MIPS Primer, Part 1—the *Proposed* Rules for Quality Performance

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Medicare payment rules are in flux. On Jan. 1, 2017, CMS plans to launch the Quality Payment Program, which gives you 2 options—you can participate either in the Merit-Based Incentive Payment System (MIPS) or in an Alternative Payment Model (APM).

This article focuses on MIPS. CMS expects the vast majority of physicians to opt for MIPS in 2017. This is because APM options will initially be limited.

The rules aren't yet final. The MIPS overview that follows is based on the initial CMS proposals published in April,[1] but there are sure to be changes. Indeed, CMS received feedback from more than 3,500 individuals and organizations. CMS is scheduled to finalize the regulations no later than Nov. 1, 2016.

The Academy sent CMS extensive feedback. Although MIPS features some welcome improvements over the current regulations, the Academy is urging CMS to fix some serious flaws. While this MIPS overview highlights some of those recommendations (look for "Feedback to CMS"), the full 49-page response that the Academy sent to CMS is available online.[2]

The Academy will help you come to grips with MIPS. The Academy is providing explanatory materials online (www.aao.org/mips), at AAO 2016 (see the Web Extra, "More at AAO 2016"), and via a webinar that will take place after the rules have been finalized.

MIPS Basics

CMS has proposed a framework for MIPS, but there may be major changes before the regulations are finalized.

You will receive a composite performance score (CPS) based on your performance in 4 categories. Three of the performance categories evolved out of existing programs, albeit with some sweeping changes:

- **Quality** replaces the Physician Quality Reporting System (PQRS). It is weighted to count toward 50% of your CPS for the 2017 performance year (falling to 45% for 2018 and 30% for 2019).
- **Resource Use** (RU) replaces the Value-Based Modifier Program (VBM). It counts for 10% of your 2017 CPS (increasing to 15% for 2018 and 30% for 2019). ***Feedback to CMS:*** *If CMS is not able to fix the RU category's flawed methodology, the Academy urges it to drop RU's weight to 5%.*[2]
- **Advancing Care Information** replaces the electronic health records (EHR) meaningful use (MU) program. It counts for 25% of your CPS.
- **Clinical Practice Improvement Activity (CPIA).** This fourth performance category is entirely new. It counts for 15% of your CPS.

The proposed performance period is a calendar year. Even if you aren't practicing for the full 12 months, you are expected to participate in MIPS

The IRIS Registry—Your MIPS Tool of Choice

As with PQRS, the Academy IRIS Registry (www.aao.org/iris-registry) will provide 2 platforms for MIPS—one involves EHR (automated data extraction from your records) and the other doesn't (data entry into a Web portal).

It is currently certified as a Qualified Registry. This means you can use it to report the "traditional" PQRS measures (i.e., measures published in the regulations). Qualified Registries will have a similar role under MIPS.

It also is currently certified as a Qualified Clinical Data Registry (QCDR). This class of certification has allowed registries to develop their own specialty-specific measures. Although these are known as "non-PQRS" measures (meaning they didn't appear in the PQRS regulations), they can be used for PQRS reporting. QCDRs will have a similar role under MIPS; and some, but not all, of the IRIS Registry's current non-PQRS measures are expected to carry over into MIPS as "non-MIPS" measures.

QCDRs get a boost. Under MIPS, QCDRs will play an even more prominent role than they do under PQRS, particularly in the CPIA performance category.

Recertification is required each year. CMS isn't scheduled to approve next year's Qualified Registries, QCDRs, and non-MIPS measures until April 2017.

unless exclusions apply (see "MIPS exclusions," below).

Your performance in 2017 impacts your payments in 2019. During 2018, CMS will calculate your CPS for the 2017 performance year and will use that score to determine what payment adjustment it will apply to your Medicare payments in 2019.

You don't have to use the same reporting mechanism across all performance categories. For instance, you can report quality and CPIA using the IRIS Registry and report Advancing Care Information using your EHR vendor. (You don't report RU; for that category, you are evaluated based on claims data.) However, within each individual performance category, you must use just one reporting mechanism.

Physician leadership is key. Because so much money is at stake, a physician ought to oversee your practice's MIPS planning and processes, which should be implemented by experienced staff that is knowledgeable about MIPS' precursors (PQRS, MU, and VBM).

Who Will Participate in MIPS?

MIPS introduces a new term, the MIPS eligible clinician (EC). MIPS ECs are defined as physicians (which, for this purpose, includes optometrists), physician assistants, nurse practitioners, clinical nurse specialists, and certified nurse anesthetists. MIPS groups are those that include such professionals.

MIPS exclusions. The following clinicians won't have to take part in MIPS:

- Clinicians who are in their first year of Medicare Part B participation. ***Feedback to CMS:*** *The Academy urges CMS to extend this to the second year of Medicare participation (at a minimum, for those who start participating in Medicare halfway or more through a MIPS performance year).*[2]
- Clinicians who meet the patient low-volume threshold. During the performance year, they provide care for 100 or fewer Medicare patients and they bill Medicare for no more than $10,000. ***Feedback to CMS:*** *Change "and" to "either/or," increase the dollar threshold from $10,000 to $30,000, and allow some wiggle room for ECs who exceed either the patient or dollar thresholds by a minimal amount.*[2]
- Certain advanced APM participants. ***Feedback to CMS:*** *Add a hardship exception for MIPS ECs who experience a practice interruption due, for instance, to illness or weather-related catastrophe. This could be similar to the MU hardship exception that covers natural disasters, technology vendor issues, and financial hardship. CMS should also add an exemption for MIPS ECs who are close to retirement age.*[2]

Quality: What to Report

The proposed reporting requirements are as follows.

Report on at least 6 measures. This proposal is down from the 9 measures that you are currently required to report under PQRS. Furthermore, you will no longer be required to report measures from multiple National Quality Strategy domains, but there will be an increased emphasis on outcome measures. ***Feedback to CMS:*** *Many MIPS ECs won't have 6 relevant measures to report; reduce the minimum number of measures from 6 to 3.*[2]

At least 1 measure must be a cross-cutting measure, which is a primary care measure that is applicable to multiple specialties. (See Web Extra for tables of proposed measures.)

At least 1 measure must be an outcome measure. If no outcome measure is available, you must report another high-priority measure (see "Quality: How You'll Be Scored," next page). In a proposal that will be particularly helpful for chronic diseases, measures that are listed as "intermediate outcome" are considered outcome measures for the purpose of scoring. (In glaucoma, for example, the primary outcome is prevention of vision loss, but intermediate outcomes, such as reduction in intraocular pressure, are important and more feasible to measure.)

What measures can you choose from? The measures available to you depend on the reporting mechanism.

If you are reporting via Medicare Part B claims or your EHR vendor, you can select measures from a list of all MIPS quality measures, including the current PQRS measures specific to ophthalmology.

If you are using the IRIS Registry as a QCDR for MIPS reporting, you can select from both the MIPS quality measures and non-MIPS quality measures that were developed by the Academy in collaboration with the subspecialty societies. Under the PQRS program, the IRIS Registry developed 22 non-PQRS measures (meaning they weren't published in the PQRS regulations) that could be used to satisfy the PQRS requirements but only if reported through a QCDR (which was a popular option for Web portal reporting). The Academy expects most of these to be carried over into the MIPS program for QCDR reporters, but CMS won't confirm which measures will be valid under MIPS until spring 2017.

If you integrated your EHR with the IRIS Registry, the IRIS Registry should be able to extract the relevant measures from your EHR to satisfy quality reporting under MIPS.

What if you can't report on 6 measures? If you can't report on 6 measures, report as many as you can; you may be subject to a validation process to review whether any additional measures could have been reported. ***Feedback to CMS:*** *The Academy and other stakeholders should be given a chance to provide input on the validation process, which CMS hasn't yet described.*[2]

How many patients must you report for each measure? If you are reporting via Medicare claims, you must report on 80% of relevant Medicare patients (up from 50% under PQRS); if you are reporting via the IRIS Registry or your EHR vendor, you must report on 90% of relevant Medicare and non-Medicare patients (up from 50%). ***Feedback to CMS:*** *Increasing the threshold of patients to 80% or 90% is unreasonable and would prove an unacceptable burden to practices, especially when reporting by claims or by entering data into a Web portal. The threshold—especially if reporting by claims, a qualified registry, or QCDR—should be no more than 50% of Medicare patients (reporting of non-Medicare patients should not be required).*[2]

MIPS includes population measures. In addition to the 6 measures that you must actively report, CMS plans to

include 3 population measures carried over from the VBM. You won't need to report these; they'll be evaluated based on claims data. ***Feedback to CMS:*** *The proposed population measures are not relevant to eye care. Ophthalmologists should be excluded from these population measures, and—so no points are lost—their reported measures should be given additional weight.*[2]

MIPS plans to eliminate measures groups. ***Feedback to CMS:*** *The Academy urges CMS to reinstate the measures groups. Under PQRS, the Diabetic Retinopathy and Cataracts measures groups provide an important quality measurement tool and ease the reporting burden, particularly for participants who don't have an EHR system.*[2]

Quality: How You'll Be Scored

Under the proposed scoring for the quality performance category, you will be evaluated on the 6 measures that you report, along with 2 or 3 population measures that have no reporting requirement.

To receive points for a measure, you must have at least 20 cases. CMS proposes setting a threshold of 20 cases for most quality performance measures. (The exception would be one of the population measures—the All-cause Hospital Readmission Measure—which would have a minimum threshold of 200 patients.)

What if you don't have 6 measures for which you meet the 20-case threshold? In that case, if you report a measure that had fewer than 20 cases, the measure won't count against you. (It won't be included in your overall score for quality performance.)

If you successfully report a measure, you will be assigned a score of 1-10 points for that measure. Your performance for a measure will be compared against a benchmark. The benchmark is broken into deciles, and the number of points you receive will depend on which of those deciles you fall into. If you fall into 1 of the first 9 deciles, you will receive partial points, depending on where you fall within that decile (for example, if you are in the first decile, you'll receive 1.0-1.9 points, and if you are in the ninth decile, you'll receive 9.0-9.9 points). If you fall within the tenth decile, you'll receive the full 10 points. The benchmarks will be based on performance data from the 2 calendar years that precede the performance year that is being evaluated. If it is a new measure, the benchmark will be based on performance data from the performance year that is being evaluated. ***Feedback to CMS:*** *The CMS proposal for new measures means that ECs would unfairly be "flying blind" during the measure's first year, which would discourage adoption of new measures. Instead, during a measure's inaugural year, CMS should assign 10 points to those who report it.*[2]

Decile-based scoring varies when measures are "topped out." When CMS used 2014 PQRS data to test this benchmarking methodology, they found that some benchmarks reached, or almost reached, the maximum performance value well before the tenth decile. In these cases, CMS will group the cluster of high-scorers together, and they will all receive the same score, which will be less than 10. Suppose, for example, that there is a measure where the maximum value (100% performance rate for most measures) is attained by 50% of MIPS ECs (i.e., everybody from the fifth to the tenth decile). In that case, the maximum score would be based on the midpoint of that cluster—which would be halfway through the eighth decile. This would result in a maximum possible score of 8.5 points. ***Feedback to CMS:*** *It would be unfair to deny ECs 10 points for a measure that is topped out. Such a policy might not impact large multispecialty practices that are able to select measures that aren't topped out, but it would disadvantage small single-specialty (and subspecialty) practices that have a more limited number of measures to choose from.*[2]

Bonus points for reporting high-priority measures. Under the proposed regulations, a high-priority measure is one that falls within one of these measure types: outcome, appropriate use, patient safety, efficiency, patient experience, and care coordination. You are already expected to report 1 outcome measure or, if none is available, another high-priority measure (see "Quality: What to Report"). For every high-priority measure that you report beyond that, you will receive 1 bonus point (or 2 if it is an outcome measure).

Bonus points for using Certified EHR Technology (CEHRT). Under the proposed rule, you also can gain bonus points if you use CEHRT for electronic reporting, which involves using data derived from CEHRT to calculate measures, exporting measure data to CMS or to a third party (such as the IRIS Registry) that processes the data and submits it to CMS.

Bonus points will be capped. The proposed regulations suggest capping each type of bonus at 5% of the denominator (see next paragraph). ***Feedback to CMS:*** *The cap should be raised from 5% to 10%.*[2]

Calculating your MIPS quality category performance score. First, calculate your numerator and denominator. The numerator: Add together the scores (including bonus points) for all measures that received a score. The denominator: Add together the maximum number of points that could have been awarded (not including bonus points) for all the measures for which you received a score. Divide the numerator by the denominator and turn the resulting fraction into a percentage—this is your quality performance score.

For example, suppose you are scored on 8 measures, and your numerator (total score, including bonus points) is 60. If none of those 8 measures is topped out, your denominator would be 80 (10 points for each measure). Your score would be 75% (60/80).

1 www.gpo.gov/fdsys/pkg/FR-2016-05-09/pdf/2016-10032.pdf. Accessed June 24, 2016.
2 www.aao.org/eye-on-advocacy-article/academy-seeks-macra-protections-ophthalmologists; click on "The Merit-Based Incentive Payment System." Accessed July 3, 2016.

NEXT MONTH. Resource Use, Advancing Care Information, and CPIAs.

EXTRA **MORE ONLINE.** For a MIPS timeline and lists of proposed measures, see this article at www.aao.org/eyenet.