

# THRIVING UNDER MIPS

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How GPOs can help physician practices improve performance and increase reimbursement under the Merit Based Incentive Payment System

**PROVISTA**<sup>®</sup>

A POWERFUL COLLECTIVE

## OPPORTUNITIES AND PITFALLS

While this paper isn't an exhaustive [Merit Based Incentive Payment System \(MIPS\)](#) "how-to" guide, it does highlight some of the program's chief opportunities and pitfalls. It also explains how practices can achieve better performance and higher MIPS incentive payments through smarter procurement.

The Merit Based Incentive Payment System (MIPS) represents an enormous regulatory change for medical practices. Starting in 2017, MIPS required most physician practices that perform a significant amount of Medicare business to demonstrate improved or improving performance on a variety of measures in order to earn extra incentive payments and avoid penalties.

[A Medical Group Management Association survey](#) of practice managers ranked MIPS as the most burdensome regulatory issue facing their practices. It beat out several other issues, including:

- Prior authorization
- Federal electronic health record (EHR) requirements
- Claim audits and appeals

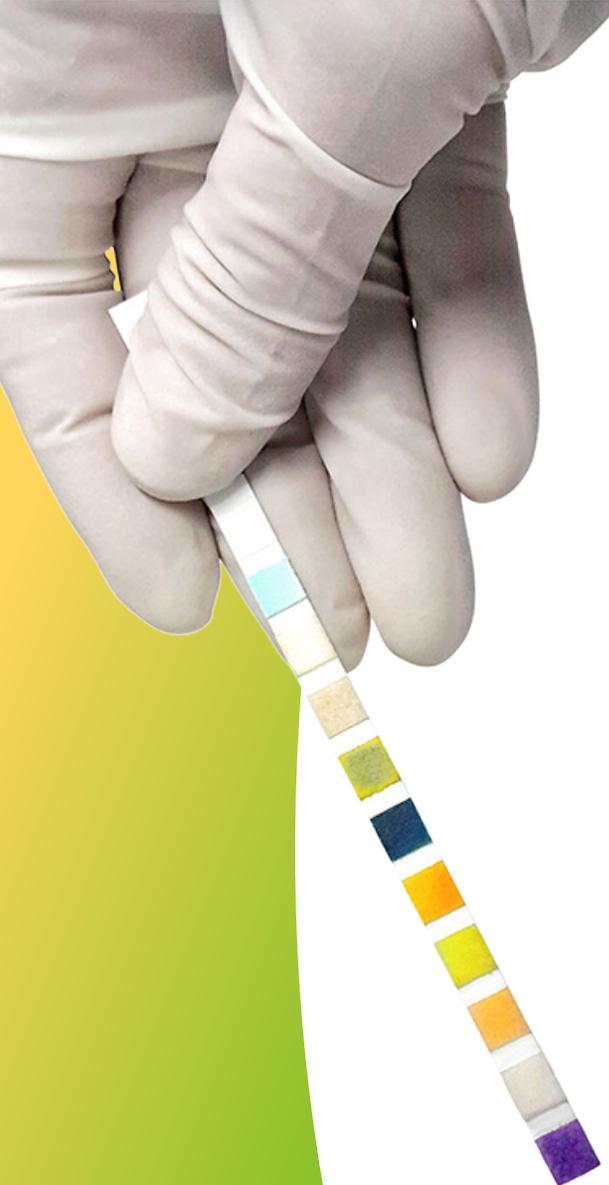
MIPS is part of a general trend of moving away from volume-based reimbursement and toward payments based on value. It's also a double-edged sword. It gives practices an opportunity to increase their revenues up to

**9%** annually by the time the program fully rolls out in 2022, but it also puts them at risk of losing up to

**9%** if their performance or reporting falls short.

Because of the regulation's complexity and multiple options, some practices may be tempted to "set and forget" their MIPS participation plan—choosing measures that are easy to report, or ones they know they'll perform well on, and reporting them every year. But this strategy is dangerous because the rules change annually.

Measures are added and dropped, and some "top out" because they finished their job and already improved everyone's performance, making it difficult to demonstrate enough improvement to earn an incentive payment. The list of eligible providers expanded significantly for 2019. This creates a new set of reporting options and obligations for many practices, which may expand further in future years.



## WHAT TO EXPECT FROM MIPS IN 2019

MIPS is part of the Medicare and CHIP Reauthorization Act of 2015 (MACRA). Up until now, physician practices have seen no actual impact on their revenues because a two-year delay exists between submitting data and receiving a payment adjustment. However, 2019 payments will start showing adjustments—plus or minus up to 4%—based on the data submitted in 2017. Data submitted in 2019 will affect payments in 2021, when practices could see adjustments as much as 7% either way. The 2019 MIPS rules apply to 11 types of clinicians:



Clinicians can participate in MIPS individually or as part of a practice. Other categories may be added in the future. Practices are judged on four areas, weighted as follows:

- **Quality—45%**  
Practices must choose a minimum of six measures to report, out of a possible 257, but may report more for bonus points. The three types of MIPS quality measures are: process, outcome and high priority.
- **Clinical practice improvement activities—15%**  
Practices must report measures that are chosen from a list of 118.
- **Interoperability—25%**  
This covers the effective use of EHRs and electronic tools. Six measures must be reported, and practices also need to choose two more from a list of five, for a total of eight measures.
- **Cost—15%**  
This is automatically computed by the Centers for Medicare & Medicaid Services (CMS) based on claims data.

## **CRITICAL CONSIDERATION WHEN CHOOSING MEASURES**

Physician practices should avoid “topped-out” measures when selecting which ones to use for reporting. Topped-out measures are those in which 95% or more of the responding practices have achieved the benchmark.

Even if the practice performs very strongly in these measures, it’s still best not to use them because those measures are likely to be eliminated in the next round of changes. Even if they aren’t discontinued, practices will find it difficult to show superior performance or improvement.

## **CHOOSE THE BEST MEASURES**

The first three MIPS areas give practices choices of which measures to report—a bewildering number of options when it comes to quality and clinical practice improvement—along with benchmarks for performance on each measure.

Choosing the right ones will be less onerous for practices that have good IT systems in place to collect data on all of their applicable measures. The systems need to track performance on those measures against the benchmarks set by CMS for each measure. CMS adjusts the benchmarks as new data comes in, making it imperative for a practice to check its performance against the current benchmarks BEFORE submitting its data.

Practices that use the wrong benchmark may fall short and receive a penalty rather than earning an incentive. Practices that have a good handle on both the benchmarks and their own data can take action to improve their performance on each measure before submitting their data.

## **HOW GPOS CAN IMPROVE MIPS PERFORMANCE**

Improving procurement processes by working with a group purchasing organization (GPO) can lead to improved performance across the board on all measures in every performance category. The impact can be direct or indirect.

### **Direct GPO Benefits**

Enhanced procurement can directly impact performance measures by delivering the medical supplies and equipment that practices need at the point of care to provide safe, effective and timely care to their patients. A clinic that’s properly stocked to meet a patient’s needs provides a better patient experience than one that’s not and improves patient satisfaction. These are two performance measures that can factor into the MIPS score.

In addition, improving procurement can directly affect performance measures. That’s because GPOs deliver medical supplies and equipment at a lower cost, both per item and per transaction, than clinics can typically get on their own.

## 8 MEASURES WHERE FACILITIES SHOULD FOCUS

When choosing which quality, interoperability and clinical practice improvement measures to report for the Merit Based Incentive Payment System (MIPS), practices should concentrate on measures that are:

1. Most applicable to their specialty
2. Most applicable to their patient population
3. Most applicable to their setting
4. Supportive of their quality improvement goals
5. Being used or intended to be used in other value-based care programs
6. Areas where they show high performance compared with benchmarks
7. Areas where they show steady year-over-year improvement
8. Able to give them additional bonus points

Another direct effect is safer and higher-quality care from product standardization. The lack of standardization in medical practices is increasingly recognized as a cause of medical error, lower quality care and unnecessary expense. When practices standardize on the same supplies and equipment for all clinicians, it's easier for everyone to become proficient at using them, which likely improves quality and operational performance.

### Indirect GPO Benefits

Practices indirectly benefit from improved procurement processes because they save significant time. Most physician practices don't have a dedicated supply chain manager handling the four common supply chain tasks:

- Assessment
- Procurement
- Receiving
- Reconciliation

Instead, practices often delegate these tasks to a nurse or other staff member. This person usually does not have a professional interest in, or passion for, supply chain management. As a result, these tasks end up taking more time than they should and soak up time that the person could be spending on direct care with patients.

If practices can improve their procurement processes through automation, for example, that means less time spent on supply chain tasks and more time spent on patient care activities that help practices meet or exceed their MIPS performance measures.

Practices should ask themselves if they'll perform better on MIPS measures if their nurses are counting bandages or coordinating the care of patients with heart disease who have been diagnosed with depression.

Practices should also work with their GPO to find out what types of administrative, business, clinical and analytic support are available, and take full advantage of that help to improve their MIPS scores.

## NEED HELP OFFSETTING REIMBURSEMENT CUTS?

Provista can help physician practices improve their supply chain performance, save money procuring products and services, and offer new services to boost revenues.

Contact us to  
find out more.

[provistaco.com/contact-us](http://provistaco.com/contact-us)

## IMPROVE PERFORMANCE IN EACH MIPS AREA

There are several key ways that a practice can adjust its procurement strategies for better performance in each specific MIPS area. Those strategies can affect:

### Cost

Even though CMS computes performance in this category automatically and doesn't require any separate reporting from the practice, cost is the category where good procurement systems can make the biggest impact. The cost category will become increasingly important and will account for 30% of MIPS reimbursement by 2022, so now is the time to start optimizing costs. (CMS hasn't disclosed its proposed weighting of the other categories beyond Year 3.)

CMS evaluates physician practices on Medicare spending per beneficiary (MSPB) and total per capital cost (TPCC). The amount that practices spend on medical supplies and equipment directly affects their operating costs and their MSPB and TPCC numbers.

In addition, some cost measures focus on specific episodes of care, such as knee replacement surgery. A good procurement system ensures that the artificial knee joint to be implanted meets the clinical needs of the patient and the clinical requirements of the surgeon. The procurement system also ensures it's available at the time of surgery and competitively priced for the practice. A strong procurement system also provides timely and effective supplies and equipment that support the procedure, such as items that reduce the risk of infection and help the patient recover afterward.

### Quality

Procurement has the biggest impact on process measures—those that look at the specific services provided to patients, such as screening for chronic diseases or treating acute conditions in the physician's office. Practices are evaluated on how consistently they provide the needed services. To deliver optimum care at the lowest possible cost, practices need the right equipment and supplies to be available at the right time. For example, if a practice chooses to report its performance on influenza vaccinations, then a steady and reliable supply of the flu vaccine is essential.

## QUESTIONS THAT CAN LEAD TO IMPROVED PERFORMANCE

Every practice needs to review and update its Merit Based Incentive Payment System (MIPS) participation plan annually. Practices should also put a staff person in charge of tracking all MIPS changes and adjusting the plan accordingly. This person can look at:

- What measures are new?
- What measures are out?
- What measures are topped out?
- What are the benchmarks on each measure?
- What new bonus points are available?
- What new traps trigger a deduction of points?
- Which providers are eligible?
- How does the Centers for Medicare & Medicaid Services weigh the performance categories each year?

Various aspects of patient satisfaction and engagement, measured through a MIPS-specific version of the Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey, are among the quality measures that a practice can report. Here again, good procurement services can help patients feel well cared for.

That's because if the practice has appropriate supplies in stock to address patient needs, clinicians can spend more time with patients rather than spending time finding the required items. Practices can also use their GPO to keep their physical environment attractive and welcoming through contracts that cover various services like cleaning and office design.

### Interoperability

Good procurement systems can support practices by helping them provide the data they need to show how well they meet their measures. For example, practices must submit data that shows they e-prescribe drugs and report immunizations to immunization registries. If a practice's GPO offers access to prescription medications and vaccines, it may be able to support the clinic's MIPS reporting with data.

### Clinical practice improvement

In the Improvement Activities (IA) performance category, worth 15% of the MIPS score in Year 3, a good procurement system will have the biggest impact on a subset of the 118 measures that address patient care coordination, and the screening for and management of chronic diseases. For example, one measure is "care coordination agreements that promote improvements in patient tracking across settings." As patients move along the continuum of care or among and across different care settings, the medical supplies and equipment they need should move along with them. A GPO can help the practice provide that continuity of care.

Another IA measure is "chronic care and preventative care management for empaneled patients." Patients who are assigned to a practice to prevent or manage their chronic illnesses will be counting on that practice to have timely and effective screening tools and point-of-care testing capabilities that a GPO can help provide. GPOs have contracts for these products and can also provide advisory services to help clinics implement or improve their screening and point of care (POC) testing processes.



## Planning for Future MIPS Changes

CMS designed MIPS measures to get harder every year. As practices get close to the bar, CMS raises it. That cycle will continue for the next four to five years. In the quality performance category, that means the national benchmarks for each of the three types of measures will continue to rise until they become topped out, particularly the process measures.

CMS will shift the emphasis over time away from process measures, as practices master the processes, and toward outcome measures and high-priority measures. In keeping with the transition to value-based reimbursement, the program will become less about what practices do and more about the effect they have on their patients' health.

As mentioned previously, the other big change will be the increasing importance of the cost performance category.

It's worth **15%** of the MIPS score in Year 3, but worth **30%** by Year 6.

That means a great procurement system will be twice as valuable to a practice's MIPS score in three years.

Practices will need robust, flexible and scalable IT systems that can move along with the machinations of CMS and the MIPS program. IT systems should be integrated with practices' procurement systems to ensure that they're incorporating their purchasing data into their MIPS performance data to identify opportunities to use their purchasing processes to improve care and lower costs.

GPOs can help. For example, Provista can implement these IT systems and improve other areas of the supply chain to help practices achieve the highest MIPS scores possible.



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## **ABOUT PROVISTA**

Founded in 1994, Provista is a proven supply chain partner and group purchasing organization (GPO). Provista offers customers extensive product coverage with over 100 billion dollars in purchasing power across a multitude of industries, including surgical, extended, diagnostic and preventive care as well as hospitality, gaming, entertainment and businesses of all sizes. The company also delivers value beyond contracts, providing customized purchasing solutions.

For more information about MIPS and how to ensure maximum rebates, contact us.

**Contact Provista**