

Bonus or penalty? Medicare provider payments are now adjusted based on quality metrics

What happened in the first year of MIPS reporting?

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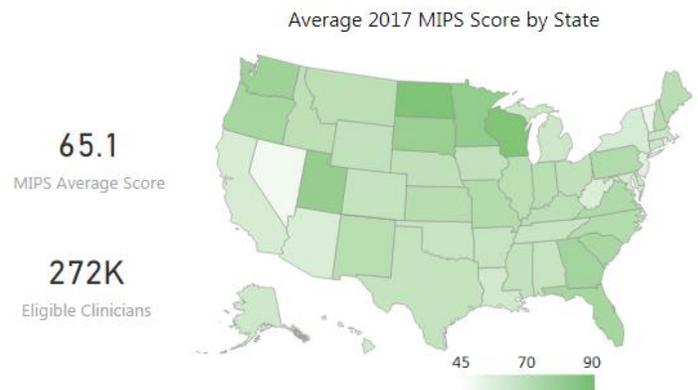
Starting in 2019, many clinicians performing services for Original Medicare patients will have their payments adjusted based on quality and other metrics from 2017. The Merit-Based Incentive Payment System (MIPS) is a revenue-neutral program that will adjust Part B payments, with a maximum -4% penalty in 2019.

MIPS was passed into law as part of the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)^{1,2}. For 2017 dates of service, eligible clinicians (ECs) recorded and submitted measurements across three key areas: quality, improvement activities, and advancing care information (now called promoting interoperability)³. Based on these areas, ECs received a final score between 0 and 100, which then affects their payment rates for Medicare Part B services in 2019. The program is revenue-neutral, meaning the bonus payments will be adjusted based on the level of penalties.

A national look

Nationwide⁴, the average score was 65.1 (271,522 submitting ECs) points out of a possible 100, substantially exceeding the minimum score necessary to avoid a payment penalty in 2019. North Dakota had the highest average score at 85.7 (934 submitting ECs), while Rhode Island had the lowest score at 46.8 (799 submitting ECs).

The first chart shows a national map shading states by their average final score (a darker color equates to a higher score), based on the practice location of ECs reporting under either the group or individual methods for data submission to CMS.



Distribution of scores

Based on the 2017 final score, ECs receive either a bonus or penalty to their 2019 Medicare Part B payments under Original Medicare. For 2019 payments, CMS announced in late 2018 that the adjustments would be as follows⁵:

- 0 points (11.4% of total ECs) – The only way to achieve a score of zero was to completely miss the submission deadlines for 2017, and therefore have no available data. In this case, ECs receive the maximum penalty to their payments, or -4% for 2019.
- 3 points (2.3% of total ECs) – This is the breakeven threshold for 2019 payments, meaning no bonus or penalty. It was possible to achieve this score with minimal submissions under the “Pick Your Pace”⁶ program for 2017 reporting.

¹ <https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/MACRA-MIPS-and-APMs/MACRA-MIPS-and-APMs.html>

² Also see <http://www.milliman.com/macra/> for papers on key MACRA topics.

³ A fourth metric, cost, was initially proposed but ultimately implementation was delayed until 2018 reporting.

⁴ All data is from the Physician Compare website, retrieved August 5, 2019 (<https://data.medicare.gov/data/physician-compare>). Results here are restricted to EC submitting scores as a group or individually. Each EC is assigned to the most common state of practice from the Physician Compare website.

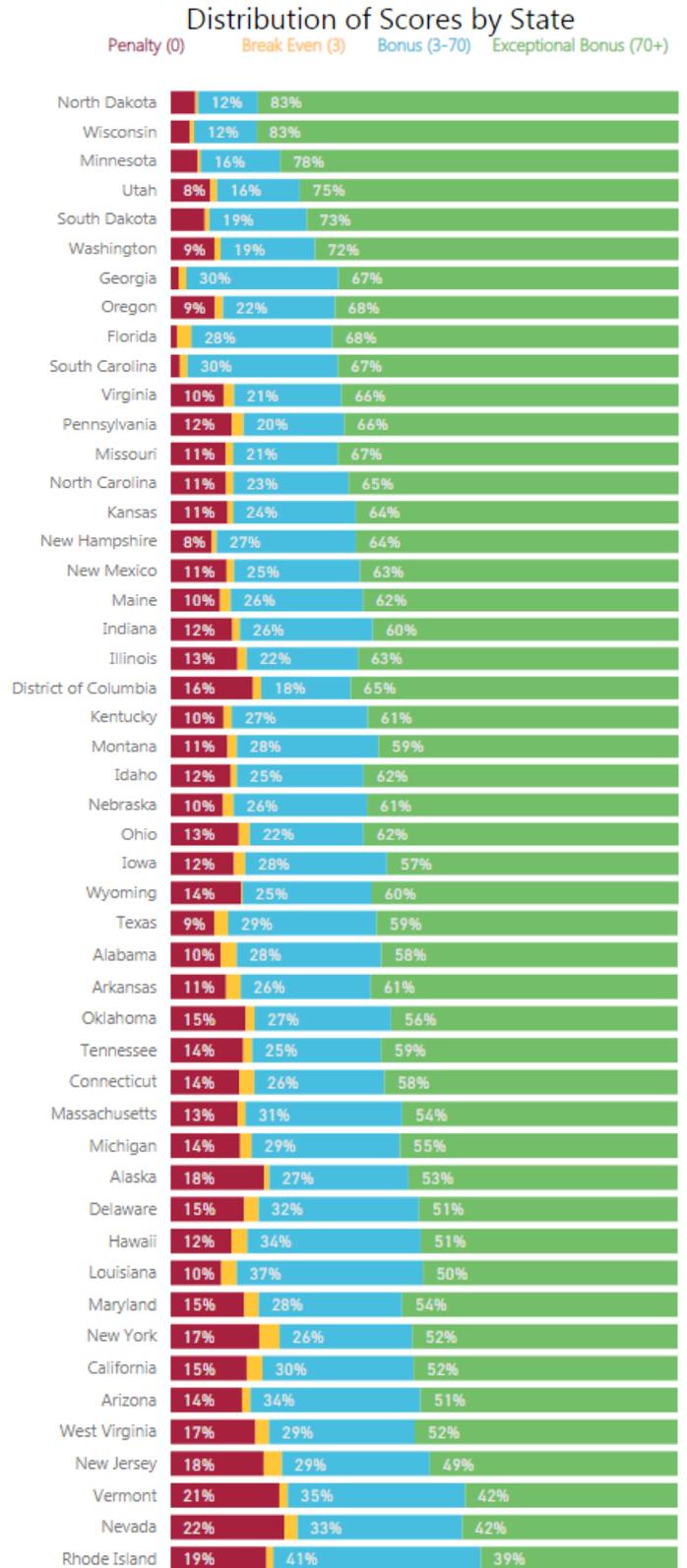
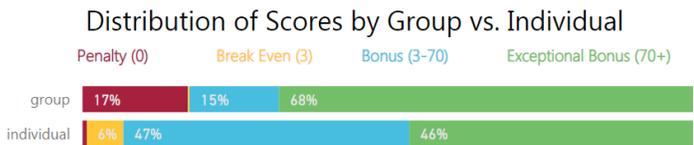
⁵ https://qpp-cm-prod-content.s3.amazonaws.com/uploads/70/2019%20MIPS%20Payment%20Adjustment%20Fact%20Sheet_2018%2011%202019.pdf

⁶ <https://acrbulletin.org/current-issue/990-pick-your-pace>

- More than 3 points, up to 70 points (26.2% of total ECs) – This is the range to achieve a general bonus under MIPS for 2019. The program is designed to be revenue neutral with any bonuses paid out scaled to correspond to the penalties retained from lower scoring ECs. Since few ECs are receiving a penalty in 2019, bonuses will be correspondingly small.
- More than 70 points (60.1% of total ECs) – This range is for “exceptional performers”, meaning they not only benefit under the standard MIPS bonus as described in the above category, but are also eligible for an additional bonus of up to 10% for the highest performers. The additional bonus is paid from a fixed funding pool, so if actual results may be lower depending on how many physicians qualify and their level of base payment.

The next chart shows the distribution of ECs into these four categories, separately for ECs submitting their results individually under their national provider identifier (NPI) and as a group under the same tax identification number (TIN). On a nationwide basis, many groups were able to submit exceptional results, achieving the highest levels of payment bonus. Compared to group submissions, fewer individually submitting ECs landed in the exceptional category, but there were still a substantial number. Conversely, while few ECs received zero points, more of those ECs submitted as groups rather than as individuals. There were 726 individually-submitting ECs and 30,082 group-submitting ECs receiving the maximum penalty with a score of zero.

For an even more detailed look, the subsequent chart shows distributions by state. In general the story is similar across states, though a few stand out as being particularly thorough in at least minimal submissions (and therefore experiencing few penalties), such as Georgia, Florida, and South Carolina.



Final thoughts

Overall, these results suggest that most ECs were able to successfully submit some level of reporting under the MIPS program, and frequently at the highest levels of results. As the program matures, CMS has indicated that they will revise the score thresholds described above. For 2018 dates of service and metrics, for example, the breakeven threshold score has been set at 15 points⁷, substantially higher than the 3 points for 2017. Without the protection of the Pick Your Pace program, and with the increased breakeven threshold score, eligible clinicians will face a more significant hurdle to avoid payment penalties in 2020 and beyond.

Further, metrics and scoring will change to account for large numbers of ECs reporting maximal scores in the same category (called “topping out”). This could reduce the number of ECs receiving exceptional bonuses in the future.

As the program evolves, ECs subject to the reporting requirements will need to maintain and enhance their reporting and submission procedures to remain competitive in the scoring process to keep their Part B payment levels from dipping.

⁷ https://qpp-cm-prod-content.s3.amazonaws.com/uploads/179/2018%20MIPS%20Scoring%20Guide_Final.pdf



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