



FREQUENTLY ASKED QUESTIONS

Medicare Shared Savings Program and the 2018 Value Modifier

MEDICARE SHARED SAVINGS PROGRAM INTERACTION WITH THE 2018 VALUE MODIFIER: *FREQUENTLY ASKED QUESTIONS*

INTRODUCTION

This guide describes the interactions between the Medicare Shared Savings Program (Shared Savings Program) and the Value-Based Payment Modifier (Value Modifier). These interactions are explained in a question and answer format, following a brief overview of the Value Modifier and how quality and resource use information, in addition to payment adjustment information, is communicated to groups and solo practitioners in Shared Savings Program Accountable Care Organizations (ACOs).

The 2018 Value Modifier adjusts Medicare Physician Fee Schedule (PFS) payments to physicians, physician assistants (PAs), nurse practitioners (NPs), clinical nurse specialists (CNSs), and certified registered nurse anesthetists (CRNAs) in groups with two or more eligible professionals (EPs) and to those who are solo practitioners (as identified by their Medicare-enrolled Taxpayer Identification Number [TIN]), including those participating in a Shared Savings Program ACO in 2016, based on the quality and cost of care furnished to their Medicare Fee-for-Service (FFS) beneficiaries. Though the Value Modifier payment adjustments apply only to the provider types noted above, other EPs are counted for the purpose of determining TIN size. EPs consist of physicians, practitioners,¹ physical or occupational therapists, qualified speech-language pathologists, and qualified audiologists.

In applying the 2018 Value Modifier's quality-tiering methodology to ACO participants, these TINs' Cost Composite Scores are classified as Average Cost. If the ACO successfully reported quality data through the PQRS Group Practice Reporting Option (GPRO) Web Interface, then the participant TIN's Quality Composite Score is based on their ACO's quality performance on the reported GPRO Web Interface measures, the 30-day All-Cause Hospital Readmission measure calculated by Medicare for the 2016 performance period, and patient experience data for the ACO's patients, as reported by a Medicare-certified Consumer Assessment of Healthcare Providers and Systems (CAHPS) Survey Vendor. As a result, ACO participants may receive an upward or neutral payment adjustment based on their ACO's quality performance. Please note that payment adjustments under the 2018 Value Modifier are based on a proposal that was included in the 2018 Medicare Physician Fee Schedule Proposed Rule (82

¹ Practitioners include PAs, NPs, CNSs, and CRNAs. For a list of providers designated as eligible professionals by CMS based on their two-digit CMS specialty codes, please see the document entitled "Detailed Methodology for the 2018 Value Modifier and 2016 Quality and Resource Use Report," available at the following URL:

<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeedbackProgram/Downloads/Detailed-Methodology-for-the-2018-Value-Modifier-and-2016-Quality-and-Resource-Use-Report.pdf>.

FR 34124) and is subject to change. Information on the Proposed Rule can be found at <https://federalregister.gov/d/2017-14639>.

The 2018 Value Modifier's impact on ACO participants' payments is described in the 2016 Annual Quality and Resource Use Reports (QRURs) provided to groups and solo practitioners, including ACO participant TINs. QRURs are confidential feedback reports with information about the resources used and the quality of care furnished to their Medicare FFS beneficiaries.

FREQUENTLY ASKED QUESTIONS (FAQS)

1. How does the 2018 Value Modifier apply to a TIN that participates in a Shared Savings Program ACO?

Physicians, PAs, NPs, CNSs, and CRNAs in groups or solo practices, as identified by their ACO participant TIN, that participated in a Shared Savings Program ACO in 2016 will be subject to the 2018 Value Modifier based on their ACO's quality performance in 2016. In 2018, the Value Modifier will apply to payments under the Medicare PFS for physicians, PAs, NPs, CNSs, and CRNAs in those ACO participant TINs.

If the ACO successfully completed reporting on quality measures via the GPRO Web Interface for the 2016 reporting period, then the 2018 Value Modifier for the ACO participant TINs will be calculated using the Value Modifier's quality-tiering methodology to determine if the ACO participant TINs will receive an upward or neutral payment adjustment based on the ACO's quality performance. All TINs will be held harmless from downward adjustments under quality-tiering for the 2018 Value Modifier.

The Quality Composite Score will be calculated based on the quality data submitted by the ACO via the GPRO Web Interface, the ACO's performance on the claims-based 30-day All-Cause Hospital Readmission measure, and patient experience data from the CAHPS for ACOs survey. For all TINs that participated in a Shared Savings Program ACO in 2016, the Cost Composite Score will be classified as Average Cost.

If a TIN participated in more than one Shared Savings Program ACO in 2016, then the TIN's Quality Composite Score for the 2018 Value Modifier will be based on the performance of whichever ACO had the highest numerical Quality Composite Score.

For ACO participant TINs, the upward adjustment under quality-tiering for the 2018 Value Modifier will be +1.0 x adjustment factor for TINs with High Quality/Average Cost performance (the adjustment factor is derived from actuarial estimates of projected billings that will determine the precise size of the adjustment for higher performing TINs in a given year). All TINs receiving an upward adjustment are eligible for an additional +1.0 x adjustment factor if the ACO in which the TIN participated during 2016 has an assigned beneficiary population in 2016 with an average beneficiary CMS Hierarchical Condition Category (CMS-HCC) risk score in the top 25 percent of all beneficiary risk scores nationwide under the Value Modifier methodology.

If the Shared Savings Program ACO failed to successfully complete reporting on quality measures via the GPRO Web Interface for the 2016 reporting period, then its ACO participant

TINs will be evaluated based on quality data these TINs reported to the PQRS outside of the ACO. If the participant TIN reported data to the PQRS outside of the ACO and (a) avoided the 2018 PQRS payment adjustment as a group, (b) at least 50 percent of the eligible professionals in the group avoided the 2018 PQRS payment adjustment as individuals, or (c) for solo practitioners, avoided the 2018 PQRS payment adjustment as individuals, then its Quality Composite Score will be classified as Average Quality and the TIN will receive a neutral payment adjustment under the Value Modifier. If the participant TIN did not successfully report data to the PQRS outside of the ACO in one of the ways described above, the TIN will be subject to the automatic downward adjustment under the 2018 Value Modifier. In 2018, the automatic downward Value Modifier adjustment is:

- Negative two percent (-2.0%) for TINs with at least one physician and ten or more EPs.
- Negative one percent (-1.0%) for TINs composed of only nonphysician EPs or TINs with fewer than ten EPs.

Please note that payment adjustments under the 2018 Value Modifier are based on a proposal that was included in the 2018 Medicare Physician Fee Schedule Proposed Rule (82 FR 34124) and is subject to change. Information on the Proposed Rule can be found at <https://federalregister.gov/d/2017-14639>.

2. What is the ACO Participant List and how is it used in the Value Modifier?

Upon approval to participate in the Shared Savings Program, ACOs must certify a list of ACO participant TINs that have signed participation agreements with the ACO. Prior to the start of every performance year, each ACO must certify its ACO Participant List as final and accurate, accounting for changes made to its ACO Participant List during the course of the prior year (e.g., to add new ACO participants, modify existing ACO participants, and/or delete ACO participants). This list determines the ACO participant TINs that will be assessed for the Value Modifier during the payment adjustment period using the approach described in Q1 above. For each Shared Savings Program ACO participant TIN, the 2018 Value Modifier is calculated based on the ACO's quality performance during the 2016 performance period, as described in Q1 above. In 2018, the Value Modifier will be applied to all physicians, PAs, NPs, CNSs, and CRNAs that bill under the TIN during this payment adjustment period.

3. Does the Value Modifier Program use the same benchmarks for quality measures as the Shared Savings Program?

No, the benchmarks are not the same for the Value Modifier and the Shared Savings Program. The Value Modifier uses a national case-weighted mean to determine performance on each individual quality and cost measure used in the Quality and Cost Composite calculations. The Value Modifier quality benchmarks are based on data available in the year prior to the performance period (for example, 2015 quality data are used to calculate quality benchmarks for the 2016 performance period used for the 2018 Value Modifier). Under the Shared Savings Program, quality benchmarks are established using all available Medicare FFS data for up to

three years prior to the start of the performance year and a sliding scale is used to score an ACO's performance.

The benchmarks for quality measures that will be used for the 2018 Value Modifier are provided in the document entitled "Benchmarks for Measures Included in the Performance Year 2016 Quality and Resource Use Reports," available at the following URL:

<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeedbackProgram/Downloads/PY2016-Prior-Year-Benchmarks.pdf>.

4. I am a physician submitting claims to CMS through multiple Medicare-enrolled TINs, one of which is participating in an ACO under the Shared Savings Program. Are claims and quality data submitted under all of these TINs used to calculate my Value Modifier payment adjustment?

The Value Modifier is calculated and applied at the TIN level for each group or solo practitioner.

- For each 2016 non-Shared Savings Program ACO TIN, its 2018 Value Modifier is calculated based on the TIN's performance on quality and cost measures during the 2016 performance period.
- For each 2016 Shared Savings Program ACO participant TIN, its 2018 Value Modifier is calculated based on the ACO's quality performance during the 2016 performance period, as described in Q1 above.

Therefore, if a physician, PA, NP, CNS, or CRNA bills under multiple TINs in 2018, different Value Modifier payment adjustments could be applied to that EP depending on which TIN he/she is billing under.

It is important to note that an EP's performance does not track or carry between TINs from the performance period to the payment adjustment period. In other words, a physician, PA, NP, CNS, or CRNA who bills under TIN A in 2016 and then bills under TIN B in 2018 will have his/her 2018 Medicare PFS payments adjusted based on the Value Modifier applied to TIN B.

5. How is the 2018 Value Modifier applied to a TIN that joins or leaves a Shared Savings Program ACO during 2018?

An ACO participant TIN's 2018 Value Modifier will be calculated under the rules described in Q1 above based on the ACO's quality performance if the TIN was a Shared Savings Program ACO participant in 2016. The same Value Modifier will be applied to the TIN during 2018 regardless of whether it joins or leaves an ACO or if the ACO leaves the Shared Savings Program during 2018.

If a TIN did not participate in a Shared Savings Program in 2016, then its 2018 Value Modifier will be calculated based on the TIN's performance on quality and cost measures during the 2016 performance period, even if it subsequently joins an ACO during 2017 or 2018.

6. Is there a 2018 Value Modifier informal review process?

Yes. If your TIN is subject to the 2018 Value Modifier and you disagree with the Value Modifier calculation indicated in your TIN's 2016 Annual QRUR, then an authorized representative of your TIN can submit a request for an Informal Review through the CMS Enterprise Portal at <https://portal.cms.gov>. ACOs may not file an informal review on behalf of their ACO participant TINs. Only ACO participant TINs can file an informal review. However, a single TIN ACO may file an informal review.

More information about the 2018 Value Modifier and 2016 Annual QRUR Informal Review process, including the deadline for submitting an Informal Review request, is available at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeedbackProgram/2016-QRUR.html>.

7. Did ACO participant TINs receive 2016 Annual QRURs?

In September 2017, CMS will make the 2016 Annual QRURs available to groups and solo practitioners nationwide, including TINs that participated in a Shared Savings Program ACO in 2016. For ACO participant TINs, the Annual QRURs show their 2018 Value Modifier payment adjustment. If the ACO successfully completed reporting on quality measures via the GPRO Web Interface for the 2016 reporting period, then the Annual QRUR for the participant TIN also shows ACO-level performance information on the 30-day All-Cause Hospital Readmission measure, the CAHPS for ACOs survey, and the GPRO Web Interface measures submitted by the ACO that are used to determine the Quality Composite Score. If the ACO did not successfully complete reporting on quality measures, then the Annual QRUR for the participant TIN shows TIN-level performance information on up to three claims-based quality outcome measures (Acute and Chronic Ambulatory Care-Sensitive Condition Composite measures and the 30-day All-Cause Hospital Readmission measure) calculated by CMS and any quality data the TIN reported to the PQRS outside of the ACO.

The 2016 Annual QRURs also provide TIN-level performance information on the cost measures, which is provided for informational purposes for Shared Savings Program ACO participants.

Additional information about the 2016 Annual QRURs is available at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeedbackProgram/2016-QRUR.html>.

8. How can TINs access their QRURs?

Authorized representatives of groups and solo practitioners can access their QRURs on the CMS Enterprise Portal at <https://portal.cms.gov> using an Enterprise Identity Management System (EIDM) account with the correct role. Instructions for obtaining an EIDM account to access a QRUR are available at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeedbackProgram/Obtain-2013-QRUR.html>. For questions about setting up an EIDM account, contact the QualityNet Help Desk (refer to Q11).

9. Will ACOs have access to their participant TINs' QRURs?

The 2016 Annual QRURs are provided to ACO participant TINs. ACOs will not have access to the TINs' QRURs unless they have coordinated a process with each participant TIN and ACO Security Official. For example, if an ACO participant TIN wants to give access to its QRUR to the ACO, then the ACO Security Official must first submit a request for a Group Representative role with the participant TIN via the EIDM. Then, the participant TIN's Security Official must approve the request in order to give the ACO Security Official access to its QRUR. However, ACOs that are a single TIN entity will be able to access their TIN's QRUR if they have the correct EIDM roles.

Instructions for obtaining an EIDM account to access a QRUR, including how to coordinate access to multiple QRURs, are available at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeedbackProgram/Obtain-2013-QRUR.html>.

10. How will Medicare value-based payment programs change after 2018?

The Value Modifier ends in 2018. The Merit-based Incentive Payment System (MIPS) under the new Quality Payment Program is replacing the Value Modifier. The first performance period of the Quality Payment Program is January 1, 2017 through December 31, 2017, and the first payment adjustment year will be 2019.

The Quality Payment Program replaces the PQRS, the Value Modifier Program, and the Medicare Electronic Health Record Incentive Program, reduces quality reporting burden, and has many flexibilities that allow eligible clinicians to pick their pace for participating in the first year.

Clinicians will be able to practice as they always have, but they may receive higher Medicare payments based on their performance for participating in the Quality Payment Program. CMS is committed and diligently working with clinicians to support their successful transition into the Quality Payment Program. CMS' goal is to further reduce burdensome requirements and empower patients and clinicians to make decisions about their healthcare.

To prepare for success in the Quality Payment Program, clinicians and their practice professionals are encouraged to review their PQRS feedback report, Annual QRUR, and visit <https://qpp.cms.gov> to learn about the Quality Payment Program. For more information on how the Shared Savings Program interacts with the Quality Payment Program, please see the document entitled "Medicare Shared Savings Program and the Quality Payment Program for Performance in Year 2017 Affecting Payment in 2019," available at the following URL: https://qpp.cms.gov/docs/QPP_MSSP_and_QPP.pdf.

11. Where can I find additional resources?

Information about the 2016 QRURs and 2018 Value Modifier is available at:

<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeedbackProgram/2016-QRUR.html>.

General information about the Value Modifier is available at:

<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeedbackProgram/ValueBasedPaymentModifier.html>.

For questions about the Value Modifier and QRURs, please contact the Physician Value Help Desk: Monday – Friday: 8:00 am – 8:00 pm ET; Phone: 1-888-734-6433 (select option 3); Email: pvhelppdesk@cms.hhs.gov.

For questions about the PQRS program and obtaining an EIDM account, please contact the QualityNet Help Desk: Monday – Friday: 8:00 am – 8:00 pm ET; Phone: (866) 288-8912 (TTY 1-877-715-6222); Email: qnetssupport@hcqis.org.

For questions about the Shared Savings Program, please email:

SharedSavingsProgram@cms.hhs.gov.