2017 Physician Quality Reporting System (PQRS):

Payment Adjustment Fact Sheet

September 2016

Background

PQRS is a quality reporting program that uses negative payment adjustments to promote reporting of quality information by individual eligible professionals (EPs), EPs providing services at a Critical Access Hospital (CAH) billing under method II, and PQRS group practices participating in the group practice reporting option (GPRO). Those who do not report data on quality measures for covered Medicare Physician Fee Schedule (PFS) services furnished to Medicare Part B beneficiaries (including Railroad Retirement Board, Medicare Secondary Payer, and Critical Access Hospitals [CAH] method II) or participate in a qualified clinical data registry (QCDR) will be subject to a negative payment adjustment under PQRS.

Frequently Asked Questions

What are quality measures?

Quality measures are indicators of the quality of care provided by physicians and other health care providers. They are tools that help us measure or quantify health care processes, outcomes, patient perceptions, and organizational structure and/or systems that are associated with the ability to provide high-quality health care and/or that relate to one or more quality goals for health care. These goals include: effective, safe, efficient, patient-centered, equitable, and timely care.

Quality measures consist of a numerator and a denominator that permit the calculation of the percentage of a defined patient population that receive a particular process of care or achieve a particular outcome.

The PQRS measures address various aspects of care, such as prevention, chronic- and acute-care management, care processes and procedures, resource utilization, and care coordination. Measure #1 (NQF 0059): Diabetes: Hemoglobin A1c Poor Control is an example of one PQRS quality measure. Individual EPs, EPs providing services at a Critical Access Hospital (CAH) billing under method II, and PQRS group practices are not required to report on all of the measures and must select which measures they would like to report. The PQRS portfolio of measures includes nearly 300 measures from which individual EPs and group practices can choose, with the exception of the GPRO Web Interface mechanism, which has its own set of

measures that are required to be reported. Individual EPs and PQRS group practices choose measures that are most relevant for their specialty and scope of practice.

It is important to review and understand each measure's specification for the applicable reporting mechanism, as it contains definitions and specific instructions for reporting the measure. More information may be found on the PQRS Measures Codes webpage.

What data are eligible professionals required to report?

Measures are classified according to the 6 National Quality Strategy (NQS) domains based on the NQS priorities. The NQS domains include: Communication and Care Coordination, Community/Population Health, Effective Clinical Care, Efficiency and Cost Reduction, Patient Safety, and Person and Caregiver-Centered Experience and Outcomes. For reporting in 2016, PQRS reporting mechanisms typically require an individual EP or PQRS group practice to report 9 or more measures covering at least 3 NQS domains. Individual EPs and PQRS group practices with billable face-to-face encounters must also report at least one cross-cutting measure (which reflects population health, such as blood pressure screening or influenza vaccination) in order to avoid the 2018 PQRS negative payment adjustment.

There is still time to report under PQRS for 2016 to avoid the 2018 PQRS negative payment adjustment, satisfy the clinical quality measure (CQM) component of the Medicare EHR Incentive Program, and avoid the automatic downward payment adjustment and qualify for adjustments based on performance under the Value-Based Payment Modifier (Value Modifier) in 2018. PQRS offers several reporting mechanisms for reporting measures to avoid the 2018 negative payment adjustment. Please see the "2016 PQRS Implementation Guide" on the PQRS How to Get Started webpage for Decision Trees designed to help participants select among the multiple reporting mechanisms available in PQRS. Individual EPs and PQRS group practices should consider which reporting mechanism best fits their practice and should choose measures within the same mechanism of reporting.

For the 2015 reporting period, the majority of eligible clinicians successfully reported to PQRS and avoided the negative payment adjustment. CMS expects that successful trend to continue, under the new Quality Payment Program. The new Quality Payment Program will replace PQRS and the Value Modifier program, as well as the separate payment adjustments under the Medicare EHR Incentive Program, with a streamlined program that has reduced quality reporting requirements and a flexible design that allows eligible clinicians to pick their pace of participation in the first year. To learn more about the new Quality Payment Program, please visit go.cms.gov/QPP. The best way to prepare for success in the upcoming Quality Payment Program is to review your PQRS feedback report and to consider your options for joining a Qualified Clinical Data Registry.

How does quality measurement help improve care of patients?

Quality measurement is a tool to help clinicians improve quality of care provided to patients by comparing data to peers and documenting trends, tracking the quality of services provided, and reducing health care costs.

2017 PQRS Negative Payment Adjustment

What is the 2017 PQRS negative payment adjustment?

Individual EPs and PQRS group practices who did not report data on quality measures for covered professional services or participate in a QCDR during the 2015 program year will be subject to a negative payment adjustment under PQRS in 2017. The PQRS negative payment adjustment applies to Part B covered professional services under the Medicare PFS provided by individual EPs or PQRS group practices. In 2017, individual EPs and PQRS group practices receiving a payment adjustment will be paid 2.0% less than the Medicare PFS amount for that service. The 2017 payment adjustment is based on 2015 PQRS reporting. Please note that this adjustment is separate from any additional adjustment that may be applied to EPs who are physicians under the Value Modifier program and the Medicare EHR Incentive Program in 2017.

Please note that if you are a physician, then you may be subject to an additional automatic downward Value Modifier payment adjustment for services furnished in 2017 because you did not meet the criteria to avoid the 2017 PQRS payment adjustment.

Where can the individual EP or PQRS group practice find information stating whether it met at least one of the 2015 PQRS criteria for avoiding the 2017 PQRS payment adjustment?

The 2015 PQRS feedback reports will be available September 26, 2016 for EPs who submitted quality data for the 2015 calendar year. These reports will also include their 2017 payment adjustment status.

Feedback reports will be available for every individual EP or PQRS group practice. Reports are based on the Taxpayer Identification Number (TIN) under which at least one individual EP (identified by his or her National Provider Identifier, or NPI) submitted Medicare PFS claims that:

- Reported at least one valid PQRS measure a minimum of once during the 2015 reporting period, OR
- Was eligible for PQRS, but did not submit PQRS quality data.

Note: PQRS participants will not receive claim-level details in the feedback reports.

For information on 2015 feedback reports and how to request them, individual EPs and PQRS group practices should visit the PQRS Analysis and Payment webpage and access the “2015 PQRS Feedback Report User Guide”. Feedback reports for program year 2016 will be available in late 2017.

Group practices that participated in the 2015 PQRS group practice reporting option (GPRO) using the Web Interface reporting mechanism can access performance information through the 2015 Annual Quality and Resource Use Reports (QRURs) in September 2016. The 2015 Annual QRUR will also provide information about your TIN’s 2017 Value Modifier payment adjustment.

How can the eligible providers access the 2015 annual QRUR and PQRS feedback reports?

The 2015 Annual QRURs and 2015 PQRS feedback reports can be accessed on the CMS Enterprise Portal at https://portal.cms.gov using an Enterprise Identity Management (EIDM)

account with the correct role. To request an EIDM account in order to access the CMS Enterprise portal, visit our Quick Reference and User Guides. See the How to Obtain a QRUR webpage for instructions on how to set up an EIDM account and access your TIN's QRUR. Information about the QRURs is available on the 2015 QRUR website.

Please note: EPs that did not meet the satisfactory reporting or satisfactory participation criteria, are subject to the 2017 PQRS payment adjustment and may also be subject to the automatic downward Value Modifier payment adjustment for services furnished in 2017.

How could I have avoided the 2017 PQRS negative payment adjustment?

Individual EPs and PQRS group practices had 2 options for avoiding the 2017 PQRS negative payment adjustment. These options are described at 42 C.F.R. 414.90 and generally consist of the following:

1. Report PQRS measure data (report 9 measures across 3 NQS domains for 50% of Medicare patients, or complete GPRO Web Interface (for certain group practices), or report at least 1 registry measures group for 20 patients, at least 11 of whom must be Medicare Part B FFS patients).
2. Participate in a QCDR.

What can I do if I feel I received a payment adjustment in error?

If you believe you received a PQRS payment adjustment in error, you can request an informal review within 60 days of the release of the feedback reports. CMS will investigate your informal review request and issue a decision within 90 days of receipt. To request an informal review, visit the Physician and Other Health Care Professionals Quality Reporting Portal log-in page at https://www.qualitynet.org/portal/server.pt/community/pqri_home/212, then select "Communication Support Page" under "Related Links" in the upper left navigation pane. In the drop-down menu, select "Informal Review Request" and choose the appropriate option. More information about how to submit an informal review request and the deadline for submitting an informal review request is available on the PQRS Analysis and Payment webpage.

If you or your practice is subject to the 2017 Value Modifier and you disagree with the Value Modifier calculation as indicated in your 2015 Annual QRUR, then an authorized representative of your practice can submit a request for an informal review (IR) through the Physician and Other Health Care Professionals Quality Reporting Portal log-in page at https://www.qualitynet.org/portal/server.pt/community/pqri_home/212, then select "Communication Support Page" under "Related Links" in the upper left navigation pane. In the drop-down menu, select "Informal Review Request" and choose the appropriate option. More information about how to submit an informal review request and the deadline for submitting an informal review request is available on the 2015 QRUR and 2017 Value Modifier website.

The Future of PQRS

What is CMS's vision for physician quality reporting?

There are five statements which define the CMS Physician Quality Reporting Programs Strategic Vision (the "Strategic Vision") for the future of such programs:

- CMS quality reporting programs are guided by input from patients, caregivers, and health care professionals.
- Feedback and data drive rapid cycle quality improvement.
- Public reporting provides meaningful, transparent, and actionable information.
- Quality reporting programs rely on an aligned measure portfolio.
- Quality reporting and value-based purchasing program policies are aligned.

CMS relies heavily on quality measurement and public reporting to facilitate the delivery of high-quality care. Our Strategic Vision articulates how we will build upon successful physician quality reporting programs to reach a future-state where quality measurement and public reporting are optimized to help achieve the CMS Quality Strategy's goals and objectives, and, therefore, contribute to improved health care quality across the nation, including better care, smarter spending, and healthier people.

The Strategic Vision evolved out of CMS's desire to plan for the future in how PQRS, Value Modifier, and other physician quality reporting programs are administered. The new Quality Payment Program (QPP) will streamline and improve the current programs into one new Merit-based Incentive Payment System (MIPS). As discussed in the current proposed rule, MIPS will allow Medicare clinicians to be paid for providing high quality, efficient care through success in four performance categories: resource use, quality, clinical practice improvement activities, and advancing care information. Under the new law, clinicians who participate to a sufficient extent in Advanced Alternative Payment Models would be excluded from MIPS and may receive a 5 percent Medicare Part B incentive payment.

Additional Information

- 2015 Medicare PFS Final Rule
  https://s3.amazonaws.com/public-inspection.federalregister.gov/2014-26183.pdf
- CMS PQRS Website
  https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/index.html
- PFS Federal Regulation Notices
  https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Federal-Regulation-Notices.html
- Federal Register
  https://www.federalregister.gov/public-inspection
- Medicare and Medicaid EHR Incentive Programs
  https://www.cms.gov/Regulations-and-Guidance/Legislation/EHRIncentivePrograms
- Medicare Shared Savings Program
  https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/index.html
- CMS Value-Based Payment Modifier Website
  https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeedbackProgram/ValueBasedPaymentModifier.html
- Physician Compare
  https://www.medicare.gov/physiciancompare/search.html
- Frequently Asked Questions (FAQs)
  https://questions.cms.gov/
- MLN Connects™ Provider eNews
  https://www.cms.gov/Outreach-and-Education/Outreach/FFSProvPartProg/Index.html
- PQRS Listserv
  https://public-dc2.govdelivery.com/accounts/USCMS/subscriber/new?topic_id=USCMS_520

Questions?

Please contact the **QualityNet Help Desk** at **1-866-288-8912** (TTY 1-877-715-6222), available 7 a.m. to 7 p.m. Central Time Monday through Friday, or via e-mail at qnetsupport@hcqis.org. To avoid security violations, **do not** include personal identifying information, such as Social Security Number or TIN, in email inquiries to the QualityNet Help Desk.