



November 2, 2017

CMS Releases 2018 Quality Payment Program Year 2 Final Rule;

Continues Transition and Flexibility but Increases Cost Category Weight to 10% of the MIPS Final Score

This evening, the Centers for Medicare and Medicaid Services (CMS) released the [2018 Quality Payment Program \(QPP\) final rule](#), which finalizes policies for the Merit-Based Incentive Payment System (MIPS) and Advanced Alternative Payment Model (APM) programs for CY 2018 to impact 2020 Medicare physician payments.

The final rule includes a 60-day comment period; ASCRS will be submitting comments. The final rule includes several policy changes recommended by ASCRS and the medical community in comments, including: continuation of transition flexibility for the performance period and scoring, continued use of 2014-certified EHR (CEHRT) technology, and further accommodations for physicians in small practices of 15 or fewer providers. **Despite our support for the proposal to weight the Cost category at 0% for another year and opposition to the existing cost measures, CMS did not finalize that proposal and instead will weight the Cost category as 10% of the MIPS final score in 2018.**

CMS is continuing its effort to offer flexibility and reduce burden, as part of its "Patients Over Paperwork" initiative, with the following policies:

- Offering the Virtual Groups participation option.
- Increasing the low-volume threshold to \$90,000 in allowed Medicare Part B charges or 200 patients.
- Allowing the continued use of 2014 Edition CEHRT.
- Adding bonus points in the scoring methodology for:
 - Caring for complex patients, with a bonus of up to 5 points, increased from a proposed 3 points.
 - Using 2015 Edition CEHRT exclusively.
- Including MIPS performance improvement in the quality performance scoring.
- Including the option to use facility-based scoring for facility-based clinicians.
- Flexibility for clinicians in small practices, including: a new hardship exemption under the ACI performance category; bonus points added to final score; and bonus points for measures in the Quality performance category that don't meet data completeness requirements.
- Hardship exemptions in 2017 and 2018 for extreme and uncontrollable circumstances for physicians impacted by Hurricanes Harvey, Irma, and Maria.

- Making it easier for clinicians to qualify for incentive payments by participating in Advanced APMs that begin or end in the middle of the year.

CMS also released a [press release](#) and a [fact sheet](#) along with the final rule.

Additional details of the program are below:

Clarifying the Definition of a Small Practice

Following ASCRS and medical community advocacy, CMS is modifying the definition of a small practice to be 15 or fewer MIPS-eligible clinicians.

MIPS Eligibility Determinations and Payment Adjustments

In this final rule, CMS clarified that items and services furnished under Part B, including drugs administered in the physician's office, are included in the MIPS eligibility determinations and payment adjustments. Therefore, CMS will determine a physician's eligibility in MIPS on the total cost of items and services furnished and will make bonus payments or penalty reductions on all reimbursements including Part B drugs. ASCRS and the medical community oppose this policy and are seeking Congressional action to change the MACRA statute so only physician services are included in MIPS payment adjustments or eligibility determinations.

MIPS Category Weights

For 2018, CMS will weight each of the categories at:

- Quality Category: 50%
- Cost Category: 10%
- Advancing Care Information Category (ACI): 25%
- Improvement Activities: 15%

CMS will also implement policies enacted under the 21st Century Cures Act, which would exempt providers practicing solely in ASCs from the ACI category, and to provide a hardship exemption for small practices. In both cases, the provider's category score would be re-weighted to the Quality category.

Performance Period

For 2018, CMS finalized extending the performance period for the Quality and Cost categories to the full calendar year, but maintain a performance period of at least 90 days for the ACI and Improvement Activities categories.

Continued Scoring Flexibility for 2018 to Impact 2020 Payment

Following ASCRS and medical community advocacy to continue transition year policies in 2018 to reduce provider burden, CMS will maintain scoring flexibility to assist physicians and practices transitioning to MIPS in the 2018 performance year, but will increase the requirements to avoid a penalty. **In 2018, MIPS participants must achieve a MIPS final score of at least 15 points to avoid the 2020 -5% penalty as required by statute.** CMS will maintain the exceptional performance threshold of 70 MIPS points for 2018.

MIPS Categories

Quality: 50% of MIPS Final Score

Physicians and groups are required to report on 6 quality measures, with at least one outcome

measure, or one high-priority measure if no outcome measures are available. Measures must be reported on at least 60% of all patients if submitting via registry or EHR, and 60% of Medicare Part B patients if submitting via claims. **CMS will continue to score any measure that does not meet the thresholds or benchmarks at 3 points.**

Cost: 10% of MIPS Final Score

Despite ASCRS and medical community advocacy, CMS will increase the Cost category weight to 10% of the 2018 MIPS final score and include ASCRS-opposed cost measures previously used in the Value-Based Payment Modifier. CMS will not retain the episode-based measures finalized in 2017 and notes that new episode-based measures are currently being developed. ASCRS is participating in the development of an episode-based measure for cataract surgery to ensure the measure is accurately attributed and risk adjusted.

Advancing Care Information: 25% of the MIPS Final Score

CMS finalized to maintain the scoring methodology for the ACI category, which includes a base score of 4 or 5 measures, depending on EHR certification year, and a performance score. Following ASCRS and medical community advocacy, CMS will allow participants to continue to use 2014-certified technology, but will award a bonus for those who use 2015 technology. The final measures in the category are the same as 2017, but CMS added some exclusions. Physicians who do not write 100 eligible prescriptions will be excluded from the e-Prescribing measure, and those who do not have 100 eligible referrals or transitions of care will be excluded from the health information exchange measures. CMS also finalized to re-adjust the bonus structure so physicians who cannot report to immunization registries are not disadvantaged. **In addition, CMS is modifying the 2017 final policy to include the exclusions for the e-prescribe and health information exchange measures in 2017 as well.**

Improvement Activities: 15% of the MIPS Final Score

CMS did not finalize any major changes to this category. Physicians practicing in groups of 15 or fewer are still eligible for full credit in the category if they report one high-weighted or two medium-weighted activities. CMS finalized several new improvement activities.

Virtual Groups

CMS will implement virtual groups for MIPS in 2018. Solo practitioners and physicians in practices of 10 or fewer would be able to elect to participate "virtually" as a group and be scored collectively.

Advanced APMs

CMS will maintain the option for physicians participating in APMs that do not qualify as Advanced APMs, such as Track 1 ACOs, to be considered MIPS APMs and earn MIPS points through participation in the APM. CMS is also making it easier for physicians to receive bonus payments from Advanced APMs by allowing participation to begin in the middle of the year.

ASCRS/ASOA will continue to review this final rule and will provide additional analysis in upcoming issues of *Washington Watch Weekly*. ASCRS/ASOA will also be updating our comprehensive guides for 2018 and will release them shortly.

If you need additional information on the MACRA program, visit ASCRS/ASOA's [MACRA Center web page](#), call the MACRA hotline at 703-383-5724, or email Allison Madson at amadson@ascrs.org.

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