QPP reports show MIPS fading as groups pivot to APM models

by: Roy Edroso

Effective May 30, 2024
Published Jun 3, 2024
Last Reviewed May 30, 2024

The latest CMS reports on the Quality Payment Program (QPP) suggest that participation in the Merit-based Incentive Payment System (MIPS), while still favored by most participants, is declining as participation in the Advanced Alternative Payment Model (Advanced APM) path grows.

In May CMS issued two annual QPP reports covering data year 2022: The Experience Report and the Participation and Performance Report.

The reports show that, between 2021 and 2022, the total number of eligible clinicians (EC) receiving a MIPS payment adjustment fell from 698,883 to 624,209 — a 10.7% drop — while the Advanced APM numbers grew from 333,658 partial or fully qualifying participants (QP) to 420,591, a 26% lift.

The Experience Report shows that of all MIPS eligible clinicians in 2022, 37,038 were "non-reporting" — that is, they didn't turn in numbers and, presumably, got the full negative payment adjustment of 9%. That's a drop from 41,646 non-reporting clinicians in 2021 but, because of the larger overall provider pool, it constitutes about the same percentage of non-reporting ECs as in 2021: Roughly 6%.

CMS says most of the non-reporting ECs were solo practitioners, and small practices with two to 15 clinicians had the highest decrease in participation, arriving at a 20% non-reporting rate. That rate declines as the organization gets bigger: EC groups with between 16-99 clinicians have a 7.7% rate and those over 100 have a 1.2% rate.

Ashley Ridlon, vice president of health policy at Evolent Health, thinks the small non-reporters may just be looking at their bottom line.

"Small practices [that are] not exempt from MIPS requirements may be doing a cost-benefit analysis looking at the burden of reporting — do I have to have a full-time employee on staff to report these quality measures and what's the cost benefit of taking the penalty rather than paying for an FTE?" she says.

In the Advanced APM program, the full QPs' ranks grew — from 273,819 clinicians to 386,263 clinicians — while the partial QPs' fell, from 835 to 370. Partial QPs are those that get between 40% and 50% of Medicare Part B payments, or see between 25% and 35% of Medicare patients, through an Advanced APM Entity; those that exceed those numbers achieve full QP status.

The MIPS payment adjustment trend was negative. The overall percentage of non-negative scoring MIPS reporters (those who got exceptional, positive but not exceptional, and neutral scores) went from 96.7% to 86.4%, and those getting negative adjustments went from 3.3% to 13.6%.

It's fair to assume part of the reason for this was the big upward change in the rates in 2022 needed to earn bonuses in the exceptional (85% to 89%), positive (60.1% to 75.1%) and neutral (60% to 75%) categories. Also, the Cost category was calculated for the first time since the 2019 performance year after a pandemic delay, and set to 30% of score (*PBN 11/15/21*).

Scoring averages for Advanced APMs were not reported. In 2022 Advanced APMs that met program standards received a 5% bonus payment; currently, the program is transitioning from a lower bonus rate to a conversion-factor-based payment (*PBN 11/13/23*).

Hard years for MIPS

It appears that Advanced APMs are growing at the expense of MIPS. Ridlon thinks part of the reason may be the pandemic, which may have pushed more organizations into APMs generally.

"The pandemic really showed providers that a health care payment model based on driving volume isn't sustainable," Ridlon says. "When volumes went way down during the pandemic, the providers in more population-based, total-cost-of-care models were able to weather the storm a bit better [than those in FFS models]."

This transition also dovetails with a general emphasis in health care policy toward accountable care organizations (ACO). CMS is on the record with a goal of "having 100% of traditional Medicare beneficiaries and the vast majority of Medicaid

beneficiaries in accountable care relationships by 2030."

"We have had for a decade now — across multiple administrations, so it's very bipartisan — national goals for driving providers into models with accountability for quality and total cost of care," Ridlon says.

At the same time, "the MIPS program in general has been criticized as burdensome for providers [as a reporting method]," while APMs "don't have to report through those more burdensome mechanisms — [though] in recent years, we've seen some efforts to align advanced APM quality reporting with MIPS quality reporting, which seems like a step in the wrong direction."

Now, a significant number of eligible clinicians in APMs — 150,448 — reported MIPS as part of a MIPS APM Entity rather than as QPs in Advanced APMs in 2022. And CMS reports they did well, achieving a mean final score of 93.81, well above the mean score for individual reporters (55.65) and group reporters (82).

But Dave Halpert, chief of client team at Roji Health Intelligence LLC in Chicago, warns that these ECs may be heading for a rougher road. Their current favorable numbers, he says, "reflect an method of quality reporting that is being phased out" — the easy and popular Web Interface method, which has been withdrawn despite the protests of MIPS APM participants, who will be forced to switch to the more difficult APM Performance Pathway (APP) method in 2025 (*PBN 11/13/23*).

"Since 99.88% of MIPS APM Entity payment adjustments went to [Shared Savings] ACOs, the high scores achieved by APMs in this report reflect a time where only limited technical expertise was required, and certainly nothing so complex as comprehensive data aggregation from disparate sources," Halpert says. "Expect a sharp drop for those without a plan for creating a patient-centric database that can be used for measuring, improving and reporting performance."

Is this the beginning of the end for MIPS? Halpert doesn't think so.

"I believe that it's becoming more serious," Halpert says. "Standards are intensifying and, combined with the end of the PHE-related exemptions, the program will begin to do what it was always intended to do: put providers at financial risk. MIPS was never intended to be a safety net, and now, with the pandemic behind us, we are at the point where consumers will be able to see which providers have demonstrably provided quality care and reduced costs, and which ones have not."

Resource

- CMS, QPP Data Resources for Performance Year 2022 (downloads): *https://qpp.cms.gov/resources/performance-data*

BACK TO TOP