

Glossary of Terms - Healthcare Reform

Accountable Care Organizations (ACOs): Groups of providers who agree to meet specific quality measures and deliver care based on a projected spending rate and who keep part of any savings generated (may or may not owe Medicare money if spending exceeds projected rate).

Affordable Care Act (ACA): The goal of the ACA is to improve access, quality and efficiency while reducing and controlling spending. Paid for by a combination of newly insured, new taxes and fees, Medicare payment cuts, and changes in payment for services to recognize quality and efficiency.

Bundled Payments for Care Improvement (BPCI): Medicare program where a single payment (or bundled payment) is issued and shared by physicians, hospitals and/or post-acute providers involved in delivering an episode of care during a specific time period (depending on the model selected).

Health Insurance Exchanges (HIEs): Competitive, federal- and state-based online marketplaces for individuals and small employers to compare and purchase health coverage. An important component of the ACA's coverage expansion initiative.

Hospital-Acquired Condition (HAC) Penalties: Non-payment and future penalties for certain hospital-acquired conditions.

Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS): A national, standardized, publicly reported survey of patients' perspectives of hospital care. Used as part of the Patient Experience of Care domain for Medicare's Hospital Value-Based Purchasing program.

Readmissions Reduction Program (RRP): For re-admissions within 30 days for patients originally hospitalized for acute MI, heart failure or pneumonia.

Surgical Care Improvement Project (SCIP): A national quality partnership of organizations interested in improving surgical care by significantly reducing surgical complications. Develops measures used to improve quality of care. Data used as part of the Clinical Process of Care domain for Medicare's Hospital Value-Based Purchasing program.

Total Performance Score (TPS): Used as part of Medicare's Hospital Value-Based Purchasing program to calculate overall performance and adjust hospital payments, based on a hospital's performance on four domains that reflect hospital quality:

- Clinical Process of Care;
- Patient Experience of Care;
- Patient Outcomes; and
- Hospital Efficiency.

Value-Based Purchasing (VBP): Redistribution of Medicare payments to hospitals and physicians based on quality benchmarks.

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Medicare Quality Programs - Physician Summary CY2015



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Program Name	Effective Date CY=Calendar Year (Jan. 1 - Dec. 31)	Incentive - or - Penalty	Program Description	Additional Information
Physician Quality Reporting System (PQRS)	CY2006	INCENTIVE (Available thru CY2016) PENALTY (NEW for CY2015)	GOAL: Promote reporting of quality information by eligible professionals (i.e. physicians) - Physicians may report their PQRS data via claims data submission or through a qualified PQRS registry. - Uses physician data reported to Medicare with a 2-year lag (i.e. CY2015 will utilize CY2013 data, CY2016 will use CY2014 data, etc.) INCENTIVE: - Physicians who satisfactorily reported 2013 PQRS data for covered professional services qualify for an incentive equal to +0.5% of their estimated 2015 Medicare Part B allowances. PENALTY (NEW): - Physicians who DID NOT satisfactorily report 2013 PQRS data for covered professional services will receive a payment reduction equal to -1.5% of their total estimated 2015 Medicare Part B allowances. Penalty increases to -2% in CY2016 and beyond.	- To avoid a -2.0% penalty in CY2017, physicians MUST report their CY2015 PQRS data for covered professional services, including: a) at least nine (9) quality measures from three (3) of the National Quality Strategy Domains; AND b) at least one (1) crosscutting measure on 50% or more of their Medicare patients.
Physician Value Based Payment Modifier (VBPM) <i>PREREQUISITE: PQRS participation</i>	CY2015 (NEW)	INCENTIVE - or - PENALTY	GOAL: Differentially pay physicians treating Medicare patients based upon the quality of care furnished compared to the cost - 3-year rollout period beginning CY2015 for groups of 100+ physicians (expanding to groups of 10+ in CY2016 and ALL physicians by CY2017, as required by the ACA). - Uses data collected via PQRS with 2-year lag (i.e., CY2015 will be calculated based on CY2013 performance data, CY2016 based on CY2014, etc.), as well as voluntary VBPM "Quality Tiering" measures, to determine whether a group of eligible professionals is statistically better, the same or worse than the national average based on cost and quality. - Medicare applies a "Payment Modifier", on a claim-by-claim basis, to adjust physicians' payments up or down based on program participation/performance. INCENTIVE: - Participating groups that elect VBPM "Quality Tiering" measures and are deemed to deliver high value care will receive Medicare reimbursement increases of up to +1.5% of their estimated 2015 Medicare Part B allowances. PENALTY: - Groups considered to be lagging behind in cost and quality, or that have not elected VBPM "Quality Tiering" or that do not participate in PQRS will receive a payment reduction of up to -1% of their estimated 2015 Medicare Part B allowances.	- By CY2017, practices of nine (9) or less eligible professionals will be at risk for +/- 2% of their estimated 2017 Medicare Part B allowances while practices of ten (10) or more eligible professionals will be at risk for +/- 4% of their estimated 2015 Medicare Part B allowances. NOTE: Non-PQRS participants are automatically assessed a -1.0% reduction to all CY2015 Medicare Part B allowances, in addition to the -1.5% reduction for 2015 cited in the PQRS program description above.
Electronic Health Record (EHR) <i>(aka "Meaningful Use-MU")</i>	CY2009	INCENTIVE (Available thru CY2016) PENALTY (NEW for CY2015)	GOAL: Encourage use of EHR technology in ways that can positively impact patient care - Provides for more efficient use of technology as well as improved security, interoperability, data portability and other features - Incentive payments currently but declining through CY2016 - Transitions to penalty-based program in CY2015 for eligible professionals not meeting "Meaningful Use" requirements - Successful electronic prescribing is now an element of the meaningful use program. INCENTIVE: - Incentive amounts vary based on initial year of program participation. PENALTY (NEW): - Physicians not participating in the EHR program will receive a payment reduction of -1% to their estimated 2015 Medicare Part B allowances.	- Penalty increases to -2.0% in CY2016, with a maximum penalty of -3.0% in CY2017 and beyond. - Eligible professionals must continue to demonstrate meaningful use each year to avoid penalties as they are based on prior year's reporting period.

INCENTIVES:

2015 (+1.5% or more)
PQRS +0.5%; VBPM +1%; EHR varies

2016 (+1.5% or more)
PQRS +0.5%; VBPM +1 to 4%; EHR varies

2017 (+1% or more)
VBPM +1 to 4%

PENALTIES:

2015 (-3.5% or more)
PQRS -1.5%; VBPM -1%; EHR -1%

2016 (-4% or more)
PQRS -2%; VBPM -1%; EHR -1%

2017 (-7% or more)
PQRS -2%; VBPM -2%; EHR -3%

For additional information on Medicare's Quality Initiatives, visit the CMS website at: www.cms.gov/Medicare/Medicare.html - OR -

Download Medicare's Payment Adjustment Resource titled "Understanding the 2015 Medicare Payment Adjustments" available at: www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/Downloads/Understanding-2015PaymentAdjustment.pdf