

Medicare Shared Savings Program Interaction with the Physician Quality Reporting System (PQRS)

Introduction:

Medicare-enrolled providers and suppliers are subject to a number of CMS quality reporting requirements and initiatives. The Shared Savings Program regulations address alignment with certain quality initiatives, including the Physician Quality Reporting System (PQRS) and Value-Based Payment Modifier (Value Modifier). Under the Shared Savings Program, eligible professionals billing through ACO participant TINs will be treated as participating in a PQRS group practice and will avoid the PQRS downward payment adjustment if their ACO satisfactorily reports all of the Group Practice Reporting Option (GPRO) Web Interface quality measures. If the ACO satisfactorily reports all of the GPRO Web Interface quality measures for the performance year, its ACO participant TINs and the eligible professionals billing through those TINs will avoid the PQRS downward payment adjustment, and physician EPs will avoid the automatic downward adjustment under the 2017 Value Modifier for failure to satisfactorily report quality data, and will receive either an upward, neutral, or downward 2017 Value Modifier adjustment based on the ACO's quality performance. Please note that in 2017, CMS will apply the Value Modifier to physicians in groups and physician solo practitioners that participated in a Shared Savings Program ACO based on performance in 2015. In 2018, the Value Modifier will apply to physicians, nurse practitioners (NPs), physician assistants (PAs), clinical nurse specialists (CNSs), and certified registered nurse anesthetists (CRNAs) in groups and those who are solo practitioners that participated in a Shared Savings Program ACO based on performance in 2016. Please visit the Value Modifier [fact sheet](#) for more information.

What is PQRS?

- PQRS is a quality reporting program that uses payment adjustments to promote quality data reporting by eligible professionals.
- To avoid the 2018 PQRS payment adjustment, which is applied to the Physician Fee Schedule (PFS) amount for covered professional services furnished by an eligible professional in 2018 based on quality data reported for the CY 2016 performance year; eligible professionals must satisfactorily report data on quality measures or satisfactorily participate in a qualified clinical data registry (QCDR) during the applicable performance year. For more specific information about the PQRS, please visit the [PQRS webpage](#).
- Certain types of eligible professionals (physicians, NPs, PAs, CNSs, and CRNAs) participating in an ACO are also subject to the 2018 Value Modifier based on performance in 2016. For more information on the Value Modifier, please visit the [fact sheet](#) available online.

How do changes in Medicare Shared Savings Program ACO participants affect which eligible professionals avoid the PQRS payment adjustment through the Medicare Shared Savings Program?

Upon approval to participate in the Shared Savings Program, an ACO must certify its list of ACO participant TINs that have signed ACO participant agreements with the ACO and that have agreed to participate in the Shared Savings Program. ACOs must certify this list at the beginning of each performance year to account for changes in ACO participants during the course of the previous performance year and at such other times as specified by CMS. The list that is certified at the beginning of the performance year determines the ACO participant TINs that must report through the ACO to meet Shared Savings Program reporting requirements. In addition, when the ACO satisfactorily reports all of the GPRO Web Interface quality measures for the performance year, eligible professionals billing through the ACO participant TINs included on the certified list at the start of the performance year will avoid the PQRS downward payment adjustment and physician eligible professionals will avoid the automatic downward adjustment under the 2017 Value Modifier for failure to satisfactorily report quality data and will receive either an upward, neutral, or downward adjustment under the 2017 Value Modifier based on the ACO's quality performance during the performance year.

To be included on the certified list of ACO participants, ACO participant TINs must have a signed and valid agreement with the ACO that meets Shared Savings Program requirements, have had their program integrity histories screened, have been checked for overlap with TINs that are already participating in another ACO or Medicare initiative involving shared savings, and have been approved by CMS as described in our guidance found [HERE](#).

There are 3 scenarios that may apply to PQRS eligible professionals billing for services through an ACO participant TIN:

- 1) Eligible professionals in TINs that have been added to the ACO but were not included on the certified list of ACO participants submitted at the beginning of the performance year.** A TIN, and the eligible professionals that bill for services through it, that joined an ACO after a performance year has started will not be eligible to report for purposes of the PQRS payment adjustment through the Shared Savings Program in that year, because the TIN will not be part of the certified list of ACO participants submitted and certified by the ACO at the beginning of the performance year. Instead, the TIN and its eligible professionals will need to participate in one of the PQRS individual or group reporting options apart from the ACO.
- 2) Eligible professionals who are joining an ACO participant TIN that is already on the ACO's certified list of ACO participants.** Eligible professionals who join an ACO participant TIN (defined as reassigning their billing rights to the ACO participant TIN) that is included on the ACO's certified list of ACO participants submitted at that beginning of a performance year will be able to satisfy PQRS reporting and avoid the PQRS payment adjustment when the ACO reports on their behalf, but only for services that are billed through the ACO participant TIN. For example, eligible professionals that join an ACO participant TIN that was included on the ACO's certified list of ACO participants submitted at the start of 2016 will avoid the 2018 PQRS payment adjustment and eligible professionals who are subject to the 2018 Value Modifier will avoid the automatic downward adjustment under the 2018 Value Modifier for failure to satisfactorily report quality data and will receive either an upward, neutral, or downward adjustment under the 2018 Value Modifier based on the ACO's quality performance in 2016, if the ACO satisfactorily reports all of the GPRO Web Interface quality measures for 2016.
- 3) Eligible professionals in an ACO participant TIN that terminates from an ACO during a performance year in which the TIN appeared on the certified list of ACO participants submitted by the ACO at the start of the performance year.** If an ACO participant TIN included on the certified list of ACO participants at the start of a performance year terminates from an ACO before the end of the performance year, the eligible professionals that bill through that TIN are encouraged to participate in PQRS through the ACO for that performance year. For example, if a TIN that appeared on an ACO's certified list of ACO participants at the beginning of 2016 chooses to terminate its agreement with the ACO mid-year, the TIN and the eligible professionals that bill for services through that TIN will continue to be eligible to report for purposes of the 2018 PQRS payment adjustment through the ACO. In this example, if the ACO satisfactorily reports all of the GPRO Web Interface measures for 2016, then the TIN and the eligible professionals that bill for services through that TIN will avoid the 2018 PQRS downward payment adjustment, eligible professionals who are subject to the 2018 Value Modifier will avoid the automatic downward adjustment under the 2018 Value Modifier for failure to satisfactorily report quality data, and receive either an upward, neutral, or downward adjustment under the 2018 Value Modifier based on the ACO's quality performance. Consequently, both the ACO and the terminating ACO participant should continue to work together to ensure that the ACO has the necessary information to complete and accurately report quality measure information. However, in the event the ACO chooses not to report, ACO participant TINs that were included on the ACO participant list at the start of the performance year and their EPs should report PQRS through one of the available PQRS reporting mechanism (e.g., registry, QCDR, and Electronic Health Record (EHR) reporting).

- 4) Eligible professionals in an ACO participant TIN that choose to report for purposes of PQRS outside of the ACO.** ACO participant TINs included on the certified list of ACO participants at the start of the performance year may choose to report for purposes of PQRS, outside of the ACO, as a group or individually as a safeguard in the event their ACO does not satisfactorily report or for other reasons, such as a desire to participate in a registry or QCDR, such as a clinical societies registry. ACO participant TINs and their EPs may choose to report to PQRS via EHR, registry, and QCDR. However, if the ACO satisfactorily reports the GPRO Web Interface measures, then ACO participant TINs and their EPs will have their PQRS and Value Modifier quality performance assessed using the ACO-reported data. If the ACO fails to satisfactorily report the GPRO Web Interface measures, then ACO participant TINs and their EPs will have their PQRS and Value Modifier quality performance assessed using their group or individually reported data.

These FAQs attempt to address some commonly asked questions about the interaction and timing between the Shared Savings Program and PQRS.

FAQs

Q1: Are eligible professionals who bill through an ACO participant TIN eligible to participate in the PQRS under the Shared Savings Program through an ACO when the ACO reports GPRO quality measures?

A1: Yes, but only if their ACO participant TIN appears on the list of ACO participants submitted and certified by the ACO to CMS at the beginning of the performance year. The eligible professionals that bill for services provided through an ACO participant TIN will:

- Be treated as an eligible professional reporting as part of a group practice for purposes of PQRS under the Shared Savings Program.
- Avoid the PQRS payment adjustment for the applicable program year if the ACO satisfactorily reports all GPRO Web Interface measures for the applicable performance year. For example, if the ACO satisfactorily reports all GPRO Web Interface measures for 2016, the eligible professionals billing through the ACO participant TIN will:
 - Avoid the PQRS payment adjustment for services billed through the ACO participant TIN in 2018,
 - Avoid the automatic downward adjustment under the 2018 Value Modifier for failure to satisfactorily report quality data, and receive either an upward, neutral, or downward payment adjustment under the 2018 Value Modifier based on the ACO's quality performance in 2016.

Q2: My TIN joined an ACO in the middle of the 2016 performance year. Will the TIN and the eligible professionals that bill through this TIN meet PQRS reporting requirements if the ACO satisfactorily reports all the GPRO Web Interface measures for the performance year?

A2: No. In order for eligible professionals to avoid the 2018 PQRS payment adjustment and the automatic downward adjustment under the 2018 Value Modifier for failure to satisfactorily report quality data through ACO reporting under the Shared Savings Program, their TIN must have appeared on the certified list of ACO participants that the ACO submitted and certified to CMS at the beginning of the 2016 performance year, which corresponds to the PQRS performance year for the 2018 payment year.

Q3: If my TIN joined an ACO in the middle of a performance year, how can I report for purposes of the PQRS payment adjustment?

A3: The eligible professionals billing through the TIN that just joined the ACO must participate under PQRS as individuals or as a group practice for the current performance year until the start of the next ACO's performance year when the TIN can be added to the ACO's certified ACO participant list. For example, if your TIN joined an ACO on April 15, 2016, you must participate under PQRS for the 2016

performance year apart from the ACO. Please refer to the PQRS website for information on your participation options under PQRS.

Q4: Who is eligible to participate in the PQRS under the Shared Savings Program through their ACO?

A4: Each eligible professional that bills for services through a TIN that was included on the ACO participant list submitted by the ACO prior to the start of the performance year is eligible to participate in the PQRS under the Shared Savings Program through the ACO.

Q5: I am an eligible professional submitting claims through multiple Medicare enrolled TINs, one of which is participating in an ACO under the Medicare Shared Savings Program. If the ACO satisfactorily reports, will the claims submitted under all of these TINs avoid the payment adjustment?

A5: No. Only the claims for services billed through the TIN of an ACO participant that was included on the ACO's certified list of ACO participants at the start of the performance year will avoid the payment adjustment based on reporting by the ACO. You must separately report PQRS measures to avoid the payment adjustment for services billed through the TIN of a non-ACO participant.

Q6: I bill through the TIN of an ACO participant. May I participate in PQRS under that TIN apart from the ACO to avoid the PQRS payment adjustment?

A6: Yes. Eligible professionals may choose to report PQRS quality data via EHR, registry, or Qualified Clinical Data Registry (QCDR), outside the ACO since the regulatory prohibition preventing reporting either as individuals or groups outside the ACO, as well as the system edits that prevented CMS from accepting the data, have been removed. Please note that under the Medicare Shared Savings Program, only the quality data reported by the ACO as required under §425.500 will be used to assess the ACO's performance under the Shared Savings Program.

Q7: How are PQRS payment adjustments determined?

A7: Reporting under PQRS for the CY 2016 performance year will determine if a negative payment adjustment of 2 percent will be applied to the PFS amount for covered professional services furnished by an eligible professional in 2018.

Q8: What happens under the Value Modifier if individuals or groups report outside of an ACO that successfully reports?

A8: Groups and solo practitioners that participate in a Shared Savings Program ACO that successfully reports quality data via the GPRO Web Interface will be included in Category 1 for the 2018 Value Modifier. Their quality composite will be based on the ACO's quality performance in 2016 and their Value Modifier payment adjustment will be upward, neutral, or downward based on their ACO's quality performance. Their cost composite will be classified as "average cost". We will not use data reported to the PQRS outside of the ACO to determine the group or solo practitioner's 2018 Value Modifier.

Q9: What happens under the Value Modifier if individual EPs or groups report outside of an ACO that doesn't successfully report?

A9: For the 2018 Value Modifier, if a Shared Savings Program ACO does not successfully report quality data via the GPRO Web Interface in 2016 on behalf of its EPs, we will use the data reported to the PQRS outside of the ACO by the EPs under an ACO participant TIN either as a group or as individuals using the registry, QCDR, or EHR reporting options to determine whether the TIN would fall in Category 1 or Category 2. Thus, if groups that participate in a Shared Savings Program ACO in 2016 report quality data to the PQRS outside of the ACO and meet the criteria to avoid the 2018 PQRS payment adjustment as a group using one of the group registry, QCDR, or EHR reporting options or have at least 50 percent of the group's EPs meet the criteria to avoid the 2018 PQRS payment adjustment as individuals using the registry, QCDR, or EHR reporting option by reporting quality data to PQRS outside of the ACO, then they will be included in Category 1 for the 2018 Value Modifier and will receive an average quality score. If

solo practitioners that participate in a Shared Savings Program ACO in 2016 report quality data to the PQRS outside of the ACO and meet the criteria to avoid the 2018 PQRS payment adjustment as individuals using the registry, QCDR, or EHR reporting option, then they will also be included in Category 1 and receive an average quality score. Those groups and solo practitioners subject to the 2018 Value Modifier that participate in a Shared Savings Program ACO and do not fall within Category 1 will be included in Category 2. We will classify the quality composite for groups and solo practitioners in Category 1 as “average quality” and continue to classify their cost composite as “average cost”. Groups and solo practitioners in Category 2 will be subject to the automatic downward adjustment under the 2018 Value Modifier.

Q10: Where can I find additional resources?

A10: Additional resources are listed below:

- [Changes to ACO Participants and ACO Providers/Suppliers during the Agreement Period](#)
- [Physician Quality Reporting System \(PQRS\) List of Eligible Professionals](#)
- [Physician Value-Based Payment Modifier 2017 Fact Sheet](#)