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- (ii) Patient experience.
- (iii) Care coordination.
- (iv) Clinical care.
- (v) Population/community health.
- (vi) Efficiency.

(2) If a domain includes no measure or does not reach the minimum case size in § 414.1265, the remaining domains are equally weighted to form the quality of care composite.

(b)(1) The standardized score for each cost measure is grouped into two separate and equally weighted domains to determine the cost composite:

(i) Total per capita costs for all attributed beneficiaries: Total per capita costs measure and Medicare Spending per Beneficiary measure; and

(ii) Total per capita costs for all attributed beneficiaries with specific conditions: Diabetes, coronary artery disease, chronic obstructive pulmonary disease, or heart failure (four measures).

(2) Measures within each domain are equally weighted.

[77 FR 69368, Nov. 16, 2012, as amended at 78 FR 74821, Dec. 10, 2013]

§ 414.1265 Reliability of measures.

To calculate a composite score for a quality measure or a cost measure, a group or solo practitioner subject to the value-based payment modifier must have 20 or more cases for that measure.

(a) In a performance period, if a group or solo practitioner has fewer than 20 cases for a measure, that measure is excluded from its domain and the remaining measures in the domain are given equal weight.

(1) Starting with the CY 2017 payment adjustment period, the exception to this paragraph (a) is the all-cause hospital readmissions measure described at § 414.1230(c). In a performance period, if a group has fewer than 200 cases for this all-cause hospital readmissions measure, that measure is excluded from its domain and the remaining measures in the domain are given equal weight.

(2) Starting with the CY 2017 payment adjustment period, the Medicare Spending Per Beneficiary measure described at § 414.1235(a)(6) is an exception to this paragraph (a). In a performance period, if a group or a solo practitioner

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has fewer than 125 episodes for this MSPB measure, that measure is excluded from its domain and the remaining measures in the domain are given equal weight.

(b)(1) For the CY 2015 payment adjustment period, if a reliable quality of care composite or cost composite cannot be calculated, payments will not be adjusted under the value-based payment modifier.

(2) Beginning with the CY 2016 payment adjustment period, a group and a solo practitioner subject to the value-based payment modifier will receive a quality composite score that is classified as “average” under § 414.1275(b)(1) if such group and solo practitioner do not have at least one quality measure that meets the minimum number of cases under paragraph (a) of this section.

(3) Beginning with the CY 2016 payment adjustment period, a group and a solo practitioner subject to the value-based payment modifier will receive a cost composite score that is classified as “average” under § 414.1275(b)(2) if such group and solo practitioner do not have at least one cost measure that meets the minimum number of cases under paragraph (a) of this section.

[77 FR 69368, Nov. 16, 2012, as amended at 79 FR 68007, Nov. 13, 2014; 80 FR 71384, Nov. 16, 2015]

§ 414.1270 Determination and calculation of Value-Based Payment Modifier adjustments.

(a) For the CY 2015 payment adjustment period:

(1) *Downward payment adjustments.* A downward payment adjustment will be applied to a group of physicians subject to the value-based payment modifier if—

(i) Such group neither self-nominates for the PQRS GPRO and reports at least one measure, nor elects the PQRS administrative claims option for CY 2013 as defined in § 414.90(h).

(A) Such adjustment will be –1.0 percent.

(B) [Reserved]

(ii) Such group elects that its value-based payment modifier be calculated using a quality-tiering approach, and is determined to have poor performance

(low quality and high costs; low quality and average costs; or average quality and high costs).

(A) Such adjustment will not exceed -1.0 percent as specified in §414.1275(c)(1).

(B) [Reserved]

(2) *No payment adjustments.* There will be no value-based payment modifier adjustment applied to a group of physicians subject to the value-based payment modifier if such group either:

(i) Self-nominates for the PQRS GPRO and reports at least one measure; or

(ii) Elects the PQRS administrative claims option for CY 2013 as defined in §414.90(h).

(3) *Upward payment adjustments.* If a group of physicians subject to the value-based payment modifier elects that the value-based payment modifier be calculated using a quality-tiering approach, upward payment adjustments are determined based on the projected aggregate amount of downward payment adjustments determined under paragraph (a)(1) of this section and applied as specified in §414.1275(c)(1).

(b) For the CY 2016 payment adjustment period:

(1) A downward payment adjustment of -2.0 percent will be applied to a group of physicians subject to the value-based payment modifier if, during the applicable performance period as defined in §414.1215, the following apply:

(i) Such group does not self-nominate for the PQRS GPRO and meet the criteria as a group to avoid the PQRS payment adjustment for CY 2016 as specified by CMS; and

(ii) Fifty percent of the eligible professionals in such group do not meet the criteria as individuals to avoid the PQRS payment adjustment for CY 2016 as specified by CMS.

(2) For a group of physicians comprised of 100 or more eligible professionals that is not included in paragraph (b)(1) of this section, the value-based payment modifier adjustment will be equal to the amount determined under §414.1275(c)(2).

(3) For a group of physicians comprised of 10 and 99 eligible professionals that is not included in para-

graph (b)(1) of this section, the value-based payment modifier adjustment will be equal to the amount determined under §414.1275(c)(2), except that such adjustment will be 0.0 percent if the group of physicians is determined to be low quality/high cost, low quality/average cost, or average quality/high cost.

(4) If at least fifty percent of the eligible professionals in the group meet the criteria as individuals to avoid the PQRS payment adjustment for CY 2016 as specified by CMS, and all of those eligible professionals use a qualified clinical data registry and CMS is unable to receive quality performance data for them, the quality composite score for such group will be classified as "average" under §414.1275(b)(1).

(c) For the CY 2017 payment adjustment period:

(1) A downward payment adjustment of -2.0 percent will be applied to a group with two to nine eligible professionals and a solo practitioner and a downward payment adjustment of -4.0 percent will be applied to a group with 10 or more eligible professionals subject to the value-based payment modifier if, during the applicable performance period as defined in §414.1215, the following apply:

(i) Such group does not meet the criteria as a group to avoid the PQRS payment adjustment for CY 2017 as specified by CMS; and

(ii) Fifty percent of the eligible professionals in such group do not meet the criteria as individuals to avoid the PQRS payment adjustment for CY 2017 as specified by CMS; or

(iii) Such solo practitioner does not meet the criteria as an individual to avoid the PQRS payment adjustment for CY 2017 as specified by CMS.

(2) For a group comprised of 10 or more eligible professionals that is not included in paragraph (c)(1) of this section, the value-based payment modifier adjustment will be equal to the amount determined under §414.1275(c)(3)(i).

(3) For a group comprised of between two to nine eligible professionals and a solo practitioner that are not included in paragraph (c)(1) of this section, the value-based payment modifier adjustment will be equal to the amount determined under §414.1275(c)(3)(ii).

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(4) If at least fifty percent of the eligible professionals in the group meet the criteria as individuals to avoid the PQRS payment adjustment for CY 2017 as specified by CMS, and all of those eligible professionals use a qualified clinical data registry and CMS is unable to receive quality performance data for them, the quality composite score for such group will be classified as “average” under § 414.1275(b)(1).

(d) For the CY 2018 payment adjustment period:

(1) A downward payment adjustment of –1.0 percent will be applied to a solo practitioner, a group with two to nine eligible professionals, and a group consisting only of nonphysician eligible professionals subject to the value-based payment modifier and no physicians; and a downward payment adjustment of –2.0 percent will be applied to a group with 10 or more eligible professionals and at least one physician if, during the applicable performance period as defined in § 414.1215, the following apply:

(i) For groups:

(A) Such group does not meet the criteria as a group to avoid the PQRS payment adjustment for CY 2018 as specified by CMS; and

(B) Fifty percent of the eligible professionals in such group do not meet the criteria as individuals to avoid the PQRS payment adjustment for CY 2018 as specified by CMS.

(ii) For solo practitioners, such solo practitioner does not meet the criteria as an individual to avoid the PQRS payment adjustment for CY 2018 as specified by CMS.

(2) For a group composed of 10 or more eligible professionals that is not included in paragraph (d)(1) of this section, the value-based payment modifier adjustment will be equal to the amount determined under § 414.1275(c)(4)(i).

(3) For a group composed of between two to nine eligible professionals and a solo practitioner that are not included in paragraph (d)(1) of this section, the value-based payment modifier adjustment will be equal to the amount determined under § 414.1275(c)(4)(ii).

(4) For a group and a solo practitioner consisting of nonphysician eligible professionals that are not included in paragraph (d)(1) of this section, the value-based payment modifier adjustment will be equal to the amount determined under § 414.1275(c)(4)(iii).

(5) If at least 50 percent of the eligible professionals in the group meet the criteria as individuals to avoid the PQRS payment adjustment for CY 2018 as specified by CMS, and all of those eligible professionals use a qualified clinical data registry and CMS is unable to receive quality performance data for them, the quality composite score for such group will be classified as “average” under § 414.1275(b)(1).

[78 FR 74821, Dec. 10, 2013, as amended at 79 FR 68007, Nov. 13, 2014; 80 FR 71384, Nov. 16, 2015; 82 FR 53363, Nov. 15, 2017]

§ 414.1275 Value-based payment modifier quality-tiering scoring methodology.

(a) The value-based payment modifier amount for a group and a solo practitioner subject to the value-based payment modifier is based upon a comparison of the composite of quality of care measures and a composite of cost measures.

(b) Quality composite and cost composite are classified into high, average, and low categories based on whether the composites are statistically above, not different from, or below the mean composite scores.

(1) Quality composites that are one or more standard deviations above the mean are classified into the high category. Quality composites that are one or more standard deviations below the mean are classified into the low category.

(2) Cost composites that are one or more standard deviations below the mean are classified into the low category. Cost composites that are one or more standard deviations above the mean are classified into the high category.

(c)(1) The following value-based payment modifier percentages apply to the CY 2015 payment adjustment period: