Overview of the MIPS and the Reporting Requirements

The Merit-based Incentive Payment System (MIPS) is the default payment system under the MACRA's quality payment program (QPP). The MIPS applies to physicians, physician assistants, nurse practitioners, clinical nurse specialists, certified registered nurse anesthetists and practice groups that include these professionals. The vast majority of clinicians – up to 90 percent in 2017 – are expected to participate in the MIPS track. Physicians and other eligible clinicians will be assessed in the MIPS under four performance categories:

- Quality measures
- Cost / resource use measures
- Participation in improvement activities (IAs), such as care coordination, patient safety assessments;
- Advancing care information (ACI), which assesses the use of electronic health records by eligible clinicians

Based on their performance in these four categories, physicians and eligible providers will receive a payment adjustment. The payment adjustment will be capped at +/- 4 percent in 2019, rising to +/- 9 percent in 2022 and subsequent years.

Below is an overview of MIPS requirements, and the key decisions hospitals and their clinician partners will need to make.

Timeframe

MIPS reporting began Jan. 1, 2017. CMS intends to tie MIPS payment to reporting periods two years prior to the payment adjustment year. For example, 2019 payment adjustments will be tied to performance during 2017, and 2020 payment adjustments will be tied to 2018 performance.

For 2017 reporting, however, CMS provided increased flexibility by allowing clinicians to "pick their pace" of participation. Clinicians have a choice of reporting options in 2017 and can start reporting as late as October 2017 to avoid a negative payment adjustment in 2019. Each option comes with different requirements and has different implications for payment.[i] See Figure 1 on the following page.[ii]

Figure 1: Options for MIPS Reporting in 2017

Pick Your Pace Option	Reporting Requirements	Impact on 2019 Payment
1. Test (minimum data): Submit some of the required quality, IA, and ACI data to avoid a negative payment adjustment in 2019	Report at least one of the following: • 1 measure in the quality performance category • 1 IA • The 5 required ACI measures	• Avoid a negative payment adjustment • Failure to participate in "Test" option will result in automatic 4 percent payment reduction
2. **Partial Year (more than minimum):** Submit quality, IA, and/or ACI data for part of 2017 to qualify for a small positive payment update in 2019	Report at least one of the following for at least a 90-day period: • More than 1 quality measure • More than 1 IA • More than the 5 required ACI measures	• Qualify for a small positive payment adjustment
3. Full Year: Submit all required quality, IA and ACI data for at least 90 days in 2017 to qualify for a modest, positive payment update in 2019	Report ALL of the following for at least a full 90-day period: • Quality: 6 quality measures or all applicable measures if fewer than 6 apply (1 must be outcomes or high-priority) **OR** specialty measure set • IA: 4 medium-weighted or 2 high-weighted IAs (with exceptions for clinician type and small, rural practices) • ACI: 5 required measures; reporting on 6 optional measures will increase score	• Qualify for a modest positive payment adjustment

MIPS Reporting Requirements

MIPS performance will be assessed across four categories, which will be summed into a final composite score – quality, cost, IAs and ACI.[iii] See Figure 2.[iv]

Figure 2: : MIPS Clinician Requirements by Performance Category

MIPS Category & Weights[1]	Definition & Examples	Measurement & Activity Requirements	Reporting Mechanism	
			Individual	Group
Quality Measurement (30-60%)	Quality measures (e.g., outcome, appropriate use, patient safety, efficiency, patient experience and care coordination measures)	Most clinicians must select and report on six quality measures –one must an outcome or high-priority measure.[3] Specialists can select six individual measures or a specialty measures set (may be fewer than 6)	Qualified Clinical Data Registry (QCDR) Qualified Registry EHR Claims	QCDR Qualified Registry EHR CMS Web Interface (groups of 25+) CAHPS for MIPS Survey (report in conjunction with another data submission mechanism) Administrative Claims (for all-cause hospital readmission measure)
Cost (0-30%)	Condition and episode-based and total per capita costs for all attributed beneficiaries measures	All available resource use measures for the clinician are included in assessment	Calculated automatically by CMS based on Administrative claims data starting in 2018.	
Improvement Activities (IA) (15%)	Activities to improve clinical practice or care delivery[2]	No minimum requirements; scoring is based on number of IAs reported and weight allotted to each (medium or high)[4]	Attestation QCDR Qualified Registry EHR	Attestation QCDR Qualified Registry EHR CMS Web Interface (groups of 25+)
Advancing Care Information (ACI) (25%)	HIT interoperability and information exchange capabilities (e.g., e-prescribing, health information exchange)	Clinicians must use certified EHR technology and select 5 required measures for base and performance score (bonus points for additional reporting)[5]	Attestation QCDR Qualified Registry EHR	Attestation QCDR Qualified Registry EHR CMS Web Interface (groups of 25+)

1. Category weights for cost and quality change over time and vary for MIPS APMs. For 2017, quality is 60%, improvement activities is 15%, and ACI is 25%
2. IA categories include population management, care coordination, beneficiary engagement, patient safety and practice assessment, participation in an APM, achieving health equity, integrated behavioral and mental health, and emergency preparedness and response.
3. Requirements vary for patient-facing and non-patient facing clinicians. See MIPS Quality Measurement: Implications for Hospitals and Clinician Partners for details.
4. List of IA activities included in final rule, and on CMS QPP website. Exceptions to reporting and subsequent scoring are included for non-patient facing MIPS eligible clinicians or groups, small groups of clinicians (15 or fewer), and practices located in rural areas or geographic HPSAs. Clinicians in accredited PCMHs or comparable specialty practices will get full IA credit; clinicians participating in APMs will get at least half credit.
5. ACI performance is comprised of a base score, a performance score and bonus points (where applicable. See AHA's Regulatory Advisory on the final rule, and CMS's QPP website). CMS finalized six ACI objectives: Protect Patient Health Information, Electronic Prescribing, Patient Electronic Access, Coordination of Care Through Patient Engagement, Health Information Exchange, and Public Health and Clinical Data Registry Reporting. Clinicians must report on 5 measures and can select additional measures related to three of the objectives.

Key Decisions

To fully participate in MIPS, hospitals and clinicians will have to make key decisions related to each performance category and ultimately decide if they will report as an individual or as a group. See Figure 3.

Figure 3: MIPS Decisions by Performance Categories

Performance Category	Decisions
Quality	• Select quality measures
Improvement Activities (IA)	• Identify the improvement activities that clinicians are already performing or participating in • Determine which other IA activities should be undertaken to improve performance
Advancing Care Information (ACI)	• Work with vendors to meet basic ACI requirements • Consider ability to improve performance with optional reporting
Cost	• Set to begin in 2018, no reporting required

[i] It is expected that clinicians will be required to comply with full MIPS requirements in 2018.
[ii] Note the following exceptions for the Full Year Option. For quality, if fewer than 6 measures apply to a physician or group, they must report on all applicable measures. For IA, small practices, rural practices, or practices located in geographic health professional shortage areas, and non-patient facing MIPS-eligible clinicians are subject to different requirements (i.e. they must report one high-weighted or two medium-weighted activities). Source: CMS' Final MACRA Rule Exec Summary and Final MACRA Rule, published in Vol. 81, No. 214 of the Federal Register
[iii] For 2017, cost is not factored into the MIPS Composite Score; cost will be factored into scoring starting in 2018. All four categories are weighted; therefore, the impact of a clinician's performance in each category on the Composite Performance Score will varies.
[iv] Table 3—Data Submission Mechanism for MIPS Eligible Clinicians Reporting Individually As TIN/NPI, p. 77094 and Table 4—Data Submission Mechanism for Groups, p. 77095, of final MACRA rule as published in Vol. 81, No. 214 of the Federal Register.