

A Deep Dive into the MIPS Cost Category

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Year 2 MIPS Performance Categories



Source: www.qpp.cms.gov

Cost Performance Category

- ▶ MIPS ECs do not need to submit anything!
- ▶ Replaces Value-Based Modifier Program
- ▶ Measures cover total cost of care during the year or episode of care
- ▶ Medicare claims data for 12-months
- ▶ Risk-adjusted measures
- ▶ Cost measures
 - ▶ Medicare Spending per Beneficiary (MSPB)
 - ▶ Total per Capita Cost (TPCC)

Medicare Spending per Beneficiary (MSPB)

- ▶ Determines what Medicare pays for services performed by an individual clinician during an episode
 - ▶ the period immediately before, during, and after a patient's hospital stay
 - ▶ "index admission" : three days before a hospital admission through 30 days after hospital discharge
- ▶ Medicare Part A and Part B claims during the episode
- ▶ May be reported at either the clinician (TIN-NPI) or the group (TIN) level

Total Per Capita Cost (TPCC)

- ▶ Measures all Medicare Part A and Part B costs during the MIPS performance period
- ▶ Beneficiaries are assigned to a single Medicare TIN-NPI in a two-step process:
 - ▶ level of primary care services received
 - ▶ specialties that performed these services

Step 1: Primary Care Services Received

- ▶ How is a beneficiary assigned?
 - ▶ If a beneficiary received more primary care services (PCS) from primary care physicians (PCPs), nurse practitioners (NPs), physician assistants (PAs), and clinical nurse specialists (CNSs) in that TIN-NPI than in any other TIN-NPI or CMS Certification Number (CCN)

OR

- ▶ If the beneficiary received more PCS from PCPs, NPs, PAs, and CNSs from a CCN than any other TIN-NPI, this beneficiary:
 - ▶ Would be assigned to the CCN
 - ▶ Would NOT be assigned to any TIN-NPIs
 - ▶ Would be excluded from risk adjustment

Step 1: Primary Care Services Received

- ▶ If two TIN-NPIs tie for the largest share of a beneficiary's primary care services, the beneficiary will be assigned to the TIN-NPI that last gave primary care services

** Primary care services that pertain to radiology include: Evaluation and management services given in office and other non-inpatient and non-emergency room settings*

Step 2: Specialties that performed these services

- ▶ If the beneficiary received more primary care services from non-primary care physicians they would be assigned in second step

Cost Performance Category Scoring

- ▶ Have to meet case minimums:
 - ▶ MSPB measure: 35 cases
 - ▶ TPCC measure: 20 cases
- ▶ Didn't meet the case minimums?
 - ▶ CMS will automatically reweight to the Quality category making it 60% of TCS versus 50%

Cost Performance Category Scoring

- ▶ Assign 1 to 10 points to each measure
- ▶ Compare performance to other MIPS ECs and groups during the performance period
- ▶ If both measures apply, the average will be used
- ▶ If you participate in a MIPS APM, the MIPS APM will apply a 0% weight to the Cost performance category because many MIPS APMs measure cost in other ways

MSPB Measure Calculation Details

- ▶ Calculation of the MSPB measure is divided into seven steps:
 - 1) Define the population of index admissions,
 - 2) Calculate payment-standardized episode costs
 - 3) Calculate expected episode costs
 - 4) Exclude outliers
 - 5) Attribute episodes to a TIN-NPI
 - 6) Calculate the MSPB measure for the TIN-NPI or TIN
 - 7) Report the MSPB measure for the TIN-NPI or TIN

TPCC Measure Calculation Details

- ▶ Calculation of the TPCC measure is divided into seven steps:
 - 1) Attribute beneficiaries to TIN-NPI
 - 2) Calculate payment-standardized per capita costs
 - 3) Annualize costs
 - 4) Risk-adjust costs
 - 5) Specialty-adjust costs
 - 6) Calculate the TPCC measure for the TIN-NPI or TIN
 - 7) Report the TPCC measure for the TIN-NPI or TIN

TPCC Measure Calculation Details

TIN-NPI's risk-adjusted per capita cost =

$$\left[\frac{\text{TIN-NPI's observed non-risk adjusted per capita cost}}{\text{TIN-NPI's expected per capita cost}} \right] * \text{national average non-risk-adjusted cost}$$

Cost Category Scoring Example

| Measure | Measure achievement points earned by the group | Total Possible Measure Achievement Points |
|--------------|--|---|
| TPCC measure | 8.2 | 10 |
| MSPB measure | 6.4 | 10 |
| TOTAL | 14.6 | 20 |

What's Next?

- ▶ MACRA requires the development of patient relationship categories and codes for potential use in the attribution methodology for cost measures
- ▶ Operational list of patient relationship categories and codes was finalized in the CY2018 PFS final rule – **Voluntary**
- ▶ Episode-based cost measures not finalized
- ▶ QPP Year 3 proposed rule not yet published
 - ▶ Cost: 30% of TCS
- ▶ Cost score in Year 1 performance feedback

Questions?

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