Care Information) which replaces the Medicare eligible provider Meaningful Use program, requires use of Certified Electronic Health Record Technology.

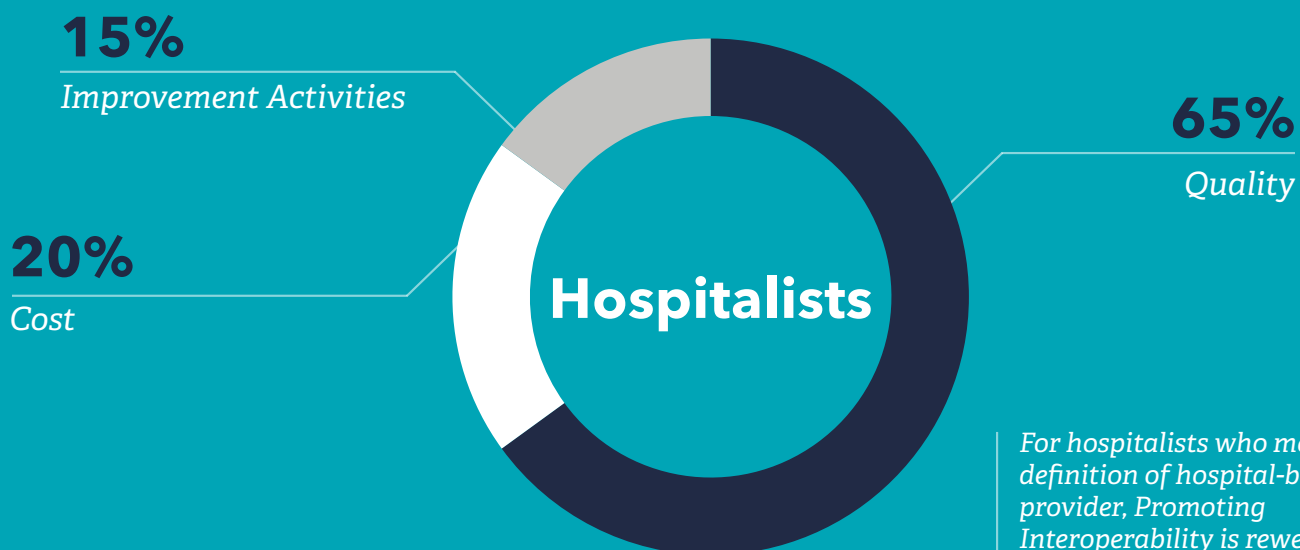
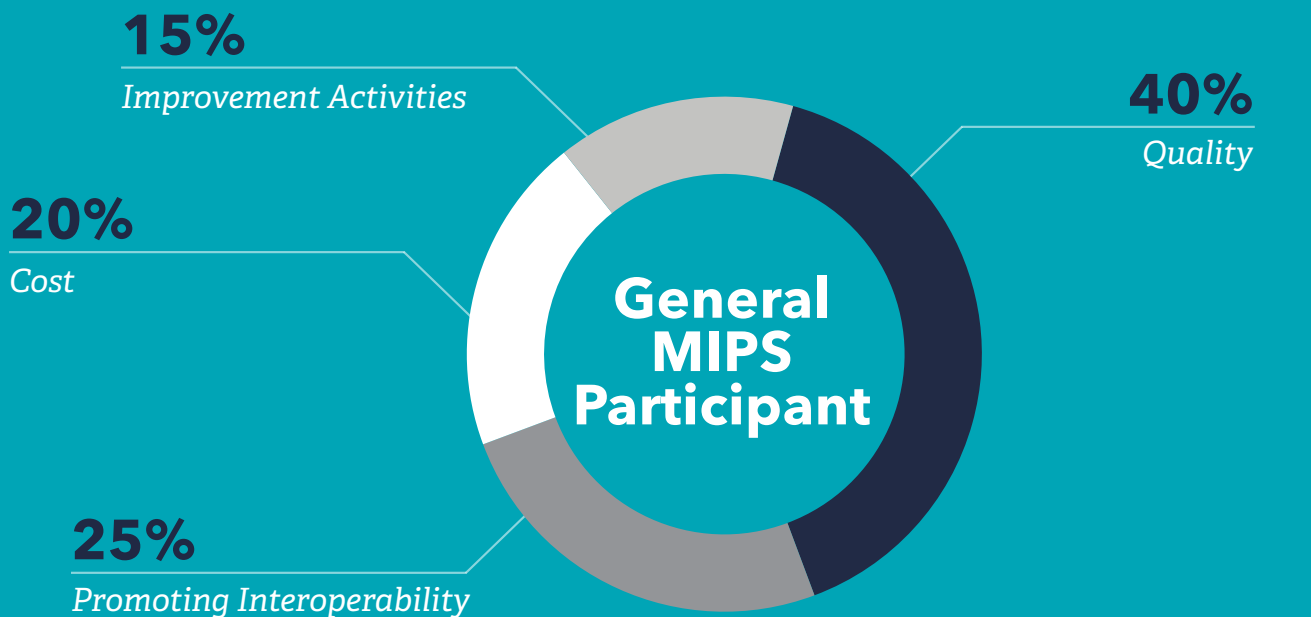


Improvement Activities

is a category that requires providers to select and complete activities from an inventory to get credit.

How is the MIPS Score Calculated?

Each of the four MIPS categories is weighted a proportion of the overall MIPS score. Most hospitalists have different category weightings due to an exemption from Promoting Interoperability and that category weight being shifted to Quality.



For hospitalists who meet the definition of hospital-based provider, Promoting Interoperability is reweighted to 0%.



Merit-based Incentive Payment System (MIPS)

How can I participate in the MIPS?

You can participate in the MIPS by reporting at either the group or individual level. Individual reporting can be done through claims, registry, qualified clinical data registry (QCDR), or Electronic Health Record (EHR) reporting. Group reporting can be submitted through the CMS web interface, EHR, registry, or QCDR. SHM cautions that not every reporting option may be available to hospitalists, depending on how their practice is structured.

What is the Quality category?

The largest category of the MIPS is the Quality category. In 2021, hospitalists will generally see a Quality category weight of 65% of the total MIPS score (if they are exempt from Promoting Interoperability). CMS requires the reporting of at least six measures, including one outcome measure, and that those measures have at least 20 cases and meet a 60% data completeness threshold. Performance on each measure will be scored individually and rolled up into the Quality category score.

Hospitalists can report through either the hospitalist specialty measure set or the broader list of measures, which are available at <https://qpp.cms.gov/mips/quality-measures>. Note that the hospitalist specialty measure set only has five measures. So, hospitalists will not have six relevant measures to report or have enough cases in each measure to meet the case minimum. In the event of reporting on fewer than six measures, CMS applies a quality measure validation test to ensure there were no other additional measures to report.

Hospitalists will also have scores in the Quality category associated with their facility and may not need to report on quality measures. The **facility-based measurement option** would give eligible providers an automatically calculated score in their Quality and Cost categories based on their hospital's Hospital Value-Based Purchasing score. For more information, see "What is facility-based measurement?" on page 9.

Note: Beginning in 2019, CMS no longer allows groups of 16 or more eligible clinicians to use Medicare Part B claims to report quality measures. Individuals and small groups may continue to utilize claims-based reporting but note that CMS has indicated an interest in moving away from claims-based reporting entirely in the future.

Why is the Quality category worth more for hospitalists?

Hospitalists are generally exempt from the Promoting Interoperability category. In the case that an individual or group is exempt from Promoting Interoperability, the 25% category weight for Promoting Interoperability shifts to the Quality category. So for 2021, the Quality category is generally worth 65% of the total MIPS score for hospitalists.

What is the quality measure validation process?

If a provider reports on fewer than six measures, the Eligible Measure Applicability (EMA) process will be triggered to see if there were any other measures that could have been reported by that provider. Because hospitalists have fewer than six measures to report on, their reporting will likely be subject to this validation process. The EMA has a two-step process:

1. A clinical relation test sees if there are more clinically related quality measures based on the one to five quality measures you submitted OR if none of the six or more measures included an outcomes measure – the clinical relation and outcome/high priority tests to see if there were any that could have applied.
2. A minimum threshold test looks at the Medicare claims that you submitted to see if there are at least 20 denominator eligible instances for any extra measures found in step 1.

For more information regarding this process, see <https://qpp.cms.gov/about/resource-library>.

Applicable Quality Measures for Hospitalists

SHM worked with CMS to ensure that the “Hospitalist Specialty Measure Set” only contains measures that are applicable for hospitalists. Although some will remain low volume measures for some providers, as long as providers report as many measures that are applicable to their practice, they should avoid a penalty.

QUALITY #5

Heart Failure:
ACE/ARB for LVSD

Reporting Method:
Registry, EHR

QUALITY #8

Heart Failure:
Beta-blocker for LVSD

Reporting Method:
Registry, EHR

QUALITY #47

Advanced Care Plan

Reporting Method:
Claims, Registry

QUALITY #76

Prevention of CRBSI: CVC Insertion Protocol

Reporting Method:
Claims, Registry

QUALITY #130

Documentation of Current Medications

Reporting Method:
Claims, Registry

What is the Cost category?

The Cost category is made up of CMS-calculated cost measures that are applied to the group or individual. In 2021, the category has a weight of 20%. Measures in the category include Total Per Capita Costs, Medicare Spending Per Beneficiary, and 18 episode-based cost measures. Potential episode measures relevant to hospitalists include simple pneumonia with hospitalization, intracranial hemorrhage or cerebral infarction, lower gastrointestinal hemorrhage, and inpatient Chronic Obstructive Pulmonary Disease (COPD) exacerbation. Since cost measures are automatically calculated by CMS, providers will only receive scores on measures that have cases attributed and meet case minimums.

Hospitalists will also have scores in the Cost category associated with their facility and may not be scored on the MIPS cost measures. The facility-based measurement option would give eligible providers an automatically calculated score in their Quality and Cost categories based on their hospital's Hospital Value-Based Purchasing score. For more information, see the next question on facility-based measurement.

What is facility-based measurement?

CMS will automatically calculate a score in the Quality and Cost categories for facility-based providers. SHM actively advocated for hospitalists to receive credit for the work they already do for their hospitals' quality reporting and pay-for-performance requirements. We believe this option significantly reduces administrative burden and enables hospitalists to focus on clinical care and local system quality improvement efforts.

This scoring takes the percentile of hospital performance in the Hospital Value-Based Purchasing (HVBP) program and gives the provider the score associated with the same performance percentile in the Quality and Cost categories of the MIPS. Individuals and groups may also report measures in the Quality and Cost categories through traditional MIPS reporting and CMS will use the highest score for MIPS payment adjustments. Either way, providers will still need to report Improvement Activities and Promoting Interoperability (unless exempt). In addition, providers using facility-based measurement will have a minimum score floor of 30% in the Quality category—regardless of their hospital's HVBP performance.

Definition of facility-based:

- Individuals: Providers who bill more than 75% of their Medicare Part B services in Place of Service 21 (inpatient), 22 (hospital outpatient), and 23 (ER); bill at least one service in POS 21 or 23; and work in a hospital that receives a HVBP score.
- Groups: 75% or more of the individual eligible clinicians qualify as facility-based.

Most hospitalists in the MIPS will qualify for this scoring and will need to decide whether to report on measures in the Quality category separately. CMS will post on the [qpp.cms.gov](https://www.cms.gov) website whether providers are considered facility-based, similarly to how they report other special statuses (hospital-based, non-patient facing, etc.). We encourage hospitalists to check whether they are facility-based to help decide whether to report separately on quality measures.

What is the Promoting Interoperability (PI) category?

The Promoting Interoperability category involves the use of certified electronic health record technology (CEHRT) as part of a provider's practice. As hospitalists practice in acute care hospitals, which are governed by their own Promoting Interoperability eligible hospital requirements, there is a hospital-based exemption from this category. The exemption transfers the Promoting Interoperability category weight of 25% to the Quality category.

Hospital-based Exemption from Promoting Interoperability:

- Individuals are exempt from Promoting Interoperability if they provide 75% or more of their services in POS 19 (outpatient off-campus hospital) 21 (inpatient), 22 (hospital on-campus outpatient), or 23 (ER).
- Groups are exempt from Promoting Interoperability if 75% of their providers are designated as hospital-based or otherwise exempt or granted a hardship exception from Promoting Interoperability.

Hospitalists who practice significantly (>25% of services) in settings such as SNFs or other post-acute settings will be subject to this category. SHM recommends that hardship exceptions be requested for providers who may not meet the definition of hospital-based. You can check the status of any provider at qpp.cms.gov. If a group or individual does not meet the exemption criteria, they will be required to participate in the Promoting Interoperability category and will receive a score for the MIPS. More information about hardship exceptions can be found at qpp.cms.gov.

What is the Improvement Activities category?

Improvement Activities is a category that encompasses activities that focus on care coordination, beneficiary engagement, and patient safety. The inventory of activities is both lengthy and vague. The good news is that these activities are usually things that hospitalists are already doing (i.e., systems improvement, quality improvement). In order to receive full credit, providers must report on at least two high-weighted activities, one high-weighted activity and two medium-weighted activities, or four medium-weighted activities. The Improvement Activities category is 15% of the total MIPS score. Visit qpp.cms.gov for the full list of available improvement activities.

Examples include:

- Implementation of regular care coordination training
- Implementation of antibiotic stewardship program
- Use of decision support and standardized treatment protocols to manage workflow
- Participation in Maintenance of Certification Part IV

When will CMS provide information about our performance in the MIPS?

CMS will produce and disseminate feedback reports in the year between the performance and payment adjustment years. These reports are expected to show your performance across all four of the MIPS categories (Quality, Cost, Promoting Interoperability, and Improvement Activities) and more detailed information about the performance scoring. For 2021 reporting, there will be a feedback report issued in 2022. These feedback reports will indicate how your performance affects your Medicare Part B payments in 2023.

How is the MIPS final score calculated?

CMS will create a score in each of the categories based on your performance. Those scores will then be given a score on a scale of 1 to 100 points.

In 2021, CMS has set a performance threshold of 60 points in the MIPS. Providers and groups that attain at least 60 points will avoid a penalty in 2023 Medicare Part B payments from the MIPS. Those that score higher may be eligible to receive bonus payments.

How are MIPS payment adjustments applied?

After the MIPS total score is calculated, CMS will apply an adjustment to Medicare Part B payments. Performance in 2021 will determine payments in 2023. These payment adjustments (positive or negative) are applied at the individual Tax Identification Number/National Provider Identifier (TIN/NPI) level. We note, however, the payment adjustment would be carried forward even if you are practicing under a different TIN; an individual provider who moves and changes TINs would still receive the payment adjustment based on performance at his or her former practice.

How does MIPS participation work if I am in an Alternative Payment Model (APM)?

Many hospitalists are working in APMs such as ACOs or bundled payments, but may not meet the Qualifying Participant (QP) thresholds for exemption from the MIPS. Therefore, they may need to report in the MIPS.

In 2021, CMS introduced a new APM Performance Pathway (APP) to streamline the MIPS performance requirements for providers in APMs. The APP contains a small, unified set of measures to be reported by APMs. Because APM participants are already responsible for cost/resource use, the APP reweights the Cost category to zero and spreads it out to the other MIPS categories (Quality, Promoting Interoperability, Improvement Activities). The APP is optional in 2021 for MIPS APM participation. For more information about MIPS APM participation, visit [qpp.cms.gov](https://www.cms.gov/qpp).

Alternative Payment Models (APMs)

The APM pathway is meant to incentivize the adoption of payment models that move farther away from traditional fee-for-service Medicare. Participating in an APM that qualifies as an Advanced APM will exempt participants from reporting under MIPS and will give them a yearly 5% bonus.

To be an Advanced APM, the APM must meet the following criteria:



Models that meet Advanced APM criteria in 2021 are:



Bundled Payments for Care Improvement Advanced



Comprehensive Care for Joint Replacement Model (Track 1)



Comprehensive ESRD Care Model



Comprehensive Primary Care Plus (CPC+) Model



Maryland All-Payer Total Cost of Care (Primary Care) and Total Cost of Care (Care Redesign) Models



Medicare Shared Savings Program ACO Tracks 1+, 2, and 3



Next Generation ACO Model



Oncology Care Model



Vermont All-Payer ACO

Be sure to check the most up-to-date list of Advanced APMs at <https://qpp.cms.gov>.

How can hospitalists participate in the APM Pathway and get the bonus payment?

First, you must participate in a designated Advanced APM. Second, you must be considered a Qualifying Participant (QP) by having a participation agreement within the model and meeting a threshold for payments or patients associated with the model. If a provider is a QP, they are exempt from the MIPS and would receive the 5% bonus payment.

Threshold Options Required for QP Status in Advanced APMs				
Year	2020	2021	2022	2023 >
Medicare Payments Only	≥25%	≥50%	≥50%	≥75%
All-payer Payments	Not Available	>50% (with 25% Medicare)	≥50% (with 25% Medicare)	≥75% (with 25% Medicare)
Patient Count	≥20%	≥35%	≥35%	≥50%
All-payer Patient Count	Not Applicable	≥35% (with 20% Medicare)	≥35% (with 20% Medicare)	≥50% (with 20% Medicare)

Providers who do not reach and exceed the thresholds for QP status may be eligible for Partial QP status, which uses slightly lower thresholds. Partial QP status exempts providers from the MIPS (allowing for voluntary MIPS participation) but does not confer any bonus payments. Providers in APMs who do not meet either the QP or Partial QP thresholds or are not participating in an Advanced APM may still be eligible for a special scoring standard in the MIPS.

What about the Bundled Payments for Care Improvement Advanced (BPCI Advanced) model?

CMS developed Bundled Payments for Care Improvement Advanced (BPCI Advanced) as an Advanced APM model. This model is very similar to prior BPCI models but meets the criteria to qualify as an Advanced APM. Providers who join the model may be eligible for QP, partial QP, or APM scoring standard in the MIPS, depending on whether they meet the thresholds of payments or patients. Because BPCI Advanced uses condition-based bundles, it may be difficult for providers to meet or exceed QP and partial QP thresholds.

Can a hospitalist group, such as one employed in a hospital, be counted in their hospital's APM?

Hospitalist groups may be able to be counted as participants in an APM led by their hospital if the hospital has the hospitalist group included in its APM participant list.

What can hospitalists do now?

Hospitalists should take the time to educate themselves about the program and check in with their practice administrators and leadership to see if there is a plan set in place to be successful under the QPP. SHM strongly recommends that all hospitalists take the following three action items to get started and be ready for the QPP:

- Check in with a practice manager, administrator, or group leader to see if you have been reporting quality measures in the MIPS in the last year.
- Make sure your group has a plan for reporting under the QPP.
- Share with your colleagues and continue to educate yourself about the MIPS and APMs and opportunities for hospitalists.

More Resources

 **CMS Quality Payment Program Website:** <https://qpp.cms.gov>

 **CMS QPP Resource Library:**
<https://www.cms.gov/Medicare/Quality-Payment-Program/Resource-Library/Resource-library.html>

 **SHM MACRA Resources Website:** macraforhm.org

Questions?

Contact us at advocacy@hospitalmedicine.org.

Help us help hospitalists: Let us know what worked and didn't work when reporting in the QPP last year. If there are other quality measures or improvement activities that you feel are appropriate for hospitalists to report, let us know at advocacy@hospitalmedicine.org.