American Society of Anesthesiologists™

Timely Topics
Payment and Practice Management

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Facility Based Reporting in MIPS –New Option for 2019

In its Final Rule for the CY2019 Medicare Physician Fee Schedule, the Centers for Medicare & Medicaid Services (CMS) finalized a new option in the Merit-based Incentive Program System (MIPS) track of the Quality Payment Program (QPP) established within the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). Although it was authorized in legislation, CMS delayed the implementation of the MIPS facility-based scoring option until this year – two years after individuals and groups started their MIPS reporting. Under this new option, certain MIPS Eligible Clinicians (EC) can use the Hospital Value-Based Purchasing (HVBP) score of the hospital where they provide care as a proxy for their Quality and Cost scores in the MIPS program. CMS expects this scoring mechanism will help reduce the burdens of participating in the MIPS program – and perhaps to promote and foster coordination across payment and quality settings.

It does seem like each year of the MIPS program includes new and sometimes confusing information. The additional flexibilities unfortunately come with decreased simplicity.

Facility-based Reporting – Eligibility Criteria
Facility based reporting is applicable in the 2019 MIPS Performance Year to MIPS ECs and groups who meet required criteria based on a review of claims for service from October 1, 2017 to September 30, 2018 (with a 30 -day claims run out period). The facility-based scores are based upon scores an affiliated hospital has obtained via the Hospital Value-Based Purchasing program (HVBP). The HVBP is part of the Inpatient Prospective Payment System (IPPS) which operates on a Fiscal Year – different from MIPS and the Medicare Physician Fee Schedule that operate on a Calendar Year. Regardless, ECs and their groups must meet the following criteria to have their facility-based scores assessed,

- 75% of covered services were provided in a hospital setting.
  This is specific to Place of Service (POS) codes 21 Inpatient Hospital, 22 On-campus outpatient hospital or 23 Emergency room., and
- At least one service was provided in the inpatient or emergency room setting, and
- The EC or group can be attributed to a hospital that has a HVBP score.
  Attribution is determined through the NPI-TIN combination. If an EC or group provides services at more than one hospital, CMS will attribute to the hospital with the higher score.

For those who participate in MIPS as groups, the first bullet item is met if at least 75% of the MIPS ECs in the group meet the 75% POS threshold. CMS will attribute the group to the hospital at which the plurality of clinicians in the group are attributed.

It is important to recognize the distinctions in play here regarding “Facility-based” and “Hospital-based” since use of the terms seems inconsistent among various aspects of MIPS. The Facility-based eligibility criteria are listed above. Meet those criteria and are you are eligible for the facility-based reporting option to use a hospital’s HVBP score for MIPS Quality and Cost. MIPS ECs identified as “*hospital-based*,” receive an exception to the Promoting Interoperability (PI) component and those PI points are re-weighted to zero and distributed to the Quality MIPS component. EC’s must be hospital-based, or non-patient facing, or meet other criteria for that re-weighting to apply. You can check your participation status with these terms on the QPP website.

HVBP Basics
The HVBP was implemented around 2012 and has probably been a concern of your facility's leadership ever since. It encompasses four domains weighted at 25% each. The FY 2020 Domains will be:

- Person and Community Engagement
- Clinical Outcomes
- Safety
- Efficiency and Cost

Measures are established and assigned to domains. Hospitals are scored in each domain, thus earning a Total Performance Score (TPS). The hospital is subject to a payment adjustment factor that is determined by its TPS. Money for positive adjustments comes from a 2% withhold which is re-distributed linearly to hospitals per their TPS. More information on the HVBP is available here.

Translating the HVBP to MIPS Quality and Cost Scores
If a MIPS EC or group meets the requirements to be eligible for facility-based reporting, CMS will automatically calculate the proxy MIPS Quality and Cost scores and compare them to the scores the EC or group would have otherwise achieved under the 'traditional' MIPS mechanisms. CMS will use the higher scores to calculate the total MIPS score and the resulting payment adjustments.

The process starts with CMS determining the percentile performance of the hospital's TPS score. CMS will then use that percentile performance to establish a MIPS Quality and Cost score. We can tie this together with examples taken from CMS's educational materials. Note, these examples use FY 2019 HVBP scores and CY 2017 MIPS scores. When making these comparisons to determine the CY 2021 MIPS payment adjustments, CMS will use the FY 2020 HVBP scores and the CY 2019 MIPS scores.

1. The affiliated hospital's TPS in the HVBP is 43.88% which puts it at the 73rd percentile.
2. The 73rd percentile score for the 2017 MIPS Quality component was 97.6%. Since Quality accounted for 45% of the MIPS total score in 2017, the proxy MIPS Quality score would be 43.92 (97.6 * 0.45)
3. The 73rd percentile score for the 2017 MIPS Cost component was 81.4%. Since Cost accounted for 15% of the MIPS total score in 2017, the proxy MIPS costs score would be 12.21 (81.4 * 0.15).

Keep in mind that facility-based reporting pertains only to MIPS Quality and Cost. You still need to fulfill performance and reporting requirements for the PI and Improvement Activities (IA) MIPS components (a great time to start planning is now – you must complete the IA for at least 90 days).

Next Steps
Take advantage of the Faculty-Based Preview included in the QPP resources available on https://qpp.cms.gov/. The preview uses the MIPS default weights and does not reflect any of the reweight that may be specific to anesthesiologists and anesthesia groups but will still provide you valuable information to help you make smart choices about your MIPS participation. This will include your eligibility status, hospital affiliation and the TPC of that hospital.

Some may be asking themselves about counting on facility-based reporting and not reporting quality measures. A cost score is a calculation rather than an assessment of reported data. Like so much in the QPP, there is no right/wrong, one size-fits all answer. Anesthesiologists and their practices should review

their options and then select the one(s) what will provide them with the best opportunity for success in the QPP.

Resources and More Information
CMS Quality Payment Program: https://qpp.cms.gov/

22019 Facility Based Preview available on the CMS QPP Resource Library:
https://qpp.cms.gov/about/resource-library