



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 and satisfy the Physician Quality Reporting System (PQRS) requirements as a group or as individuals in CY 2014, as described below. 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 have at least 50% of the EPs in the group participate in the PQRS as individuals in CY 2014 and meet the criteria 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 the following mechanisms:

Qualified Registry
Qualified Clinical Data Registry (QCDR),
Certified EHR Technology (CEHRT) EHR Direct,
EHR Data Submission Vendor that is CEHRT

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) 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. CMS encourages EPs in a group to decide which PQRS available individual reporting mechanism they plan to use for the 2014 program year by **December 31, 2014**. 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-Assessment-Instruments/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 meeting the criteria to avoid the CY 2016 PQRS payment adjustment as a group or as individuals in CY 2014 will be subject to quality-tiering. This means that: (1) groups of 100 or more EPs could receive an upward, neutral (meaning no adjustment), or downward Value Modifier adjustment to 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 or neutral adjustment for 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 may qualify for an upward adjustment of up to +2.0 times a specified adjustment factor that will be determined after the end of CY 2014.

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, the IACS sign up process, or participating in the 2014 PQRS as a group or individual, please contact the QualityNet Help Desk at 1-866-288-8912 or via email at qnetsupport@hcqis.org. For questions about the Value Modifier please contact the Physician Value (PV) Help Desk at 1-888-734-6433 (select option 3)