How DPPS Would Improve MIPS

With Insights from the Latest 2022 MIPS Experience Data Report

I. Stabilizing Medicare Physician Payments

Under the Data-driven Performance Payment System (DPPS):

- Payment adjustments would increase or decrease by a percentage of a physician's annual payment update [e.g. 0.25 percent under current law or an increase equivalent to the Medicare Economic Index (MEI)], similar to Medicare's hospital performance-based programs, thus creating more alignment across settings;
- Payment adjustments would not reduce a physician's payment update to below zero, thus stabilizing Medicare payments; and
- Performance thresholds would be frozen for at least three years and gradually increased thereafter to allow practices to recover from the pandemic and Change cyberattack and to implement DPPS changes.

The 2022 Merit-based Incentive Payment System (MIPS) Performance Period included **624,209** total eligible clinicians (ECs). Here's how 2022 MIPS scores would translate to Medicare payment adjustments under DPPS:

- **Two percent (13,045)** of MIPS ECs received the maximum penalty of nine percent for not participating despite being eligible for MIPS in 2022. Under DPPS, this group would earn **half** of their payment update.
- **11.5 percent (71,659)** scored below the 2022 performance threshold of 75 points and received a negative MIPS payment adjustment. Under DPPS, this group would receive **three quarters** of their payment update.
- **Seven percent (44,756)** scored 75 points and earned a neutral MIPS update. Under DPPS, they would earn their **full** update.
- **79 percent (494,748)** scored above 75 points and earned a MIPS bonus. Under DPPS, they would receive up to **1.25 times** their update. The remainder would be distributed as bonuses and to the improvement fund.

II. Mitigating Disproportionate Penalties on Certain Types of Practices to Stabilize Patient Access

2022 MIPS data shows that 27 percent of small practices, nearly 50 percent of solo practitioners, 18 percent of rural practices, and more than 10 percent of safety net practices received a MIPS penalty. With maximum MIPS penalties of 9 percent, this could significantly jeopardize access to care for vulnerable patient communities. Here is a breakdown of how DPPS payment adjustments would look for these practices based on 2022 MIPS data:

2022 MIPS Result	Small & solo practice clinicians	Rural practice clinicians	Safety net practice clinicians	2024 MIPS payment adjustment	DPPS payment adjustment under current law (0.25%)	DPPS payment adjustment with MEI (4.6% in 2024)
Reported no measures or scored below ¼ of performance threshold	10,665 (13%)	1,764 (2%)	3,383 (3%)	-9.0%	0.125%	2.3%
Scored below performance threshold	12,152 (14%)	12,706 (16%)	9,251 (7%)	-0.1% to -6.75%	0.1875%	3.5%
Scored at performance threshold	14,750 (17%)	5,994 (7%)	8,290 (7%)	0%	0.25%	4.6%
Scored above performance threshold	47,146 (56%)	60,486 (75%)	104,349 (83%)	0.1% to 8.26%	Up to 0.3125%	Up to 5.75%

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As shown below, DPPS would also level the playing field among specialties, thereby preserving access to primary and specialty care services particularly in rural and underserved areas:

Payment Adjustments by Medical Specialty for Physicians Who Submitted MIPS Data in 2022						
2022 MIPS Result	**Anesthesiology**	**Diagnostic Radiology**	**Orthopedic Surgery**	**2024 MIPS payment adjustment**	**DPPS payment adjustment under current law (0.25%)**	**DPPS payment adjustment with MEI (4.6% in 2024)**
Scored below ¼ of performance threshold	0.1%	0.4%	0.3%	-9.0%	0.125%	3.5%
Scored below performance threshold	24.2%	14.2%	14.8%	-0.1% to -6.75%	0.1875%	3.5%
Scored at performance threshold	4.3%	4%	2.9%	0%	0.25%	4.6%
Scored above performance threshold	71.4%	81.4%	81.9%	0.1% to 8.26%	Up to 0.3125%	Up to 5.75%

** Based on an AMA analysis of 2024 MIPS payment adjustments by specialty for physicians who reported measures using data from the 2022 Quality Payment Program (QPP) Experience Report, QPP Public Use File, and Care Compare Public Use File*

Payment Adjustments by Primary Care Specialty for Physicians Who Submitted MIPS Measures in 2022						
2022 MIPS Result	**Internal Medicine**	**Family Practice**	**Psychiatry**	**2024 MIPS payment adjustment**	**DPPS payment adjustment under current law (0.25% in 2026)**	**DPPS payment adjustment with MEI (4.6% in 2024)**
Scored below ¼ of performance threshold	0.2%	0.2%	0.2%	-9.0%	0.125%	3.5%
Scored below performance threshold	12%	9.8%	9.3%	-0.1% to -6.75%	0.1875%	3.5%
Scored at performance threshold	5.6%	3.5%	0.9%	0%	0.25%	4.6%
Scored above performance threshold	82.2%	86.5%	89.8%	0.1% to 8.26%	Up to 0.3125%	Up to 5.75%

** Based on an AMA analysis of 2024 MIPS payment adjustments by specialty for physicians who reported measures using data from the 2022 QPP Experience Report, QPP Public Use File, and Care Compare Public Use File*

DPPS would reinvest any remaining funds collected through penalties not paid out in bonuses for high performers to small, rural, safety net, and other types of under resourced practices to assist with value-based care transformation efforts. Funds could be used to hire care managers, purchase Certified Electronic Health Record Technology (CEHRT), etc.

III. Reducing Reporting Burden while Continuing to Hold Physicians Accountable

It is burdensome and costly to do well in MIPS. Compliance with MIPS costs $12,800 per physician per year and physicians spend 53 hours per year on MIPS-related tasks. This high entry barrier is a fundamental reason less-resourced practices like small, rural, and safety net practices perform worse. DPPS would deploy common-sense solutions to hold physicians accountable for all four performance categories while streamlining reporting to reduce the burden and cost of satisfying program requirements. Under DPPS, practices would be measured on their ability to deliver high-quality and cost-efficient care, rather than satisfying a litany of burdensome criteria.

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- **Remove siloes between the four performance categories.** For example, a clinician who reports quality data through CEHRT would automatically receive credit toward Promoting Interoperability and Quality.
- **Make the Promoting Interoperability Category (PI) more flexible.** Rather than reporting myriad check-the-box measures, which have been shown to add to physician burden and burnout, physicians would attest yes/no to using CEHRT that is already designed and tested to rigorous interoperability requirements.
- **Expand facility-based scoring**. Credit could be awarded in up to all four performance categories in DPPS using data submitted through the Medicare Hospital Value-based Purchasing Program.
- **Mandate a GAO report** to identify further opportunities for synergies and improvements within DPPS.

IV. Improving Clinical Relevance and Accuracy

A 2022 JAMA study found MIPS scores are inconsistently related to performance, suggesting that the MIPS program is "approximately as effective as chance at identifying high vs low performance." DPPS includes several remedies to improve the clinical relevance of individual measures and the program as a whole including:

- **Incentives to test new quality measures or collection types:** Under MIPS, measures that are new or fail to meet case minimum requirements do not receive a scoring benchmark and often earn lower scores as a result. Of the 20 least frequently reported MIPS quality measures in 2022 (excluding Qualified Clinical Data Registry measures) only one had a benchmark. These measures generally had a mean performance score of three points, the scoring floor for measures without a benchmark. DPPS would correct this broken cycle by awarding pay-for-reporting credit for at least two years to incentivize reporting of new/revised measures or new collection types, so DPPS continuously updates and improves over time.
- **Cost measurement improvements.** Cost is the lowest scoring MIPS category due in large part to the flawed Total Per Capita Cost (TPCC) and Medicare Spending Per Beneficiary (MSPB) measures, which hold clinicians accountable for costs beyond their control. Of MIPS ECs who were scored on cost in 2022, more than 90 percent were scored on TPCC and more than 73 percent were scored on MSPB. The 2022 mean and median scores for the TPCC and MSPB measures were (5.11/5) and (7.43/7.56) respectively. Under DPPS, these measures would be replaced with more clinically relevant cost measures. The Centers for Medicare & Medicaid Services' (CMS') main incentive for retaining these measures is a MACRA (Medicare Access and CHIP Reauthorization Act) stipulation that cost measures capture at least 50 percent of all Medicare Parts A and B spending. DPPS would remove this perverse incentive to retain generalized, yet flawed cost measures.
- **Timely performance feedback.** Regular performance feedback is critical for physicians to monitor ongoing performance and identify gaps or variations in care that can be used to improve care and reduce costs. Though the MACRA statute requires timely (i.e., quarterly) MIPS feedback reports and Medicare claims data, there are no enforcement mechanisms. As a result, CMS has yet to meet its statutory obligation years later. Instead, CMS issues a single feedback report well after the performance period concludes, up to 18 months after some services were provided. DPPS would require CMS to fulfill its statutory obligations by automatically providing the full payment update to any clinicians that do not receive at least three quarterly data reports during the relevant performance period.

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