



The Financial Side of MIPS

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About Tom Lee, Ph.D. Founder & CEO of SA Ignite

Tom is a technology innovator and leader who brings his unique world view and compassion to create health IT solutions for the business of caring for people. He is the father of two small children and after a frightening personal experience, it was his concern for their future in the world that inspired him to create a company that matched his personal passion: driving innovation in the public healthcare system.

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Key Takeaways From Webinar 1

MIPS is the “new black” & leverages MU, PQRS & VBM rules.

Hugely bi-partisan passage means:

The “value-based revenue cycle” is here to stay.
Other payers are following suit.

Popular MIPS Financial Questions From Webinar 1

Today we'll address these and more:

1. When do MIPS payment adjustments start?
2. How will MIPS payment adjustments be determined?
3. Will MIPS financially impact MSSP ACO providers?

These and others TBD through rulemaking, which started July 8th:

1. Can MIPS points be earned by a group (like a GPRO TIN) instead of by individual providers?
2. How are points calculated within each MIPS component (MU, quality, cost, clinical practice improvement)?

The Financial Side of MIPS

Today's Agenda

- MIPS Rulemaking Timeline
- Financial Rules of MIPS
- A Free MIPS Financial Calculator
- Resources
- How to Influence the MIPS Rules...Starting Now

- Open Q&A (30 Minutes)

MIPS Rulemaking Timeline

2015

- April 16, 2015 – MIPS legislation passed
- July 8, 2015 – CMS solicits initial public comments on MIPS
- Sept 8, 2015 – CMS initial public comment period ends
- By Dec 31, 2015 – CMS to release RFI seeking more comments

2016

- Estimated ~ July 2016 – Proposed 2017 MIPS rule
- Estimated ~ Nov 2016 – Final 2017 MIPS rule

Financial Rules of MIPS: Provider Eligibility

- Eligible Providers in 2017 and 2018 Performance Years:
Physicians, physician assistants, nurse practitioners, clinical nurse specialists, and nurse anesthetists
- More Eligible Providers added in 2019:
Physical or occupational therapists, speech-language pathologists, audiologists, nurse midwives, clinical social workers, clinical psychologists, and dietitians or nutrition professionals
- Who's exempt
 - Providers not meeting “low volume threshold”
 - MSSP ACO providers and other participants in “alternative payment models”
 - First-year Medicare providers

Financial Rules of MIPS: Points System

Four MIPS Components:

MU, PQRS, Value-Based Modifier (VBM), and Clinical Practice Improvement

MIPS (0 - 100 pts)			
MU (25 pts)	PQRS/ VBM Quality (30 pts)	VBM Cost (30 pts)	Clinical Practice Improvement (15 pts)

Base Payment Adjustment Schedule

MIPS Score	Payment Year (2 years after Performance Year)				
	2019	2020	2021	2022	
	100	+4x%	+5x%	+7x%	
PT to 100	Linear: 0% to Max%				
PT ("performance threshold")	0%				
25%*PT to PT	Linear: 75%*Min% to 0%				
0 to 25%*PT	-4%	-5%	-7%	-9%	Min%

“x”: Budget-neutrality factor to make national incentive \$ = national penalty \$, but x capped at 3.0
 Also an Exceptional Performance Bonus apart from the Base Payment Adjustment.

A Free MIPS Financial Calculator:

Payment Scenario Analysis in MS Excel

MIPS Financial Calculator v1

Disclaimer: Use at your own risk and stay tuned for calculator updates as the rules evolve.

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Inputs:			
	Providers		100
	Part B per Provider Per Year		\$100,000
	Budget-neutrality factor (x)*		2.0
	Average Exceptional Performance Bonus %**		5.0%

*Scales maximum incentive (e.g. if x = 2, 9% times x = 18% as for Payment Year 2022), set by CMS, and capped at 3.0

**Set by CMS. National pool of \$500M. The Exceptional Performance Bonus is capped at 10%.

**If 20% of 500k providers nationally get bonus, then average bonus % = (average bonus \$)/(average Part B \$) ~ [\$500M/20%/500k]/\$100k = 5%

MIPS Financial Calculator:

Base Payment Adjustment

(Excludes Exceptional Performance Bonus)

Inputs:			
	Providers		100
	Part B per Provider Per Year		\$100,000
	Budget-neutrality factor (x)*		2.0
	Average Exceptional Performance Bonus %**		5.0%

MIPS Maximum and Minimum Base Payment Adjustment (Excludes Exceptional Performance Bonus)						
	Performance Year	2017	2018	2019	2020	
	Payment Year	2019	2020	2021	2022	4-Year Averages
	Max Incentive %	8.0%	10.0%	14.0%	18.0%	12.5%
	Max Penalty %	-4.0%	-5.0%	-7.0%	-9.0%	-6.3%
	Max Incentive	\$800,000	\$1,000,000	\$1,400,000	\$1,800,000	\$1,250,000
	Max Penalty	-\$400,000	-\$500,000	-\$700,000	-\$900,000	-\$625,000

MIPS 4-Year Average Base Payment Adjustment (Excludes Exceptional Performance Bonus)												
		MIPS Points										
		10	20	30	40	50	60	70	80	90	100	
Performance Threshold (PT)	10	0.0%	1.4%	2.8%	4.2%	5.6%	6.9%	8.3%	9.7%	11.1%	12.5%	
	30	-4.2%	-2.1%	0.0%	1.8%	3.6%	5.4%	7.1%	8.9%	10.7%	12.5%	
	50	-6.3%	-3.8%	-2.5%	-1.3%	0.0%	2.5%	5.0%	7.5%	10.0%	12.5%	
	70	-6.3%	-4.5%	-3.6%	-2.7%	-1.8%	-0.9%	0.0%	4.2%	8.3%	12.5%	
	90	-6.3%	-6.3%	-4.2%	-3.5%	-2.8%	-2.1%	-1.4%	-0.7%	0.0%	12.5%	

MIPS Financial Calculator:

4-Year Average Total Payment Adjustment (Includes Exceptional Performance Bonus)

Inputs:			
	Providers	100	
	Part B per Provider Per Year	\$100,000	
	Budget-neutrality factor (x)*	2.0	
	Average Exceptional Performance Bonus %**	5.0%	

MIPS Exceptional Performance Bonus

Assume Exceptional Performance Threshold (EPT) corresponds to the 25th percentile of the range of possible scores above the Performance Threshold (PT)
Assume Maximum Exceptional Performance Bonus % is 2x the Average Exceptional Performance Bonus.

		MIPS Points										
		10	20	30	40	50	60	70	80	90	100	
Performance Threshold (PT)	10	0.0%	0.0%	0.0%	1.1%	2.6%	4.1%	5.6%	7.0%	8.5%	10.0%	
	30	0.0%	0.0%	0.0%	0.0%	0.5%	2.4%	4.3%	6.2%	8.1%	10.0%	
	50	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	4.7%	7.3%	10.0%	
	70	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	5.6%	10.0%	
	90	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.0%	

MIPS 4-Year Total Average Payment Adjustment (Includes Exceptional Performance Bonus)

		MIPS Points										
		10	20	30	40	50	60	70	80	90	100	
Performance Threshold (PT)	10	0.0%	1.4%	2.8%	5.3%	8.1%	11.0%	13.9%	16.8%	19.6%	22.5%	
	30	-4.2%	-2.1%	0.0%	1.8%	4.0%	7.7%	11.4%	15.1%	18.8%	22.5%	
	50	-6.3%	-3.8%	-2.5%	-1.3%	0.0%	2.5%	7.0%	12.2%	17.3%	22.5%	
	70	-6.3%	-4.5%	-3.6%	-2.7%	-1.8%	-0.9%	0.0%	5.3%	13.9%	22.5%	
	90	-6.3%	-6.3%	-4.2%	-3.5%	-2.8%	-2.1%	-1.4%	-0.7%	0.0%	22.5%	

Resources

- To get the Free MIPS Financial Calculator, email tom@saignite.com
 - **Disclaimer:** Use at your own risk and stay tuned for calculator updates as the rules evolve
- Go to www.saignite.com and click Resources
 - FAQs About MIPS (including from “ABCs of MIPS” Webinars 1 & 2)
 - Questions to Ask Your PQRS, VBM & MU Managers
- Subscribe to CMS MLN Connects for forthcoming presentations throughout the MIPS rulemaking process
- The MIPS legislation: <https://www.govtrack.us/congress/bills/114/hr2/text>

How to Influence the MIPS Rules... Starting Now

- CMS Initial Comment Period ends Sept 8th
 - Instructions on page 1 of MIPS legislation
- CMS soliciting comments on:
 - Low-volume eligibility threshold
 - Clinical Practice Improvement activities
 - Alternative Payment Model qualifying criteria
- Contact Tom Lee (tom@saignite.com) if you are interested in joining an open group working on comments to be submitted to CMS

Open Q & A