MEDICARE SHARED SAVINGS PROGRAM INTERACTION WITH THE 2017 VALUE MODIFIER *FREQUENTLY ASKED QUESTIONS*

INTRODUCTION

Physicians and other practitioners are subject to a number of Medicare quality reporting requirements and performance initiatives, such as the Physician Quality Reporting System (PQRS), and the Value-Based Payment Modifier (Value Modifier). This guide describes the interactions between the Medicare Shared Savings Program (Shared Savings Program) and the Value Modifier. These interactions are explained in a question and answer format, following a brief overview of the Value Modifier and how quality and resource use information, in addition to payment adjustment information, is communicated to groups and solo practitioners in Shared Savings Program Accountable Care Organizations (ACOs).

The Value Modifier provides for differential payment to groups of physicians and physician solo practitioners under the Medicare Physician Fee Schedule (PFS) based on the quality of care furnished compared to the cost of care during a performance period. The Affordable Care Act mandated that the Value Modifier be applied to specific physicians and groups of physicians starting January 1, 2015, and to all physicians and groups of physicians by January 1, 2017.

The Value Modifier will apply to physicians in groups with two or more eligible professionals (EPs) and physician solo practitioners who are participants in a Shared Savings Program ACO beginning January 1, 2017. EPs consist of physicians, practitioners, physical or occupational therapists, qualified speech-language pathologists, and qualified audiologists. Groups and solo practitioners are identified by their Medicare-enrolled Taxpayer Identification Number (TIN). In applying the 2017 Value Modifier's quality-tiering methodology to ACO participants, these groups and solo practitioners are classified as "Average Cost" on the Cost Composite, and the Quality Composite Score is based on their ACO's quality performance on the PQRS Group Practice Reporting Option (GPRO) Web Interface measures and the 30-day All-Cause Hospital Readmission measure. As a result, ACO participants may receive an upward, neutral or downward payment adjustment based on their Quality Composite performance. ACO participants in ACOs that failed to satisfactorily report the PQRS GPRO Web Interface measures will receive an automatic downward adjustment of either 2% for physicians in solo practices or groups with between 2 and 9 EPs and 4% for physicians in groups with 10 or more EPs under the VM.

The Value Modifier's impact on ACO participants' physician payments is described in the Quality and Resource Use Reports (QRURs) provided to groups and solo practitioners, including ACO participant TINs. QRURs are confidential feedback reports with information about the resources used and the quality of care furnished to their Medicare fee-for-service (FFS) patients.

FREQUENTLY ASKED QUESTIONS (FAQS)

1. How does the 2017 Value Modifier apply to a TIN that participates in a Shared Savings Program ACO?

Groups of physicians and physician solo practitioners, as identified by their ACO participant TIN, that participated in a Shared Savings Program ACO in 2015 will be subject to the 2017 Value Modifier based on their ACO's quality performance in 2015. In 2017, the Value Modifier will apply to payments under the Medicare PFS for physicians in groups with two or more EPs and to physician solo practitioners that participated in a Shared Savings Program ACO in 2015.

If the ACO successfully completed reporting on quality measures via the GPRO Web Interface for the 2015 reporting period, then the 2017 Value Modifier for the ACO participant TINs will be calculated using the Value Modifier's quality-tiering methodology to determine if the ACO participant TINs will receive an upward, neutral or downward adjustment based on the ACO's quality performance. For TINs that participated in a Shared Savings Program ACO in 2015, the Cost Composite will be classified as "Average Cost", and the Quality Composite Score will be calculated based on the quality data submitted by the ACO via the GPRO Web Interface and the ACO's performance on the claims-based 30-day All-Cause Hospital Readmission measure calculated by Medicare for the 2015 performance period.

If a TIN participated in more than one Shared Savings Program ACO in 2015, then the TIN's Quality Composite Score for the 2017 Value Modifier will be based on the performance of whichever ACO had the highest numerical Quality Composite Score.

For ACO participant TINs, the maximum upward adjustment under quality-tiering for the 2017 Value Modifier is:

- +2.0 x adjustment factor for physicians in TINs containing 10 or more EPs for high quality/average cost performance (the adjustment factor is derived from actuarial estimates of projected billings that will determine the precise size of the adjustment for higher performing TINs in a given year).
- +1.0 x adjustment factor for physicians in TINs containing between 2 and 9 EPs and physician solo practitioners for high quality/average cost performance.
- All TINs receiving an upward adjustment are eligible for an additional +1.0 x adjustment factor if the ACO in which the TIN participated during 2015 has an assigned beneficiary population in 2015 with an average beneficiary CMS Hierarchical Condition Category (CMS-HCC) risk score in the top 25 percent of all beneficiary risk scores nationwide under the Value Modifier methodology.

For ACO participant TINs, the maximum downward adjustment under quality-tiering for the 2017 Value Modifier is:

- Negative two percent (-2.0%) for physicians in TINs containing 10 or more EPs for low quality/average cost performance.
- Physicians in TINs containing between 2 and 9 EPs and physician solo practitioners are held harmless from downward adjustments for poor performance.

If the Shared Savings Program ACO failed to successfully complete reporting on quality measures via the GPRO Web Interface for the 2015 reporting period, then ACO participant TINs will be subject to the automatic downward adjustment under the 2017 Value Modifier, in addition to the 2017 PQRS payment adjustment. In 2017, the automatic downward Value Modifier adjustment is:

- Negative four percent (-4.0%) for physicians in TINs containing 10 or more EPs.
- Negative two percent (-2.0%) for physicians in TINs containing between 2 and 9 EPs and physician solo practitioners.

2. What is the ACO Participant List and how is it used in the Value Modifier?

Upon approval to participate in the Shared Savings Program, ACOs must certify a list of ACO participant TINs that have signed participation agreements with the ACO. Prior to the start of every performance year, each ACO must certify its ACO Participant List as final and accurate, accounting for changes made to its ACO Participant List during the course of the year (e.g., to add new ACO participants, modify existing ACO participants, and/or delete ACO participants). This list determines the ACO participant TINs that will be assessed for the Value Modifier during the payment adjustment period using the approach described in Q1 above. For each Shared Savings Program ACO participant TIN, its 2017 Value Modifier is calculated based on the ACO's quality performance during the 2015 performance period, as described in Q1 above. In 2017, the Value Modifier will be applied to all physicians that bill under the ACO participant TIN during this payment adjustment period.

3. Does the Value Modifier Program use the same benchmarks for quality measures as the Shared Savings Program?

No, the benchmarks are not the same for the Value Modifier and the Shared Savings Program. The Value Modifier uses a national case-weighted mean to determine performance on each individual quality and cost measure used in the Quality and Cost Composite calculations. The Value Modifier quality benchmarks are based on data available in the year prior to the performance period (for example, 2014 quality data are used to calculate quality benchmarks for the 2015 performance period used for the 2017 Value Modifier). Under the Shared Savings Program, quality benchmarks are established using all available Medicare FFS data for up to three years and a sliding scale is used to score an ACO's performance.

The benchmarks for quality measures that will be used for the 2017 Value Modifier are available at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeedbackProgram/2015-QRUR.html.

4. I am a physician submitting claims to CMS through multiple Medicare-enrolled TINs, one of which is participating in an ACO under the Shared Savings Program. Are claims and quality data submitted under all of these TINs used to calculate my Value Modifier payment adjustment?

The Value Modifier is calculated and applied at the TIN level for each group of physicians or physician solo practitioner.

- For each 2015 non-Shared Savings Program ACO TIN, its 2017 Value Modifier is calculated based on the TIN's performance on quality and cost measures during the 2015 performance period.

- For each 2015 Shared Savings Program ACO participant TIN, its 2017 Value Modifier is calculated based on the ACO's quality performance during the 2015 performance period, as described in Q1 above.

Therefore, if a physician bills under multiple TINs in 2017, different Value Modifier payment adjustments could be applied to the physician depending on which TIN he/she is billing under.

It is important to note that a physician's performance does not track or carry between TINs from the performance period to the payment adjustment period. In other words, a physician who bills under TIN A in 2015 and then bills under TIN B in 2017 will have his/her 2017 Medicare PFS payments adjusted based on the Value Modifier applied to TIN B.

5. How is the 2017 Value Modifier applied to a TIN that joins or leaves a Shared Savings Program ACO during 2017?

ACO participant TIN's 2017 Value Modifier will be calculated under the rules described in Q1 above based on the ACO's quality performance if the TIN was a Shared Savings Program ACO participant in 2015. The same Value Modifier will be applied to the TIN during 2017 regardless of whether it joins or leaves an ACO or if the ACO leaves the Shared Savings Program during 2017.

If a TIN did not participate in a Shared Savings Program in 2015, then its 2017 Value Modifier will be calculated based on the TIN's performance on quality and cost measures during the 2015 performance period, even if it subsequently joins an ACO during 2016 or 2017.

6. How will the Value Modifier be applied in 2018?

In 2018, the Value Modifier will apply to all physicians, nurse practitioners, physician assistants, clinical nurse specialists, and certified registered nurse anesthetists who are solo practitioners or in groups with two or more EPs based on performance in 2016. In determining the application of the 2018 Value Modifier to ACO participants, ACO participant groups and solo practitioners are classified as "Average Cost" on the Cost Composite, and the Quality Composite Score will be based on their ACO's quality performance on the GPRO Web Interface measures, the 30-day All-Cause Hospital Readmission measure, and the Consumer Assessment of Healthcare Providers & Systems (CAHPS) for ACOs survey for the 2016 performance period.

7. Did ACO participant TINs receive a 2015 Mid-Year QRUR and a 2015 Annual QRUR?

Yes. In April 2016, CMS made the 2015 Mid-Year QRURs available to groups and solo practitioners nationwide, including TINs that participated in a Shared Savings Program ACO in 2015. These reports provided groups and solo practitioners TIN-level performance information on the claims-based quality outcome and cost measures based on a performance period from July 1, 2014 through June 30, 2015. These reports were provided for informational purposes only and did not affect the TINs' Medicare PFS payments.

In September 2016, CMS made the 2015 Annual QRURs available to groups and solo practitioners nationwide, including TINs that participated in a Shared Savings Program ACO in 2015. For ACO participant TINs, the Annual QRURs shows their 2017 Value Modifier payment adjustment. The Annual QRURs also show ACO-level performance information on the 30-day All-Cause Hospital Readmission measure and the GPRO Web Interface measures submitted by the ACO that are used to determine the quality composite score. The QRURs also provide TIN-

level performance information on the cost measures, which is provided for informational purposes for Shared Savings Program ACO participants.

Additional information about the 2015 Mid-Year and 2015 Annual QRURs is available at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeedbackProgram/2015-QRUR.html.

8. How can TINs access their QRURs?

Authorized representatives of groups and solo practitioners can access their QRURs on the CMS Enterprise Portal at https://portal.cms.gov using an Enterprise Identity Management System (EIDM) account with the correct role. Instructions for obtaining an EIDM account to access a QRUR are available at http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeedbackProgram/Obtain-2013-QRUR.html. For questions about setting up an EIDM account, contact the QualityNet Help Desk (refer to Q12).

9. Will ACOs have access to their participant TINs' QRURs?

The 2015 Mid-Year and Annual QRURs are provided to ACO participant TINs. ACOs will not have access to the TINs' QRURs unless they have coordinated a process with each participant TIN and ACO Security Official. For example, if an ACO participant TIN wants to give access to its QRUR to the ACO, then the ACO Security Official must first submit a request for a Group Representative role with the participant TIN via the EIDM. Then, the participant TIN's Security Official must approve the request in order to give the ACO Security Official access to its QRUR. However, ACOs that are a single TIN entity will be able to access their TIN's QRUR if they have the correct EIDM roles.

Instructions for obtaining an EIDM account to access a QRUR, including how to coordinate access to multiple QRURs, are available at http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeedbackProgram/Obtain-2013-QRUR.html.

10. Is there a 2017 Value Modifier informal review process?

Yes. If your TIN is subject to the 2017 Value Modifier and you disagree with the Value Modifier calculation indicated in your TIN's 2015 Annual QRUR, then an authorized representative of your TIN can submit a request for an Informal Review through the CMS Enterprise Portal at https://portal.cms.gov. More information about the 2017 Value Modifier and 2015 Annual QRUR Informal Review process, including the deadline for submitting an Informal Review request, is available at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeedbackProgram/2015-QRUR.html.

11. If the proposals in the 2017 Medicare PFS Proposed Rule (81 FR 46408-46409 and 46446-46448) are finalized, and my Shared Savings Program ACO failed to report quality data for the 2015 performance period, will the EPs that participated in my ACO have another opportunity to submit quality data to CMS to subsequently avoid the 2017 PQRS downward payment adjustment and 2017 Value Modifier automatic downward adjustment?

Yes. If the PFS proposals are finalized, a special secondary quality reporting period for the 2017 PQRS payment adjustment will allow EPs that participated in a Shared Savings Program ACO that failed to report quality data for the previously established reporting period for the 2017 PQRS payment adjustment (that is, January 1, 2015, through December 31, 2015) to subsequently avoid the 2017 PQRS downward adjustment and 2017 Value Modifier automatic downward adjustment. These EPs must report PQRS data separately from the ACO under one of the allowed options for this special secondary reporting period (that is, January 1, 2016 through December 31, 2016).

12. Where can I find additional resources?

Information about the 2015 QRURs and 2017 Value Modifier is available at: https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeedbackProgram/2015-QRUR.html.

General information about the Value Modifier is available at: https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeedbackProgram/ValueBasedPaymentModifier.html.

For questions about the Value Modifier and QRURs, please contact the Physician Value Help Desk: Monday – Friday: 8:00 am – 8:00 pm ET; Phone: 1-888-734-6433 (select option 3); Email: pvhelpdesk@cms.hhs.gov.

For questions about the PQRS program and obtaining an EIDM account, please contact the QualityNet Help Desk: Monday – Friday: 8:00 am – 8:00 pm ET; Phone: (866) 288-8912 (TTY 1-877-715-6222); Email: qnetsupport@hcqis.org.

For questions about the Shared Savings Program, please email: SharedSavingsProgram@cms.hhs.gov.