2022 Performance Period / 2024 Payment Year Merit-based Incentive Payment System (MIPS) Cost Measure Exclusion Fact Sheet

Policy for Excluding Individual Cost Measures from Scoring

In the Calendar Year (CY) 2022 Medicare Physician Fee Schedule (PFS) Final Rule (86 FR 64886, 65507-65509), CMS established scoring flexibility at the measure-level. Under § 414.1380(b)(2)(v)(A), if data used to calculate a score for a cost measure are impacted by significant changes during the performance period, such that calculating the cost measure's score would lead to misleading or inaccurate results, then the affected cost measure is excluded from the MIPS eligible clinician's or group's cost performance category score. Significant changes are changes external to the care provided, and that CMS determines may lead to misleading or inaccurate results. Significant changes include, but aren't limited to, rapid or unprecedented changes to service utilization, and will be empirically assessed by CMS to determine the extent to which the changes impact the calculation of a cost measure score that reflects clinician performance (§ 414.1380(b)(2)(v)(A)).

Review Process for Cost Measures

For the 2020 and 2021 performance periods, CMS reweighted the MIPS cost performance category to 0% as a result of the COVID-19 public health emergency (PHE). For the 2022 performance period/2024 MIPS payment year (hereafter written as "2022 performance period"), CMS conducted an empirical analysis to assess whether any or all cost measures were continually impacted by the COVID-19 PHE and, if so, whether it would be appropriate for CMS to reweight the cost performance category again under § 414.1380(c)(2) or to exclude any individual cost measures.

Our empirical analysis of the cost measures, and their underlying data, for the 2022 performance period showed that 24 of the 25 cost measures haven't been significantly impacted by the COVID-19 PHE to the extent that it would be appropriate for CMS to reweight the cost performance category again or to exclude any individual cost measures under our policy described in the section above. Generally, our analysis demonstrated that calculating the scores for these 24 cost measures would adequately capture and reflect the performance of MIPS eligible clinicians. Our empirical analysis identified **only the Simple Pneumonia with Hospitalization measure** as warranting exclusion from our calculation of MIPS eligible clinicians' scores under the cost performance category, as further discussed in Table 1 below.

On this basis, CMS has determined that it won't automatically reweight the cost performance category for all MIPS eligible clinicians under our policies set forth in § 414.1380(c)(2) for the 2022 performance period. Unless an exception applies to an individual MIPS eligible clinician or group under § 414.1380(b)(2) or § 414.1380(c)(2), CMS will apply the weight of 30% to the cost performance category in CMS's calculation of final scores under § 414.1380(c)(1)(ii) for the 2022 performance period.

CMS also has determined it will exclude only the Simple Pneumonia with Hospitalization measure for all MIPS eligible clinicians pursuant to § 414.1380(b)(2)(v)(A) and, therefore, this measure won't be included in CMS's calculation of MIPS eligible clinicians' scores under the cost performance category for the 2022 performance period.

Table 1 outlines further information about the exclusion of the Simple Pneumonia with Hospitalization measure.

Table 1: Cost Measure Identified for Exclusion

Cost Measure Number/Title	Collection Type Impacted	Exclusion Rationale
Measure COST_SPH_1: Simple Pneumonia with Hospitalization	MIPS Cost Category	The Simple Pneumonia with Hospitalization episode-based cost measure was impacted by the introduction of a new diagnosis code for pneumonia. Specifically, an ICD-10 diagnosis code for pneumonia due to COVID-19 (J12.82) came into effect, including additional guidance on reporting these instances as secondary to COVID-19 (U07.1), in January, 2021. These coding changes impacted the scope of pneumonia cases captured by this measure. Inpatient stays for pneumonia due to COVID-19 (J12.82) are almost all classified as stays under Respiratory Infections and Inflammations hospitalizations (MS-DRGs 177-179), rather than Simple Pneumonia and Pleurisy (MS-DRGs 193-195). Only Simple Pneumonia and Pleurisy (MS-DRGs 193-195) trigger an episode for the Simple Pneumonia with Hospitalization measure. As determined by our empirical analysis, these ICD-10 coding updates significantly impacted pneumonia hospitalizations originally intended to be captured by this measure. Our empirical analysis determined that this coding change and guidance resulted in J12.82 cases being excluded from calculation of this cost measure. Our analysis found that the changes resulted in a severe drop in Simple Pneumonia with Hospitalization episodes. Further, these changes didn't uniformly impact clinicians and groups; the share of pneumonia hospitalizations no longer assessed by the Simple Pneumonia with Hospitalization measure wasn't evenly distributed across clinicians and groups. Ultimately, our analysis determined the coding changes would affect whether a significant number of MIPS eligible clinicians met the case minimum for this cost measure under § 414.1350(c)(5). These findings also indicate that the measure is no longer assessing MIPS eligible clinicians' performance on the Simple Pneumonia with Hospitalization cost measure as

		intended. As a result of this significant change external to care (i.e., the coding changes) and because this change impacted calculation of the cost measures, such that it would lead to misleading or inaccurate results, CMS is excluding this measure from its calculation of MIPS eligible clinicians' scores for the cost performance category for the 2022 performance period under § 414.1380(b)(2)(v)(A).

Additional Resources

Additional information about the 24 cost measures that will be calculated and reported under the cost performance category for the 2022 performance period, as well as the Simple Pneumonia with Hospitalization measure, is available here:

- Measure Specification Documents:
  - 2022 Cost Measure Information Forms (ZIP, 10.6 KB)
  - 2022 Cost Measure Codes Lists (ZIP, 10.9 KB)

For more information on the cost performance category reweighting for the 2020 and 2021 performance periods, please refer to the following materials:

- 2021 MIPS Cost Quick Start Guide (PDF, 1.3 KB)
- 2020 MIPS Cost Performance Category Quick Start Guide (PDF, 1.7 KB)

Contact CMS

Contact the Quality Payment Program Service Center by email at QPP@cms.hhs.gov, create a QPP Service Center ticket, or by phone at 1-866-288-8292 (Monday-Friday, 8 a.m. - 8 p.m. ET). You can also subscribe to the QPP listserv to receive updates and announcements.

- People who are deaf or hard of hearing can dial 711 to be connected to a TRS Communications Assistant.

Version History

Date	Change Description
06/08/2023	Original version