



## **Action to Take for Groups with 10 or More Eligible Professionals In Order To Avoid the Automatic CY 2016 Value-Based Payment Modifier Downward Payment Adjustment**

In calendar year (CY) 2016, Medicare will apply the Value-Based Payment Modifier (Value Modifier) under section 1848(p) of the Social Security Act (the Act) to physician payments under the Medicare Physician Fee Schedule for physicians in groups with 10 or more eligible professionals (EPs). EPs consist of physicians, practitioners, physical or occupational therapists, qualified speech-language pathologists, and qualified audiologists. A group of physicians is defined by its Medicare-enrolled Taxpayer Identification Number (TIN).

CY 2014 is the performance period for the Value Modifier that will be applied in CY 2016. In order to avoid an automatic negative two percent (“-2.0%”) Value Modifier payment adjustment in CY 2016, EPs in groups of 10 or more **MUST** participate in the Physician Quality Reporting System (PQRS) and satisfy reporting requirements as a group or as individuals in CY 2014. We note that quality-tiering is mandatory for groups subject to the Value Modifier in CY 2016. Additional information about quality-tiering is provided below.

Medicare will NOT apply the CY 2016 Value Modifier to a group of physicians if one or more physicians in the group participates in the Medicare Shared Savings Program, the Pioneer ACO Model, or the Comprehensive Primary Care Initiative in CY 2014.

The deadline for groups to register to participate in the PQRS Group Practice Reporting Option (GPRO) as a group in CY 2014 has passed. Therefore, in order to avoid the automatic “-2.0%” Value Modifier payment adjustment in CY 2016, groups with 10 or more EPs that **did not** register to participate in the PQRS GPRO in CY 2014, must ensure that at least 50% of the EPs in the group participate in the PQRS as individuals in CY 2014 and meet the satisfactory reporting criteria as individuals via a qualified PQRS registry, or EHR (or in lieu of satisfactory reporting, satisfactorily participate in a Qualified clinical data registry) to avoid the CY 2016 PQRS payment adjustment. Below we provide information on how EPs in a group can participate in the PQRS as individuals in order to avoid the CY 2016 PQRS payment adjustment and the CY 2016 Value Modifier payment adjustment.

### **Participate in the PQRS as Individuals**

Groups with 10 or more EPs can avoid the automatic “-2.0%” Value Modifier payment adjustment in CY 2016, if the EPs in the group participate in the PQRS as individuals in CY 2014 and at least 50% of the EPs in the group meet the satisfactory reporting criteria as individuals (or in lieu of satisfactory reporting, satisfactorily participate in a Qualified Clinical Data Registry) to avoid the “-2.0%” CY 2016 PQRS payment adjustment. Individual EPs still have time to participate in 2014 PQRS through one of the following mechanisms:

PQRS Reporting Mechanism	Submission Dates*
CEHRT EHR Direct Product	1/1/2015 – 2/28/2015**
CEHRT EHR DSV	1/1/2015 – 2/28/2015**
QCDR (EHR Incentive Program)	1/1/2015 – 2/28/2015**
QCDR (PQRS Only)	1/1/2015 – 3/31/2015
Qualified Registry	1/1/2015 – 3/31/2015

- *\*Submission ends at 8:00 PM ET on the submission end date listed above. Submissions will not be accepted after this time.*
- *\*\*Quality Data Reporting Architecture (QRDA) I and III files will not be accepted after February 28, 2015. Any submissions that occur after February 28, 2015, will not be processed for the EHR Incentive Program.*

Please note that these are the only PQRS individual reporting mechanisms available for reporting at this time.

No registration is necessary for a group if the EPs in the group participate in the PQRS as individuals. However, each group must ensure that at least 50% of the EPs in the group meet the criteria to avoid the “-2.0%” CY 2016 PQRS payment adjustment in order for the group to avoid the automatic “-2.0%” Value Modifier payment adjustment in CY 2016. Please note that under this option, only the EPs in the group that satisfactorily report (or satisfactorily participate in a Qualified Clinical Data Registry) under the PQRS as individuals in CY 2014 will avoid the CY 2016 PQRS payment adjustment, while the remaining EPs will be subject to the PQRS payment adjustment.

The 2014 PQRS measures submission process for the individual reporting options mentioned above starts on January 1, 2015. More information about participation in the 2014 PQRS is located at: <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/index.html?redirect=/PQRS/>. More information about the CY 2016 PQRS payment adjustment is located at: <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-AssessmentInstruments/PQRS/Payment-Adjustment-Information.html>.

Please note that group practices and EPs participating in the PQRS through another CMS program (such as the Medicare Shared Savings Program, the Pioneer ACO Model, or the Comprehensive Primary Care Initiative) should check the program’s requirements for information on how to take part in the PQRS.

### **A Group’s Performance on Quality and Cost Measures in CY 2014 Can Make A Difference In Its CY 2016 Payments**

Quality-tiering is the methodology that is used to evaluate a group’s performance on cost and quality measures for the Value Modifier. For the CY 2016 Value Modifier, quality-tiering is mandatory for groups with 10 or more EPs based on group size in CY 2014.

Groups with 10 or more EPs that avoid the automatic “-2.0%” Value Modifier payment adjustment in CY 2016 by satisfactorily reporting under the PQRS as a group or having at least 50% of the EPs in the group satisfactorily report as individuals in CY 2014 in order to avoid the 2016 PQRS payment adjustment will be subject to quality-tiering. This means that: (1) groups of 100 or more EPs could receive an upward adjustment of 2 times the VM adjustment factor, neutral (meaning no adjustment), or downward Value Modifier adjustment to their Medicare PFS physician payments for CY 2016 based on their performance on quality and cost measures in CY 2014; and (2) groups with between 10 and 99 EPs could receive an upward adjustment of 2 times the VM adjustment factor or a neutral adjustment (meaning no adjustment) in CY 2016 and are held harmless from any downward adjustment derived under the quality-tiering methodology. The maximum downward adjustment for groups of 100 or more EPs is “-2.0%” (if classified as low quality/high cost). Groups with 10 or more EPs that are eligible for an upward payment adjustment may also qualify to receive an additional upward adjustment of one times the VM adjustment factor, if the group’s average beneficiary risk score is in the top 25 percent of all beneficiary risk scores.

### **Additional Resources**

More information about the Value Modifier program is available at:

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

More information about the PQRS program is available at:

<http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/index.html>

For questions about participating in the 2014 PQRS as an individual, please contact the QualityNet Help Desk at 1-866-288-8912 or via email at [qnetsupport@hcqis.org](mailto:qnetsupport@hcqis.org).

For questions about the Value Modifier, please contact the Physician Value Help Desk at 1-888-734-6433 (select option 3).