



November 2, 2017

2018 MEDICARE PHYSICIAN FEE SCHEDULE (MPFS) FINAL RULE RELEASED

CMS Finalizes Changes to 2016 PQRS and VBPM Reporting Requirements and Penalties Affecting 2018 Payment

Finalized 2018 Conversion Factor \$35.9996

Late this afternoon, CMS released the [CY 2018 MPFS Final Rule](#), which will be published in the Federal Register on November 15, 2017.

2017 MPFS Conversion Factor

The CY 2018 finalized MPFS conversion factor is **\$35.9996**, which reflects a budget neutrality adjustment of -0.10%, a misvalued code recapture amount of -.09%, and the 0.5% update factor specified under MACRA.

Key Policy Changes Regarding 2016 PQRS and VBPM Reporting Requirements and Penalties Affecting 2018 Payment

Following ASCRS and medical community advocacy, CMS **modified the 2016 reporting requirements for PQRS to help practices avoid the 2% PQRS penalty and the 2% or 4% (depending on practice size) penalty under the Value-based Payment Modifier (VBPM).**

CMS finalized changes to the 2016 (for 2018 payment) PQRS program policy that requires reporting of 9 measures across 3 National Quality Strategy domains to only require reporting of 6 measures with no domain or cross-cutting measure requirement to avoid the PQRS penalty.

For the VBPM, CMS will:

- **Reduce the automatic downward payment adjustment for not meeting minimum quality reporting requirements from -4% to -2% for groups of ten or more clinicians; and from -2% to -1% for physician and non-physician solo practitioners and groups of two to nine clinicians;**

- **Hold harmless all physician groups and solo practitioners who met minimum quality reporting requirements from downward payment adjustments for performance under quality-tiering for the last year of the program; and**
- **Align the maximum upward adjustment amount to 2 times the adjustment factor for all physician groups and solo practitioners.**

Additional Opportunities for Regulatory Relief

CMS continues its efforts to provide regulatory relief for physician practices and issued a request for information in the proposed rule for feedback on "positive solutions to better achieve transparency, flexibility, program simplification, and innovation." ASCRS provided comments on the proposed rule recommending further relief from 2018 penalties from 2016 reporting for the legacy programs, instituting an "administrative burden" hardship exemption for 2016 Meaningful Use for 2018 payment, and for relief from the global surgery data collection effort on certain high-volume procedures by large practices in selected states. While CMS did not make those further changes we recommended, it noted in the final rule that the reduced requirements for the PQRS and VBPM are part of an agency-wide "Patients Over Paperwork" initiative to reduce reporting requirements and downward payment adjustments.

Potentially Misvalued Codes

CMS continues its statutorily mandated effort to identify and re-value potentially misvalued codes. In the final rule, CMS finalized its proposal to accept most RUC-recommended values for the targeted codes. ASCRS supported this proposal in our comments on the proposed rule and is pleased CMS finalized the policy for 2018.

Additional information will be detailed in upcoming editions of *Washington Watch Weekly*. For questions, please contact Allison Madson, manager of regulatory affairs, at 703-591-2220 or amadson@ascrs.org.

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