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# American Academy of Sleep Medicine

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## **AASM Summary: 2014 Medicare Physician Fee Schedule Final Rule Quality Programs**

On November 25, 2013 the Centers for Medicare & Medicaid Services (CMS) published the display copy of the 2014 Medicare Physician Fee Schedule (MPFS) final rule. The rule describes finalized payment policy and rates effective January 1, 2014. Below is a summary of the key changes and expansions of CMS quality programs.

### **Physician Quality Reporting System – Program Changes**

2014 is the last year eligible professionals will be given the opportunity to earn an incentive payment for participation in PQRS (+0.5% for successful participation). 2014 is also the performance year for the 2016 penalty adjustment (-2% for non-participation). In the MPFS final rule, CMS finalized a proposal to increase the number of individual measures from three to nine measures (for the 2014 incentive). However, CMS chose not to increase the minimum number of measures required in a measures group (such as the sleep apnea measures group). CMS also finalized a proposal to add a new clinical data registry option for PQRS reporting. The AASM encourages all members to participate in PQRS and has contracted with CECity to offer the [PQRSwizard](#) program for easy reporting.

### **Value Based Payment Modifier (Value Modifier)**

The Affordable Care Act mandates the application of a value modifier to all physician payment by 2017. The value modifier is based on physician quality and cost data. The program seeks to reward physicians who offer high quality care at a low cost while penalizing low quality and high cost physicians. CMS bases its calculation of the quality of care on performance in the PQRS program. Cost is assessed based on the provider's total per capita cost and the per capita cost for beneficiaries with certain chronic conditions (COPD, heart failure, coronary artery disease and diabetes).

Existing rules require that physicians in group practices of 100 or more eligible professionals will be subject to the value modifier in 2015 (based on 2013 performance data). The MPFS final rule detailed CMS's continued plans to expand the implementation of the value modifier. According to the 2014 MPFS, physicians in group practices of 10 or more eligible professionals will be subject to the value modifier in 2016 (based on 2014 performance data). All physicians will be subject to the value modifier in 2017. Requirements for the 2017 value modifier will be finalized in the 2015 MPFS. More information on the implementation of the value modifier can be found on the [CMS website](#).

### **Physician Compare**

CMS is continuing to move forward with its plans to publically report physician quality performance information on the [Physician Compare website](#). Physician Compare allows patients to search for and compare quality of local physicians based on education, specialty, and eventually PQRS reporting. CMS will expand content of the site in 2015 to include data on all measures reported through the Group Practice Reporting Option (GPRO) and well as measures reported by ACOs participating in the Medicare Shared Savings Program. Future expansion of the Physician Compare program will likely include data on individual provider PQRS performance – though such plans have not been finalized in this year's MPFS.