

# Hospitalists and the Quality Payment Program

2024 REPORTING YEAR

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## What is new to consider in 2024?

For hospitalists, there are few new features or relevant policies in the Merit-based Incentive Payment System (MIPS) in 2024. CMS continues to develop the MIPS Value Pathways (MVPs), and SHM continues to monitor changes and address issues in the program on behalf of hospitalists.

## Major relevant changes to the program in 2024

- Continued development of MIPS Value Pathways (MVPs). There continues to be no MVP for hospitalists at this time.
- 2024 MIPS category weights stay the same: Quality (30%), Cost (30%), Improvement Activities (15%), and Promoting Interoperability (25%).
- Maintain the MIPS Performance Threshold. In the 2024 performance year, MIPS participants must achieve at least 75 points in the MIPS to avoid a penalty.

# Basics and Overview

## What is the Quality Payment Program?

The Quality Payment Program (QPP) is the program the Centers for Medicare & Medicaid Services (CMS) created to implement the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). The QPP was developed to begin moving Medicare from fee-for-service payments towards alternative payment models that reward quality and value.

## How do payments work under the QPP?

The QPP is broken down into two pathways: the Merit-based Incentive Payment System (MIPS) and Alternative Payment Models (APMs). The MIPS combines past programs such as the Physician Quality Reporting System (PQRS), value-based payment modifier, and Meaningful Use into one streamlined pay-for-performance program. APMs incentivize the adoption of payment models that move away from a fee-for-service system. The MIPS pays clinicians on a modified fee-for-service system. MIPS participants will receive payment adjustments based on performance across a range of measures and activities. APMs pay clinicians based on the rules associated with the model itself.

## What is at risk under the QPP?

The QPP has both financial risks and rewards for participants, depending on the pathway. The program operates on a two-year time lag. For the MIPS, performance on measures in 2024 will determine payments in 2026. APMs have varying financial upsides and downsides depending on the model and potential 1.88% incentive payment in 2026 for Qualifying Participants.

Financial Risk in Performance Year 2024	
MIPS	+/-9% of Medicare Part B payments in 2026
Advanced APMs	Financial risk associated with the APM model and potential 1.88% incentive payment in 2026 for Qualifying Participants

## Where do hospitalists fall?

Hospitalists are participating in the QPP in a variety of ways. Some hospitalists participate in traditional MIPS reporting. Others, such as those who are directly employed by a hospital, may be participating as a multispecialty group and report on measures well beyond the scope of hospital medicine. Many hospitalists participate in risk-based alternative payment models, such as Accountable Care Organizations (ACOs). However, they may not meet the APM Qualifying Participant (QP) threshold and therefore may still be required to participate in the MIPS through the APM Performance Pathway (APP).

# MIPS Overview

The Merit-based Incentive Payment System combines previous clinician-level programs (PQRS, value modifier, and Meaningful Use) into a single program. MIPS-eligible clinicians will be measured and assessed on performance across four categories: Quality, Cost, Promoting Interoperability (formerly, Advancing Care Information), and Improvement Activities.

- **Quality** requires the reporting of quality measures.
- **Cost** assesses the cost of care using CMS-calculated measures.
- **Promoting Interoperability** continues to push forward the adoption and use of electronic health records (EHRs).
- **Improvement Activities** requires selecting and performing activities and programs aimed at improving aspects of patient care or practice structures.

## What's the financial risk/reward in the MIPS?

MIPS Performance in 2024 will determine payment adjustments in 2026. There is a potential +/-9% payment adjustment to Medicare Part B payments under the MIPS depending on performance. As a budget-neutral program, the pool of money for positive payment adjustments in the MIPS is made up of the money from negative payment adjustments.

## Eligibility Requirements for Participation

The MIPS is the default program for all clinicians who bill Medicare Part B. These include physicians, physician assistants, nurse practitioners, certified nurse specialists, and certified registered nurse anesthetists. Providers may be exempt from the MIPS if:

- They do not exceed one or more of the low volume thresholds, which are:
  - Billing \$90,000 or less in Medicare Part B allowed charges for covered professional services; or
  - Providing covered professional services for 200 or fewer Part B-enrolled individuals; or
  - Providing 200 or fewer covered professional services to Part B-enrolled individuals.
- They are in their first year of participating in the Medicare program.
- They are participating in a qualifying Advanced Alternative Payment Model and meet the thresholds for Qualifying Participant (QP).

*If you are unsure if you are eligible to participate in the QPP, go to [qpp.cms.gov](https://qpp.cms.gov). Enter your National Provider Identifier (NPI) to check your participation status.*

## MIPS Category Weights

For most hospitalists, the categories are weighted differently from other providers. Hospitalists are exempt from the Promoting Interoperability (PI) category if they fall under a hospital-based exemption, similar to their exemption under Meaningful Use in the past. This exemption means that the weight for the PI category is shifted to the Quality category. See the Promoting Interoperability section in this guide for more information.

# 2024 MIPS Category Weights

Each of the four MIPS categories is weighted a proportion of the overall MIPS score.

**15%**

*Improvement Activities*

**30%**

*Cost*

**25%**

*Promoting Interoperability*

**30%**

*Quality*

**All  
Clinicians**

**15%**

*Improvement Activities*

**30%**

*Cost*

**55%**

*Quality*

**Hospitalists**

**Note:** For hospitalists that meet the definition of hospital-based provider or group, the Promoting Interoperability (formerly Advancing Care Information" category weight is shifted to the Quality category. See Promoting Interoperability section for more information about the hospital-based status.

# Quality

## Overview

The Quality category involves the reporting of clinical quality measures using a variety of methods, including registries, EHRs, qualified clinical data registries (QCDRs), and, in some cases, claims. For most hospitalists, the Quality category will be weighted 55% of the MIPS final score for performance in 2024/payment in 2026. This higher category weight is because most hospitalists will be exempt from the Promoting Interoperability category (for information about this exemption, see the section on Promoting Interoperability in this guide).

## Requirement

MIPS participants are required to report on six quality measures, including one outcome measure. The minimum number of cases for each measure is 20 and each measure must meet a 75% data completeness threshold. Performance on each measure will be scored individually and rolled up into the Quality category score. Hospitalists can report through either the hospitalist specialty measure set or the broader list of measures, which are available at <https://qpp.cms.gov/mips/quality-measures>.

Take note that the 2024 measure set for hospitalists only has four measures. Because of the case volume requirement, some measures may also be “low volume,” particularly if you report at the individual level. We encourage hospitalists to keep this in mind as they are reporting measures. Quality measures are scored individually on performance against benchmarks and aggregated to make the category score. Since hospitalists will likely not have the requisite six measures to report, they will be subject to a validation process to ensure there were no other available measures to report. Beginning in 2019, facility-based clinicians and groups were automatically granted a score in the Quality category aligned with their hospital’s Value-Based Purchasing (VBP) score. They may accept this score or elect to report on quality measures normally. For more information, see Facility-based Measurement section of this guide.

## Why is the Quality category worth more for hospitalists?

Hospitalists are generally exempt from the Promoting Interoperability category. In the case that an individual or group is exempt from Promoting Interoperability, the 25% category weight for Promoting Interoperability shifts to the Quality category. In 2024, the Quality category is worth 55% of the total MIPS score for hospitalists.

## What is the quality measure validation process?

The Eligible Measure Applicability (EMA) process is triggered when a provider reports on fewer than six measures. The EMA process determines whether the provider could have reported any additional measures. Because hospitalists have fewer than six reportable measures, their reporting will likely be subject to this validation process. The EMA has a two-step process:

1. A clinical relation test determines if there are more clinically related quality measures based on the quality measures you submitted. If you did not report an outcome measure, the clinical relation and outcome/high priority tests to see if there were any outcome measures that could have applied.
2. A minimum threshold test reviews submitted Medicare claims to verify whether there are at least 20 denominator-eligible instances for any extra measures found in step 1.

For more information regarding this process, see <https://qpp.cms.gov/about/resource-library>.

*Note: The hospitalist measure set only has four measures. By reporting on the full set, groups should not be penalized for not reporting on six measures.*

*Note: Beginning in 2019, CMS no longer allows groups of 16 or more eligible clinicians to use Medicare Part B claims to report quality measures. Individuals and small groups may continue to utilize claims-based reporting but note that CMS has indicated an interest in moving away from claims-based reporting entirely in the future.*

**Action Item:** Assess whether the facility measurement reporting option applies to and makes sense for your practice. Decide whether to report on quality measures separately, either as a group or an individual. Report on as many quality measures as you can, either as a group or individual.

# Applicable Quality Measures for Hospitalists

SHM worked with CMS to ensure that the “Hospitalist-Specific Specialty Measure Set” only contained measures that are applicable to hospitalists. Although some measures will remain low volume measures for some clinicians, as long as they report as many measures as apply to their practice, they should avoid a penalty.

## QUALITY #5

**Heart Failure:**  
ACE/ARB for LVSD

**Reporting Method:**  
Registry, EHR

## QUALITY #8

**Heart Failure:**  
Beta-blocker for LVSD

**Reporting Method:**  
Registry, EHR

## QUALITY #47

**Advanced Care Plan**

**Reporting Method:**  
Claims, Registry

## QUALITY #130

**Documentation of  
Current Medications**

**Reporting Method:**  
Claims, Registry



# Cost

## Overview

The Cost category incorporates claims-based cost measures to assess the costs and resources used in caring for patients across episodes of care or the measure reporting period.

Cost measures in 2024 include:

- Total Per Capita Cost Measure, which uses a two-step primary care attribution methodology and measures the overall cost of care for beneficiaries attributed to the clinician. Generally, this measure should not apply to hospitalists.
- Medicare Spending Per Beneficiary Measure, which uses a plurality of Medicare Part B services during the index admission attribution methodology and measures the cost of services performed by a clinician during a hospital stay episode. The measure window includes three days prior to the index admission and 30 days post-discharge. This measure is typically attributed to hospitalists.
- Twenty-three episode-based cost measures, which are condition-specific. Potential episode measures relevant to hospitalists include inpatient COPD exacerbation, sepsis, intracranial hemorrhage or cerebral infarction, and ST-Elevation Myocardial Infarction (STEMI) with Percutaneous Coronary Intervention (PCI).

CMS is continuing to develop episode-based cost measures, which look at costs around specific clinical conditions and episodes of care. New measures will be incorporated into the MIPS in the coming years. SHM's Performance Measurement and Reporting Committee reviews and provides comments on new measures as they emerge.

## Requirement

CMS uses administrative claims to automatically calculate cost measures. Cost measures have different attribution methodologies depending on the measure, meaning hospitalist groups may have different cost measures applied to their MIPS scores. The Cost category has been weighted at 30% for all MIPS participants in 2024.

**Action Item:** Nothing. Cost measures are automatically calculated by CMS. For hospitalists, scores in the Cost category may be based on these measures or based on the facility-based measurement score.





# Facility-Based Measurement

## Overview

In 2019, CMS began automatically calculating a score in the Quality and Cost categories for facility-based providers. SHM advocated for hospitalists to receive credit for the work they already do for their hospitals' quality reporting and pay-for-performance requirements. SHM believes facility-based reporting significantly reduces administrative burden and enables hospitalists to focus on clinical care and local system quality improvement efforts. This scoring takes the hospital's performance percentile in the Hospital Value Based Purchasing (HVBP) program and gives the clinician the score associated with the same performance percentile in the Quality and Cost categories of the MIPS. Individuals and groups may also report measures in the Quality and Cost categories through traditional MIPS reporting; CMS will use the facility-based score unless another MIPS submission has a higher final score. Either way, providers will still need to report Improvement Activities and Promoting Interoperability (unless exempt). **Most hospitalists will qualify for this scoring.** In addition, providers using facility-based measurement will have a minimum score of 30% in the Quality category—regardless of their hospital's VBP performance.

## Definition of Facility-Based

### Individual Facility-Based Determination

- ✓ You are a MIPS eligible clinician.
- ✓ You billed at least 75 percent of your covered professional services in an inpatient hospital (POS 21), on-campus outpatient hospital (POS 22), and/or emergency room (POS 23).
- ✓ You billed at least one service in an inpatient hospital (POS 21) or emergency room (POS 23)
- ✓ You can be attributed to a facility with a Hospital VBP score.\*\*

### Group/Virtual Group Determination

- ✓ The group is participating in the MIPS program.\*
- ✓ At least 75 percent of MIPS eligible clinicians billing under the group's TIN or virtual group's TINs are identified as facility-based individuals.
- ✓ The group is attributed to a facility with a Hospital VBP score. \*\*

*\*Groups using the Facility-Based Measurement option must submit data as a group for Improvement Activities to be considered a group.*  
*\*\*Providers and groups working in Maryland hospitals or within hospitals that otherwise do not have an HVBP score are not eligible for Facility-Based Measurement.*

Most hospitalists in the MIPS will qualify for this scoring and will need to decide whether to report on measures in the Quality category separately. CMS will post on the [qpp.cms.gov](https://qpp.cms.gov) website whether clinicians are considered facility-based, similarly to how they report other special statuses (hospital-based, non-patient facing, etc.). SHM encourages hospitalists to check whether they are facility-based to help decide whether to report separately on quality measures.

## Which hospital's score is used in Facility-Based Measurement?

CMS will attribute the score from the hospital at which individuals provide services to the most Medicare beneficiaries. For groups, CMS will use the score for the single hospital where a majority of clinicians in the group are attributed. CMS will score clinicians and groups using the facility-based measurement rules unless they have a higher MIPS score through another submission method.

# Facility-Based Measurement *(continued)*

## Where can I see an example of what my Facility-Based Measurement scores would look like?

CMS offers a Facility Based Preview to see how your Quality and Cost performance category scores could look like for the 2023 MIPS performance period. The Facility Based Preview shows you how your attributed hospital's VBP score is translated into a MIPS score, using historical data. While this information will not tell you how your hospital will fare during the performance period, it should help you decide whether to report on quality measures separately. Register or sign in to [qpp.cms.gov](https://qpp.cms.gov) and select 'Facility Based Preview'. The sign-on uses the HCQIS Access Roles and Profile (HARP) system.

## Do I need to sign up for Facility-Based Measurement?

No. If you are a facility-based MIPS eligible clinician attributed to a facility with a hospital VBP score, CMS will automatically apply the facility-based scoring to your MIPS score. Please note CMS will only calculate scores for the Quality and Cost performance categories. Improvement Activities and Promoting Interoperability performance categories must be reported separately (note: most hospitalists should be exempt from Promoting Interoperability).

### Note about impact of COVID-19 on Facility-Based Measurement

Due to the disruptions associated with the COVID-19 pandemic on the HVBP program, CMS has not been able to calculate a facility-based measurement score for the past several years. This is due to measures in the HVBP program being suppressed during the pandemic. As more information comes out about facility-based reporting for the 2024 performance year, SHM will update this resource.

## Should I or my group still report Quality and Cost performance measures separately?

Hospitalists can still choose to report on MIPS Quality and Cost performance measures individually or as a group. CMS will use the higher of the two scores as the final score for the MIPS. It may be in your interest to report separately, particularly if your hospital has historically had a low HVBP score. We encourage individuals and groups to check the Facility Based Preview on the [qpp.cms.gov](https://qpp.cms.gov) site to help inform their decision about reporting.

### Action Items

- Check your Participation Status online using the participation lookup tool at Participation Lookup ([qpp.cms.gov/participation-lookup](https://qpp.cms.gov/participation-lookup)) to see if you qualify as facility-based.
- Look at the "Other Reporting Factors" under your participation status. It should list whether you are facility-based and, if so, what hospital is attributed. Check the Facility Based Preview by signing into [qpp.cms.gov](https://qpp.cms.gov) (will need a HARP login).
- Explore how you would have scored in the Quality and Cost categories using your attributed hospital's historical HVBP performance.
- Decide whether to keep the facility-attributed score or to report quality measures through traditional MIPS reporting. Make sure you continue to report Improvement Activities and determine what you need to do in Promoting Interoperability

# Improvement Activities

## Overview

Improvement Activities (IA) require completing specific activities that focus on care coordination, beneficiary engagement, and patient safety. The category will be weighted 15% for performance in 2024/payment in 2026.

## Examples of Improvement Activities that could apply to hospitalists:

- Implementation of regular care coordination training
- Implementation of an antibiotic stewardship program
- Utilization of decision support and standardized treatment protocols to manage workflow
- Participation in Maintenance of Certification (MOC) Part IV

## Requirement

Providers must report on 40 points worth of activities to receive full credit in this category. Activities are weighted at 20 points for a high-weight activity and 10 points for a medium-weight activity. Individual providers will need to select activities from the

inventory and attest to doing the activity for at least 90 continuous days during the calendar year. Groups must have at least 50% of their providers perform the same activity for any 90-day continuous period in the year. Eligible clinicians or groups must submit IA data by registry, EHR, qualified clinical data registry (QCDR), CMS web interface, or attestation.

The full list of Improvement Activities can be viewed at <https://qpp.cms.gov/mips/improvement-activities>.

**Action item:** Review available Improvement Activities. Match actions and activities you are doing to improve patient care to those available in the CMS-published inventory. Attest to activities during the performance year.

# Promoting Interoperability

## Overview

Promoting Interoperability (PI) involves the use of certified electronic health record technology (CEHRT) as part of a clinician’s practice. The PI category is weighted 25% in 2024.

As hospitalists practice in acute care hospitals, which are governed by their own PI “eligible hospital” requirements, there is a hospital-based exemption from this category. Hospitalists who meet the definition for ‘hospital-based’ are automatically exempt from PI. The 25% PI category weight is shifted to the Quality category, making it 55% of the final MIPS score. In 2020, CMS expanded the definition of hospital-based group in response to SHM’s advocacy efforts, ensuring all hospitalist groups qualify as hospital-based.

## Definition of Hospital-Based

Individual Hospital-Based Determination	Group Hospital-Based Determination
Clinician who bills 75% or more of his or her Medicare Part B services in Place of Service 21 (inpatient), 22 (hospital outpatient), and 23 (ER).	A group where 75% of its providers qualify as hospital-based as individuals or are otherwise exempt from this category.

Hospitalists who practice significantly (>25% of services) in settings such as skilled nursing facilities (SNFs) or other post-acute settings will be subject to the PI category. SHM recommends hospitalists who may not meet the definition of hospital-based apply for a hardship exception. You can check the status of any clinician at [qpp.cms.gov](https://qpp.cms.gov). If a group or individual does not meet the exemption criteria, they will be required to participate in the Promoting Interoperability category and will receive a score in

this category of the MIPS. More information about hardship exceptions can be found at [qpp.cms.gov](https://qpp.cms.gov).

**Action Item:** Check the status of all providers in the group at [qpp.cms.gov](https://qpp.cms.gov). If hospitalists in your group also practice in SNFs or other settings where EHR availability is beyond their control, consider applying for a hardship exemption. More information about hardship exemptions can be found at [qpp.cms.gov](https://qpp.cms.gov).

# Scoring in the 2024 MIPS

## When will CMS provide information about our performance in the MIPS?

CMS will produce and disseminate feedback reports in the year between the performance and payment adjustment years. These reports are expected to show your performance across all four of the MIPS categories (Quality, Cost, Promoting Interoperability, and Improvement Activities) and more detailed information about the performance scoring. For 2024 reporting, there will be a feedback report issued in 2025. These feedback reports will indicate how your performance affects your Medicare Part B payments in 2026.

## How is the MIPS scored?

CMS will create a score in each of the categories based on your performance. Those scores will then be given the category MIPS score. That score will be on a scale of 1 to 100 points. For 2024, CMS maintained the performance threshold of 75 points in the MIPS. Individual clinicians and groups that reach 75 points will avoid a MIPS penalty in 2026.

## What do I need to consider for maximum points?

- Clinicians should report on as much as they possibly can in each of the categories, particularly Improvement Activities.
- Consider how Facility-Based Measurement may affect your score and decide whether to report on quality measures separately.
- Check to make sure your group is exempt from Promoting Interoperability.
- Make a plan for reporting and stay informed of changes to policies and measures.

## How are MIPS payment adjustments applied?

After the MIPS total score is calculated, CMS will apply an adjustment to Medicare Part B payments. Performance in 2024 will determine payments in 2026. These payment adjustments (positive or negative) are applied at the individual Tax Identification Number/National Provider Identifier (TIN/NPI) level. We note, however, the payment adjustment would be carried forward even if you are practicing under a different TIN in 2026; an individual clinician who moves and changes TINs would still receive the payment adjustment based on performance at his or her former practice.

## How does MIPS participation work if I am in an Alternative Payment Model (APM)?

Many hospitalists are working in APMs such as ACOs or bundled payments but may not meet the Qualifying Participant (QP) thresholds for exemption from the MIPS. Therefore, they may need to report in the MIPS. In 2021, CMS introduced a new APM Performance Pathway (APP) to streamline the MIPS performance requirements for providers in APMs. The APP contains a small, unified set of measures to be reported by APMs. Because APM participants are already responsible for cost/resource use, the APP reweights the Cost category to zero and spreads it out to the other MIPS categories (Quality, Promoting Interoperability, Improvement Activities). For more information about MIPS APM participation, visit [qpp.cms.gov](https://www.cms.gov).

# Alternative Payment Models (APMs)

The APM pathway is meant to incentivize the adoption of payment models that move farther away from traditional fee-for-service Medicare. Participating in an APM that qualifies as an Advanced APM will exempt participants from reporting under MIPS.

**To be an Advanced APM, the APM must meet the following criteria:**



## How can hospitalists participate in the APM pathway and be exempt from the MIPS

First, you must participate in a designated Advanced APM. Second, you must be considered a Qualifying Participant (QP) by having a participation agreement within the model and meeting a threshold for payments or patients associated with the model. If a clinician is a QP, he or she is exempt from the MIPS.

### Threshold Options for QP Status in Advanced APMs in 2024

Medicare Payments Only	≥75%
All-Payer Payments	≥75% (with 25% Medicare payments)
Patient Count	≥50%
All-Payer Patient Count	≥50% (with 20% Medicare patients)

Be sure to check the most up-to-date list of Advanced APMs and learn more about the APM pathway at [qpp.cms.gov](https://qpp.cms.gov).



Clinicians who do not reach and exceed the thresholds for QP status may be eligible for Partial QP status, which uses slightly lower thresholds. Partial QP status exempts providers from the MIPS (allowing for voluntary MIPS participation). Clinicians in APMs who do not meet either the QP or Partial QP thresholds or are not participating in an Advanced APM must participate in the MIPS but may be eligible to do so using the APM Performance Pathway (APP).

SHM has heard from many hospitalists participating in Advanced APMs (both ACOs and BPCI Advanced) who have not been able to reach QP or Partial QP status. We encourage groups to take this into consideration as they weigh their APM participation.

### **What about the incentive payment associated with APM participation?**

MACRA authorized a 5% incentive payment for QPs; however, the statute set the incentives to expire at the end of the 2022 performance period. A 1.88% incentive payment was authorized for the 2024 performance year by the 2024 “minibus” package passed in March 2024. Beginning in payment year 2026, QPs may be eligible for a 0.75% update to the Medicare Physician Fee Schedule conversion factor.

### **Can a hospitalist group, such as one employed in a hospital, be counted in their hospital’s APM?**

Hospitalist groups may be able to be counted as participants in an APM led by their hospital if the hospital has the hospitalist group included in its APM participant list.

## **What can hospitalists do now?**

Hospitalists should take the time to educate themselves about the program and check in with their practice administrators and leadership to see if there is a plan set in place to be successful under the QPP. SHM strongly recommends that all hospitalists take the following three action items to get started and be ready for the QPP:

- Check in with a practice manager, administrator, or group leader to see if you have been reporting quality measures in the MIPS in the last year.
- Make sure your group has a plan for reporting under the QPP.
- Share with your colleagues and continue to educate yourself about the MIPS and APMs and opportunities for hospitalists.

For more detailed information about the Quality Payment Program, explore CMS’ [qpp.cms.gov](https://qpp.cms.gov) website.

*Information contained in this resource is accurate to the best of SHM's knowledge. Questions or if you identify an error, please contact SHM at [advocacy@hospitalmedicine.org](mailto:advocacy@hospitalmedicine.org).*