The 2018 Medicare Quality Payment Program Impact on Pathologists

Donald Karcher, MD, FCAP
W. Stephen Black-Schaffer, MD, FCAP
Diana M. Cardona, MD, FCAP
John Scott, VP CAP Policy and Advocacy

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Welcome

Donald Karcher, MD, FCAP
• Chair, CAP Council on Government and Professional Affairs
Welcome

W. Stephen Black-Schaffer, MD, FCAP

• Chair, CAP Economic Affairs Committee
Welcome

Diana M. Cardona, MD, FCAP

• Chair, Economic Affairs Committee’s Measures and Performance Assessment Subcommittee

• CAP Alternative Representative to the PCPI
Agenda

• CAP’s Policy and Advocacy Agenda
• Medicare Access and CHIP Reauthorization Act (MACRA) Background
• Final Changes to Alternative Payment Models (APMs)
• Final Changes to Merit-Based Incentive Payment System (MIPS)
• Questions
CAP’s Policy and Advocacy Agenda

- Protect the value of pathology services
- Ensure pathologists can adapt to new payment models
- Sustain a favorable laboratory regulatory environment

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CAP’s MACRA Advocacy for Pathologists

• Make available ways for pathologists to effectively participate in CMS’ Quality Payment Program (QPP), including MIPS and APMs

• Reduce burden of data collection and reporting

• Reduce the complexity of the regulation

• Classify pathologists as non-patient facing
MACRA/Quality Payment Program
Background
Quality Payment Program Pathways

Two pathways/tracks are offered under the QPP:

- QPP
- MIPS
- APMs
Alternative Payment Models (APMs)
Alternative Payment Models (APMs)

• Payment approach with incentives for clinicians to provide high-quality and cost-efficient care
• APMs can apply to a specific clinical condition, care episode or population
APM Pathway

- Defined APM entity + individual criteria
  - Advanced APM entity criteria
  - Qualifying Participant (QP) Thresholds

- Physician-Focused Payment Models (PFPMs)
  - Defined in MACRA regulation
  - Includes specialist physician models

• MIPS APMs-scoring standard applies
## Advanced APMs

- Qualifying participants excluded from MIPS payment adjustments & receive annual 5% bonus in 2019–2024
- Starting in 2026 a higher fee schedule update of 0.75%
- Thresholds based on percentage of payments or fraction of patients, determined at APM Entity level

<table>
<thead>
<tr>
<th>Year</th>
<th>Medicare Only Option</th>
<th>All Payer Option</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of Payments in APM</td>
<td>% of Payments in APM</td>
</tr>
<tr>
<td>2019–2020</td>
<td>25%</td>
<td>NA</td>
</tr>
<tr>
<td>2021–2022</td>
<td>50%</td>
<td>25% Medicare/50% all other payers</td>
</tr>
<tr>
<td>2023–2024</td>
<td>75%</td>
<td>25% Medicare/50% all other payers</td>
</tr>
<tr>
<td>2025 and on</td>
<td>75%</td>
<td>25% Medicare/50% all other payers</td>
</tr>
</tbody>
</table>

Example above is % of payments; fraction of patients method based on #s of attributed beneficiaries also exists
Advanced APM Updates

• CMS projects the 5% Advanced APM Part B incentive payments for Qualified Participants will be between $590 million and $800 million for the 2020 payment year

• More eligible clinicians are expected to become Qualifying Participants
AAPMs/PFPMs—Final Rule

• AAPMs (Advanced Alternative Payment Models)
  o Approximately 180,000–245,000 may become QPs in 2020 (based on the 2018 performance year)
  o More AAPMs will be available in 2018

• PFPMs (Physician-Focused Payment Models): no change for 2018 but CMS sought input on:
  o Current criteria and stakeholder needs in developing models

• Incentivize those who participate in APMs outside of Medicare, starting in 2019
Check Your APM Eligibility Status at https://data.cms.gov/qplookup

NPI: [REDACTED]

You are a Qualifying APM Participant (QP).

Based on claims data, we have calculated your status to be a QP based on your Advanced APM participation in 2017. That means you will receive a 5% APM incentive payment in 2019 and be excluded from MIPS. To understand how we calculated your status, please visit qpp.cms.gov.
Merit-Based Incentive Payment System (MIPS)
How Much Can MIPS Adjust Payments?

Based on a MIPS Final Score, clinicians will receive +/- or neutral adjustments up to the percentages below.

The potential maximum adjustment % will increase each year from 2019 to 2022.
Does MIPS Reporting Apply to You?

**NO, you are excluded if:**

- First-year Medicare provider
- In a qualifying/partially qualifying Alternative Payment Model (APM)
- In a rural and Health Professional Shortage Area (HPSAs)
- Who do not exceed the low-volume threshold measurement
- *The CMS also noted hardship exemptions for clinicians in areas affected by Hurricanes Harvey, Irma, and Maria for both 2017 and 2018 performance periods of MIPS.*
Does MIPS Reporting Apply to You?

YES, you are an eligible clinician if:

- All pathologists participating in Medicare for more than one year
- Pathologists at independent laboratories who bill under their own NPI are considered eligible for MIPS
Almost All Pathologists Will be in the MIPS track and Classified as Non-Patient-Facing Physicians in 2018

<table>
<thead>
<tr>
<th>Patient-Facing ECs</th>
<th>Non-Patient-Facing ECs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill &gt; 100 patient-facing encounters in a calendar year</td>
<td>Bill ≤ 100 patient-facing encounters in a calendar year</td>
</tr>
<tr>
<td>Report on all four MIPS performance categories</td>
<td>Report on two MIPS performance categories (Quality and Improvement Activities)</td>
</tr>
<tr>
<td>Report on four improvement activities (IA)</td>
<td>CMS will notify eligible clinicians at the beginning of the year; report two IA or one high IA</td>
</tr>
</tbody>
</table>
Non-Patient-Facing EC in Groups

• The entire group practice can also meet the non-patient-facing definition when:
  
  o ≥ 75% of the group’s national provider identifiers (NPIs) billing under the group’s tax identification number (TIN) meet the definition of a non-patient facing individual MIPS eligible clinician

• Benefits of group reporting: The group will only need to attest to two improvement activities rather than two per eligible clinician
New Concept in the 2018 Final Rule: Virtual Groups

• Group of 10 or fewer clinicians can come together “virtually” to participate in MIPS for a performance period of a year

• A virtual group would need to meet the same definition as a non-patient-facing group (≥ 75%)

• Clinicians must make their election to CMS by December 31, 2017 for the 2018 year
What Else is New in 2018?

- **Small Practice Bonus**
  - Small practices are defined as ≤ 15 ECs
  - CMS will add 5 points to the final score

- **Topped Out Measure Timeline and Scoring**
  - CMS will identify and remove topped out measures on a 4 year timeline
  - Measures that are identified as topped out for 2 consecutive years will have a capped score of 7 points
  - None of the pathology measures have been identified as topped out for 2018
Check Your MIPS Eligibility Status at https://qpp.cms.gov/participation-lookup
# MIPS Performance Categories

<table>
<thead>
<tr>
<th>Quality</th>
<th>Improvement Activities</th>
<th>Advancing Care Information</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Replaces PQRS.</td>
<td>New Category.</td>
<td>Replaces the Medicare EHR Incentive Program also known as Meaningful Use.</td>
<td>Replaces the Value-Based Modifier.</td>
</tr>
</tbody>
</table>
Quality Measures Are Proportionally Most Important for our Members’ Success in MIPS

<table>
<thead>
<tr>
<th>MIPS Performance Categories</th>
<th>Non-Patient Facing</th>
<th>Patient Facing</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>85%</td>
<td>50%</td>
<td>Replaces PQRS; report up to six quality measures</td>
</tr>
<tr>
<td>Improvement Activities</td>
<td>15%</td>
<td>15%</td>
<td>Attest that you completed two medium or one high weighted activity</td>
</tr>
<tr>
<td>Advancing Care Information</td>
<td>0%</td>
<td>25%</td>
<td>Replaces the Medicare EHR Incentive Program also known as Meaningful Use; to date laboratory information systems (LIS) have not been classified as Certified Electronic Health Record Technology (CEHRT).</td>
</tr>
<tr>
<td>Cost</td>
<td>0%</td>
<td>10%</td>
<td>Replaces the Value-Based Modifier; not a factor for 2017, will start to count in 2018</td>
</tr>
</tbody>
</table>
MIPS Performance Categories and Scores For Non Patient Facing Clinicians

• Eligible clinicians will receive a single MIPS composite performance score (CPS)

• The score is based on the two weighted performance categories in 2018
# MIPS in 2017 vs. 2018

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Payment Adjustment</strong></td>
<td>+/- 4%</td>
<td>+/- 5%</td>
</tr>
<tr>
<td><strong>Low-Volume Threshold</strong></td>
<td>≤ 100 Medicare pts seen in a year OR ≤ $30K in billing</td>
<td>≤ 200 Medicare pts seen in a year OR ≤ $90K in billing</td>
</tr>
<tr>
<td><strong>Performance Threshold (PT)</strong></td>
<td>3 points</td>
<td>15 points</td>
</tr>
</tbody>
</table>
| **Quality Category**           | • Report minimal amount of data to avoid penalty  
• 50% data completeness criteria  
• 3 point floor if data completeness criteria is not met | • Report on 6 measures over a 1 year period to avoid penalty  
• 60% data completeness criteria  
• 1 point floor if data completeness criteria is not met |
| **Cost Category**              | 0% of final score           | 10% of final score for patient-facing ECs; 0% for non-patient facing ECs |
Ensuring Members Have a Plan In Order To Avoid the Penalty and Seek a Bonus

<table>
<thead>
<tr>
<th>QUALITY MEASURES</th>
<th>IMPROVEMENT ACTIVITIES (IA)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Most common ways for pathologists:</strong></td>
<td><strong>Your billing company does not likely report Improvement Activities for you</strong></td>
</tr>
<tr>
<td>Report through your billing company via claims data</td>
<td>Some billing companies contract with a qualified registry to offer this additional reporting.</td>
</tr>
<tr>
<td>Individually</td>
<td>You can attest through a QCDR/registry reporting solution like CAP’s</td>
</tr>
<tr>
<td>As part of a group</td>
<td>CMS indicates it will have a portal available for attesting to IA’s in January 2018.</td>
</tr>
<tr>
<td>Through a QR or QCDR registry reporting solution like CAP’s (additional measures available in a QCDR)</td>
<td></td>
</tr>
<tr>
<td>Through a group or ACO that reports for you</td>
<td></td>
</tr>
</tbody>
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Quality Category Scoring

• Report up to 6 applicable measures
• Each measure is worth up to 10 points
• Each measure has a base score
  – 1 point if you don’t meet the 60% data completeness criteria
  – 3 points if you don’t meet the 20 case minimum
  – Additional points earned via reporting over a 1 year period and how you compare to benchmarks
• Bonus points for reporting high priority measures and via Pathologists Quality Registry (see high priority measures on the list)
# CAP-Developed Quality Measures

## CAP Measures in the Quality Performance Category

<table>
<thead>
<tr>
<th>CAP Measures</th>
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<tbody>
<tr>
<td>Breast Cancer Resection Pathology Reporting</td>
</tr>
<tr>
<td>Colorectal Cancer Resection Pathology Reporting</td>
</tr>
<tr>
<td>Barrett Esophagus Pathology Reporting</td>
</tr>
<tr>
<td>Radical Prostatectomy Pathology Reporting</td>
</tr>
<tr>
<td>Evaluation of HER2 for Breast Cancer Patients</td>
</tr>
<tr>
<td>Lung Cancer Reporting (biopsy/cytology specimens)</td>
</tr>
<tr>
<td>Lung Cancer Reporting (resection specimens)</td>
</tr>
<tr>
<td>Melanoma Reporting</td>
</tr>
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</table>

## Non-MIPS Measures

<table>
<thead>
<tr>
<th>Non-MIPS Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnaround time (TAT) for standard biopsies</td>
</tr>
<tr>
<td>Cancer Checklist Elements for Endometrium Completed</td>
</tr>
<tr>
<td>Cancer Checklist Elements for Kidney Resection Completed</td>
</tr>
<tr>
<td>Cancer Checklist Elements for Intrahepatic Bile Duct Completed</td>
</tr>
<tr>
<td>Cancer Checklist Elements for Liver Resection Completed</td>
</tr>
<tr>
<td>Cancer Checklist Elements for Pancreas Resection Completed</td>
</tr>
</tbody>
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With CMS approval of the Pathologists Quality Registry as a QCDR, the CAP secured **the inclusion of 6 additional pathology-specific quality measures** for 2017 reporting.

CAP-developed PQRS quality reporting measures are included in the MIPS program. **“High Quality” Priority**
Helping Members Be Successful In the Improvement Activities Category of MIPS

100+ CMS-defined Improvement Activities

17 Pathology-specific activities

EAC/ Performance Measures Committee makes it easier for pathologists to make sense of this category for 15% of their score
Advancing Care Information Performance Category

- Scoring is based on key measures of health IT interoperability and information exchange
  - LIS currently does not fit
- Non-patient-facing ECs will not be scored in this category due to a lack of applicable measures
  - CMS will reweight the category to 0
Cost Category

Equivalent to the cost calculation of the Value-Based Modifier (VBM) program

• CMS calculation is based on claims, so no reporting requirements for clinicians

• Patients are attributed to ECs based on primary care services

• Cost will be 10% of the total MIPS score in 2018 for patient-facing ECs but will continue to be weighted at 0% for non patient-facing ECs
Pathologists Quality Registry

It Pays to Deliver Quality Care

Enrollment is Now Open for the 2018 Reporting Period
Pathologists Quality Registry

Advantages over claims-based reporting

• Designed by pathologists for pathologists

• Flexibility in choosing measures

• Measures and improvement activities with clinical practice relevance

• Supports reporting for all MIPS categories necessary to pathology
Pathologists Quality Registry: MIPS Dashboard

Enhance practice success and levels of patient care via registry dashboards and quarterly benchmarking reports providing feedback on individual and/or pathology practice performance

*Individual Dashboard restricted to provider and practice administrator
Before we take questions …
Communications on QPP

- FAQs
- Infographic
- MACRA Readiness Checklist
- Video
Stay Informed Through the CAP

• Follow CAP on social media
  o Twitter @Pathologists
  o Facebook.com/capathologists

• Visit CAP.org > advocacy

• Read STATLINE

• Join PathNET, the CAP’s grassroots advocacy network
Save The Date

2018 CAP Policy Meeting
April 30–May 2
Washington Marriott, Washington, DC
Questions?