CY 2019 MPFS Final Rule

HFMA Executive Summary

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Physician Payment Updates

- The conversion factor for calendar year (CY) 2019 is **$36.0391**, which reflects the 0.25% update adjustment factor specified under the Balanced Budget Act of 2018, and a budget neutrality adjustment of -0.14% (2018 conversion factor $35.9996x1.0025x0.9986 = $36.0391).
- Calculation of the final 2019 conversion factor can be found in table 92 of the final rule, shown below:

TABLE 92—CALCULATION OF THE FINAL CY 2019 PFS CONVERSION FACTOR

CY 2018 Conversion Factor		35.9996
Statutory Update Factor	0.25 percent (1.0025)	
CY 2019 RVU Budget Neutrality Adjustment	−0.14 percent (0.9986)	
CY 2019 Conversion Factor		36.0391

- The 2019 anesthesia conversion factor is **$22.2730** (compared to CY 2018's $22.1887), which reflects the same adjustments listed above, and an additional adjustment due to an update to the malpractice risk factor for the anesthesia specialty (1.0027)
- Calculation of the final anesthesia conversion factor can be found in table 93 of the final rule, shown below:

TABLE 93—CALCULATION OF THE FINAL CY 2019 ANESTHESIA CONVERSION FACTOR

CY 2018 National Average Anesthesia Conversion Factor		22.1887
Statutory Update Factor	0.25 percent (1.0025)	
CY 2019 RVU Budget Neutrality Adjustment	−0.14 percent (0.9986)	
CY 2019 Anesthesia Fee Schedule Practice Expense and Malpractice Adjustment.	0.27 percent (1.0027)	
CY 2019 Conversion Factor		22.2730

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Specialty Specific Impact

- The most widespread specialty impacts of the relative value unit (RVU) changes are generally related to those for specific services resulting from the misvalued code initiatives, including the establishment of RVUs for new and revised codes.
- Estimated impacts for many specialties differ significantly between the proposed and final rules, due in large part, to CMS not finalizing the evaluation and management (E/M) proposal for 2019.
  - This would have established a single E/M payment rate for new patients, and a single physician fee schedule (PFS) rate for established E/M visits levels 2-5, as well as other adjustments.
- The combined impact of the final rule policies range from a 3% payment increase for clinical psychologists, 2% for clinical social workers, interventional radiology, podiatry, and vascular surgery, to a decrease of 5% for diagnostic testing facilities, and 2% for independent laboratory and pathology.

Evaluation and Management Visits

- CMS finalized several E/M visit proposals aimed at reducing burden and modernizing payment for E/M services for CY 2019 and CY 2021.
- CMS finalized the simplified documentation of history and exam for established patients, as proposed.
- The elimination of required medical necessity documentation for furnishing a home health visit is also finalized, effective January 1, 2019.
- Implementation of payment, coding, and other documentation changes will continue in CY 2021.
- CMS did not finalize the proposal to extend the Multiple Procedure Payment Reduction policy to visits combined with same-day minor procedures.
- Finalized payment changes will be modified and delayed until January 1, 2021.

Non-Excepted Off-Campus Provider-Based Hospital Department Payments

- Since CY 2017, payment for certain items and services furnished in non-excepted off-campus provider-based departments has been made under the PFS using a PFS relativity adjuster based on a percentage of the outpatient prospective payment system (OPPS) payment rate.

- The PFS relativity adjuster for CY 2018 is 40%.

- Non-excepted items and services are paid at 40% of the amount that would have been paid for those services under the OPPS.

- In the final rule, CMS finalized the relativity adjuster at 40% for 2019, and beyond, until there is appropriate reason and process for implementing an alternative to the current policy.

Quality Payment Program

- The final rule establishes updates to the Quality Payment Program (QPP) for 2019, year three.
- For the 2019 Merit-based Incentive Payment System (MIPS) performance period, CMS added 8 new MIPS quality measures, including 4 patient reported outcome measures.
- These finalized measures can be found in Table Group A of Appendix 1 in the final rule:
  - Continuity of Pharmacotherapy for Opioid Use Disorder
  - Average Change in Functional Status Following Lumbar Spine Fusion Surgery
  - Average Change in Functional Status Following Total Knee Replacement Surgery
  - Average Change in Functional Status Following Lumbar Discectomy Laminotomy Surgery
  - Appropriate Use of DXA Scans in Women Under 65 Years Who Do Not Meet the Risk Factor Profile for Osteoporotic Fracture
  - Average Change in Leg Pain Following Lumbar Spine Fusion Surgery
  - Zoster (Shingles) Vaccination measure
  - HIV Screening
- CMS removed 26 quality measures

Quality Payment Program

- CMS modified performance category weights for PY 2021. Table 53 reproduced below, shows the weights for the transition year, along with PY 2020, and PY 2021.

TABLE 53: Finalized Weights by MIPS Performance Category and MIPS Payment Year

Performance Category	Transition Year	2020 MIPS Payment Year	2021 MIPS Payment Year
Quality	60%	50%	45%
Cost	0%	10%	15%
Improvement Activities	15%	15%	15%
Promoting Interoperability	25%	25%	25%

- Several changes were made to the criteria for an Alternative Payment Model (APM) to be considered an Advanced APM.
- Analogous changes are finalized for Other Payer Advanced APMs.
- CMS finalized a modification of its proposal to revise the definition of a MIPS eligible clinician to include, beginning with the 2021 MIPS payment year, the following additional clinician types:
  - Physical therapist
  - Occupational therapist
  - Clinical psychologist
  - And a group that includes such clinicians

Quality Payment Program

- CMS adopts several scoring and measurement policies that increase the focus of the performance category on interoperability, and improving patient access to health information.
- To better reflect this focus, CMS renamed the Advancing Care Information performance category the Promoting Interoperability (PI) performance category.
- Beginning with the 2019 MIPS Performance Period, CMS finalized its proposal for a new scoring methodology based on performance on individual measures.
  - The goal of this scoring methodology is to provide increased flexibility to clinicians and enable them to focus more on patient care and health data exchange through interoperability.
- The new scoring methodology has four objectives: e-Prescribing, Health Information Exchange, Provider to Patient Exchange, and Public Health and Clinical Data Exchange.
- The score for each individual measure will be added together to calculate the PI performance score of up to 100 possible points for each MIPS eligible clinician.

Medicare Shared Savings Program

- CMS finalized proposed changes to the quality performance measures in the Patient Experience of Care Survey measures, and CMS Web Interface and Claims-Based measures for the 2019 performance year (PY) and subsequent years.
- CMS finalized several changes to the quality measure set used to assess quality performance of Accountable Care Organizations under the Shared Savings Program, and notes that the changes would enhance patient and caregiver experience, and better align with MIPS.
- CMS finalized, without change, its proposal to reduce the total number of measures in the MSSP quality measure set by eliminating the following measures:
    - ACO-35-Skilled Nursing Facility 30-Day All-Cause Readmission Measure (SNFRM)
    - ACO-36-All-Cause Unplanned Admissions for Patients with Diabetes
    - ACO-37-All-Cause Unplanned Admission for Patients with Heart Failure
    - ACO-44-Use of Imaging Studies for Low Back Pain
- Table 26 of the final rule shows the Medicare Shared Savings Program (MSSP) quality measure set for PY 2019 and subsequent performance years.

Medicaid Promoting Interoperability Program Requirements for Eligible Professionals

- CMS finalized, without change, its proposal to align the electronic clinical quality measures (eCQMs) for Medicaid eligible professionals (EPs) for CY 2019 with those available for MIPS eligible clinicians for the 2019 performance period by making the list of quality measures for Medicaid EPs the same as the list finalized for MIPS.
- CMS believes that aligning the eCQMs for the two programs will reduce burden for Medicaid EPs who are also participating in MIPS, and will encourage more EP participation in Medicaid.
- Medicaid EPs will report on any six eCQMs that are relevant to the EPs' scope of practice.
- The reporting period for EPs in the Medicaid PI Program will be for a full CY in 2019 for those who have demonstrated meaningful use in a prior year.
- For EPs demonstrating meaningful use for the first time, the eCQM reporting period will continue to be any continuous 90-day period consistent with existing rules.

Add-on Percentage for Certain Wholesale Acquisition Cost-based Payments

- CMS finalized its proposal to reduce the add-on percentage for wholesale acquisition cost (WAC)-based payments for new drugs.
- Effective January 1, 2019, WAC based payments for new Part B drugs made under section 1847A(c)(4) of the Act, will utilize a 3% add-on.
- In the proposed rule, CMS noted that a fixed percentage is consistent with other provisions of section 1847A of the Act that specify fixed add-on percentage of 6% or 3%.
- CMS plans to utilize a variable percentage that will use an add-on payment that is up to 3% to address the wide range of Part B drug prices.
- Because the policy has been finalized, CMS will issue Manual instructions addressing contractor pricing for new Part B drugs.

Price Transparency

- In an effort to encourage price transparency by improving the public accessibility of price information, CMS included a Request for Information related to price transparency and improving beneficiary access to provider and supplier charge information in the CY2019 PFS proposed rule.

- CMS noted its appreciation of the comments it received.

For More Information

- Read Part I and Part II of the full summary of the final rule.
- Read the full text of the final rule in the November 23, 2018, *Federal Register*.

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