ICLOPS
Advance Quality

CMS 2015 REPORTING FORECAST:
HOW TO SUCCEED UNDER TOUGHER PQRS/VBPM RULES

The Centers for Medicare and Medicaid Services (CMS) has released the proposed 2015 Medicare Physician Fee Schedule Rule, covering fees and requirements for all programs affecting Medicare reimbursement, including PQRS, ACOs and the Value-Based Payment Modifier (VBPM). In previous years, the Final Rule has strongly resembled the Proposed Rule, which means that most aspects of the rule will go into effect on January 1. Major changes will affect physician practices. Here is our summary of changes and recommended road to success:

Bigger PQRS and VBPM Penalties Affect More Groups

CMS continues to integrate PQRS and the Value Based Payment Modifier, and is increasing penalties for noncompliance. Even small groups are now subject to VBPM penalties for not reporting.

Number of Providers	2014 Medicare Physician Fee Schedule Rule	2015 (Proposed MPFS Rule)
1	▸ Up to 2% penalty in 2016 for not participating in 2014 PQRS ▸ Not subject to VBPM non-reporting penalty	▸ Subject to non-reporting penalties of 4% for VBPM and 2% for PQRS—6% Total against 2017 Medicare revenues
2-9	▸ Up to 2% penalty in 2016 for not participating in 2014 PQRS ▸ Not subject to VBPM non-reporting penalty	▸ Subject to non-reporting penalties of 4% for VBPM and 2% for PQRS—6% Total against 2017 Medicare revenues ▸ Quality Tiering under VBPM is applied. If PQRS incentive is earned, VBPM can only be positive up to +4%, or neutral
10-99	▸ Up to 4% penalty in 2016 for not participating in 2014 PQRS ▸ Penalties for both VBPM and PQRS for unsuccessful reporting, either as GPRO or by less than 50% of providers ▸ If PQRS penalty is avoided, VBPM can only be positive or neutral	▸ Subject to non-reporting penalties of 4% for VBPM and 2% for PQRS—6% Total against 2017 Medicare revenues ▸ Penalties for both VBPM and PQRS for unsuccessful reporting, either as GPRO or by less than 50% of providers ▸ Quality Tiering is mandatory, and VBPM can be positive, neutral or negative (+/-4% incentive or penalty)
100+	▸ Up to 4% penalty in 2016 for not participating in 2014 PQRS ▸ Penalties for both VBPM and PQRS for unsuccessful reporting, either as GPRO or by less than 50% of providers ▸ Quality Tiering is applied, and VBPM can be positive, neutral, or negative (+/-2%)	▸ Subject to non-reporting penalties of 4% for VBPM and 2% for PQRS—6% Total against 2017 Medicare revenues ▸ Penalties for both VBPM and PQRS for unsuccessful reporting, either as GPRO or by less than 50% of providers ▸ Quality Tiering is mandatory, and VBPM can be positive, neutral, or negative (+/-4% incentive or penalty)

Learn how ICLOPS can help your organization thrive in the demanding PQRS/VBPM health care marketplace.
Contact us or call: 888-4-ICLOPS.

Specialty Cost Calculation Under Quality Tiering Requires Close Monitoring

- The Medicare Spending Per Beneficiary (MSPB) model remains the method of cost calculation. CMS attributes a patient either to a primary care provider or to the group that provides the "plurality of primary care services," which include standard office visit codes by specialists.
- CMS applies assigned patients' costs across the spectrum of care to the group, even for a specialty practice (e.g. orthopedics) that does not account for the utilization in question (e.g. a readmission for COPD).
- In 2015, the Proposed Rule states that costs will account for specialty mix, but that the MSPB model will continue to apply. Using the example above, this means that orthopedists will only be compared to other orthopedists when assessing COPD costs for attributed patients.

Tougher Reporting Rules Raise Stakes to Avoid Penalties

There are also changes to the general reporting requirements that are not related to a group's size (those who may be unable to meet reporting requirements subject to CMS MAV process). Here are the most notable changes:

- **The elimination of the 2014 3-measure "safety net"** that allowed providers to report any three measures at 50% to avoid PQRS penalty and automatic VBPM penalty. All providers will now need to report nine measures across three domains.
- **Requirement to include two "cross-cutting measures,"** which are population-based measures applicable to a variety of specialties. Providers who bill at least one "face-to-face encounter" (including office visits, outpatient visits, surgical procedures) must also include two "cross-cutting measures" in their nine measures. Because the population size for these measures is much larger, more effort is needed to succeed.

ACO Exemption Eliminated from VBPM Quality Tiering

Previously, providers were able to "opt out" of PQRS and VBPM by participating in an ACO. Under the 2015 Rule, that will no longer be an option—ACO participants will be included in VBPM Quality Tiering. ACO participants will be tiered according to their ACO's cost and quality results, with provisions in place for those who drop or add during the year. But Medicare will also calculate individual VBPMs for each TIN within the ACO.

Measure Changes Are Game-Changers for Practices

Proposed Deletions

- All Perioperative measures (Antibiotic Timing, Antibiotic Selection, Antibiotic Discontinuation, VTE Prophylaxis)
- A selection of Coronary Artery Bypass Graft (CABG) measures
- A selection of Emergency Department measures

Proposed Reporting Option Changes

- Measures for diabetes, osteoporosis, ophthalmology, cancer screening, kidney disease, CAD/IVD and Hematology/Oncology measures are no longer claims options.
- Rheumatoid Arthritis, HIV/AIDS and Hepatitis C measures have been moved to Measures Group reporting only, which is allowed only through a Registry.

How to Succeed in 2015

- **Access measure data throughout the year to improve performance** prior to PQRS submission, focusing on areas covered by the VBPM.
- **Start the PQRS and VBPM process early** in the year; outcome improvements require a long lead-time.
- **Use Registry Reporting to review and validate the data** prior to submission to CMS for best measure results. ICLOPS incorporates a VBPM Consultation in its PQRS Reporting services, including recommendations on measures for which your group may demonstrate best performance.
- **If you use direct EMR Reporting, validate what your custom EMR template sends to CMS.** Unless that information can be exported from the EMR to fulfill cross-cutting measures, you will need to invest substantial manual effort to report successfully—one provider can have hundreds of eligible patients.
- **If you are in an ACO, protect your practice by independently evaluating PQRS and VBPM Quality Tiering results** separately from the ACO.