Quality Payment
PROGRAM

Merit-based Incentive Payment System (MIPS)

2025 Facility-based Measurement Quick Start Guide

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Purpose: This resource reviews when and how facility-based measurement is applied to a MIPS eligible clinician's final score.

How to Use This Guide

How to Use This Guide

Please Note: This guide was prepared for informational purposes only and isn't intended to grant rights or impose obligations. The information provided is only intended to be a general summary. It isn't intended to take the place of the written law, including the regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.

Table of Contents

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Hyperlinks

Hyperlinks to the Quality Payment Program website are included throughout the guide to direct the reader to more information and resources.

Facility-based Measurement Overview

What is the Merit-based Incentive Payment System?

The Merit-based Incentive Payment System (MIPS) is one way to participate in the Quality Payment Program (QPP). Under MIPS, we evaluate your performance across multiple categories that drive improved quality and value in our healthcare system.

If you're eligible for MIPS in 2025:

- You have to report measure and activity data for the quality (PDF, 271KB), improvement activities (PDF, 298KB), and Promoting Interoperability (PDF, 244KB) performance categories.
  - Exceptions to these reporting requirements include your MIPS reporting option, special status, clinician type, extreme and uncontrollable circumstances (EUC) or hardship exception.

- We collect and calculate data for the cost (PDF, 348KB) performance category for you, if applicable.
  - Exceptions include your MIPS reporting option, participation option, extreme and uncontrollable circumstances and whether or not you meet the case minimum for any cost measures.

Quality Payment PROGRAM

To Learn More About MIPS Eligibility And Participation Options:

- Visit the How MIPS Eligibility is Determined and Participation Options Overview webpages on the Quality Payment Program website.
- Check your current participation status by entering your National Provider Identifier (NPI) on the QPP Participation Status Tool.

What is MIPS? (Continued)

There are **3 reporting options** available to MIPS eligible clinicians to meet MIPS reporting requirements:

Traditional MIPS	MIPS Value Pathways (MVPs)	APM Performance Pathway (APP)
• The original reporting option for MIPS. • Visit the Traditional MIPS Overview webpage to learn more.	• The newest reporting option, offering clinicians a more meaningful and reduced grouping of measures and activities relevant to a specialty or medical condition. • Visit the MIPS Value Pathways (MVPs) webpage to learn more.	• A streamlined reporting option for **clinicians who participate in a MIPS Alternative Payment Model (APM)**. • Visit the APM Performance Pathway webpage to learn more.
• You select the quality measures and improvement activities that you'll collect and report from all of the quality measures and improvement activities finalized for MIPS.	• You select an MVP that's applicable to your practice. • Then you choose from the quality measures and improvement activities available in your selected MVP. • You'll report a reduced number of quality measures and improvement activities as compared to traditional MIPS.	• You'll report a predetermined set of quality measures. • MIPS APM participants currently receive full credit in the improvement activities performance category, though this is evaluated on an annual basis.
• You'll report the complete Promoting Interoperability measure set.	• You'll report the complete Promoting Interoperability measure set (the same as reported in traditional MIPS).	• You'll report the complete Promoting Interoperability measure set (the same as reported in traditional MIPS).
• We collect and calculate data for all applicable measures in the cost performance category for you.	• We collect and calculate data for you for all applicable cost and population health measures included in the MVP you selected.	• Cost isn't evaluated under the APP.

What is Facility-based Measurement?

Facility-based measurement offers certain MIPS eligible clinicians and groups the opportunity to receive scores in traditional MIPS for the quality and cost performance categories based on the Fiscal Year 2026 score for the Hospital Value-Based Purchasing (VBP) Program earned by their assigned facility.

Individual MIPS eligible clinicians qualify for facility-based measurement in the 2025 MIPS performance year when they:

- Billed at least 75% of their covered professional services in a hospital setting (inpatient hospital (Place of Service (POS)=21), on-campus outpatient hospital (POS=22), or emergency room (POS=23)) between October 1, 2023, and September 30, 2024;
- Billed at least one service in an inpatient hospital or emergency room between October 1, 2023, and September 30, 2024; and
- Are assigned to a facility that receives a Fiscal Year 2026 Hospital VBP Program score. **Note that we won't know if a facility has a Fiscal Year 2026 score until late 2025.**

Groups qualify for facility-based measurement in the 2025 MIPS performance year when:

- 75% or more of the clinicians in the practice qualify for facility-based measurement as individuals; and
- The group is assigned to a facility that receives a Fiscal Year 2026 Hospital VBP Program score. **Note that we won't know if a facility has a Fiscal Year 2026 score until late 2025.**

Virtual groups qualify for facility-based measurement in the 2025 MIPS performance year when:

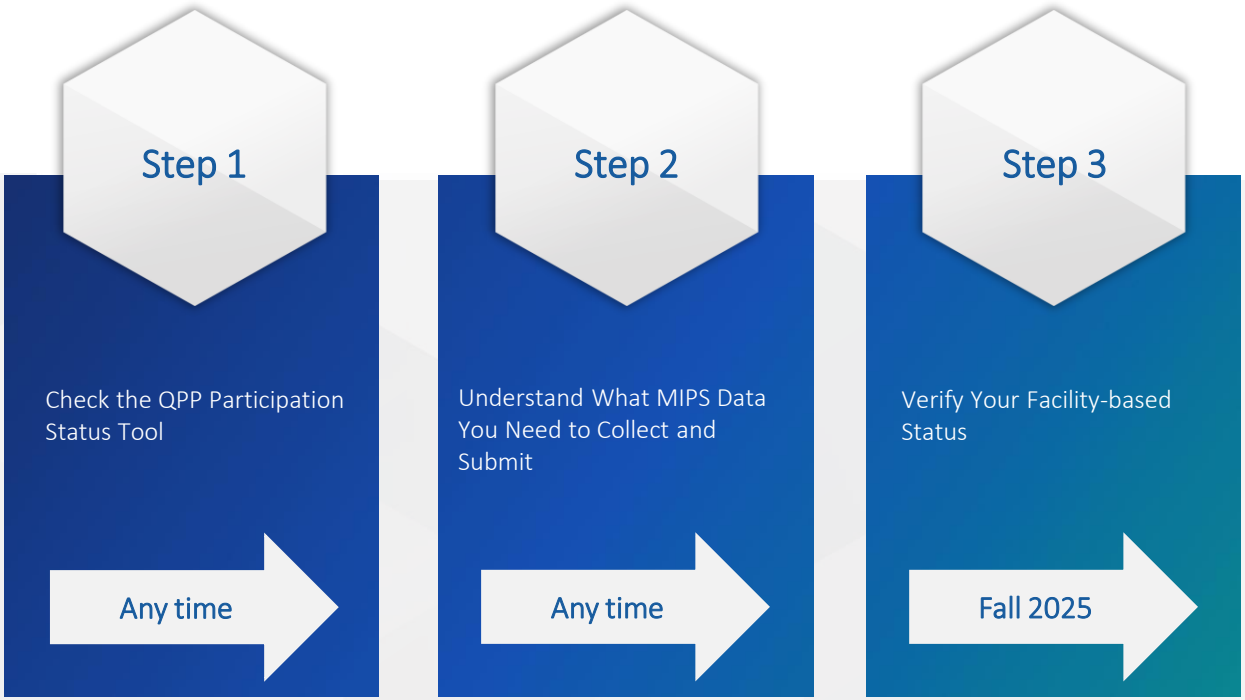
- 75% or more of the clinicians in the virtual group qualify for facility-based measurement as individuals; and
- The virtual group is assigned to a facility that receives a Fiscal Year 2026 Hospital VBP Program score. **Note that we won't know if a facility has a Fiscal Year 2026 score until late 2025.**

Subgroups and APM Entities aren't eligible for scoring under facility-based measurement.

Get Started with MIPS Facility-based Measurement in 3 Steps

Getting Started with MIPS Facility-based Measurement in 3 Steps

This guide outlines 3 steps to understanding whether facility-based measurement applies to you, and what it means for your participation in MIPS.

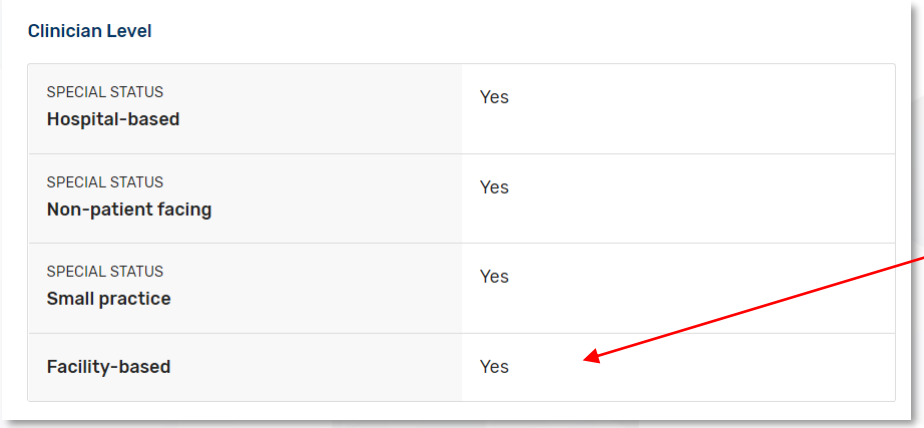


Step 1. Check the QPP Participation Status Tool

We've updated the QPP Participation Status Tool to identify facility-based clinicians and groups for the 2025 MIPS performance year.

- **The facility-based status is predictive until late 2025 when we determine which facilities have a Fiscal Year 2026 Hospital VBP Program score.**

From the QPP Participation Status Tool, click **Expand Details** below your MIPS eligibility at a given practice, and scroll down to **Other Reporting Factors**, which provides information about special statuses at the "Clinician Level" and "Practice Level."



You won't see a facility name displayed until late 2025 when we determine which facilities have a Fiscal Year 2026 Hospital VBP Program score.

Note: Virtual groups will need to sign in to the Quality Payment Program website to check for this predictive status, which can be done beginning in April 2025 when CMS-approved virtual groups are loaded into QPP systems for the 2025 MIPS performance year.

Step 1. Check the QPP Participation Status Tool (Continued)

What You Need to Know

1. We'll only identify you as facility-based if your assigned facility has the most recent Hospital VBP Program score available.

- We're using the Fiscal Year 2025 score for this predictive designation (the most recent score available). We can't confirm whether your assigned facility has a Fiscal Year 2026 score, used for MIPS facility-based scoring in the 2025 MIPS performance year, until late 2025.

2. We don't evaluate MIPS eligible clinicians for facility-based measurement eligibility during the 2nd segment of the MIPS determination period.

- If you aren't identified as facility-based now, you won't become facility-based for the 2025 MIPS performance year when we update eligibility in December 2025.

Step 2. Understand What MIPS Data You Need to Collect and Submit

Facility-based clinicians, groups, and virtual groups whose assigned facility has a Fiscal Year 2026 Hospital VBP Program score won't need to submit additional quality data if reporting traditional MIPS. Fiscal Year 2026 Hospital VBP Program scores will be available in fall 2025 at the earliest.

Facility-based clinicians:

- Automatically receive quality and cost performance category scores as an individual based on their facility's Fiscal Year 2026 Hospital VBP Program score, **even if**:
  - They don't submit data for the Promoting Interoperability or improvement activities performance categories; or
  - Their practice chooses to participate in MIPS as a group. In this instance, the clinician will get the higher of the 2 final scores – their individual final score from facility-based measurement OR the group's final score.

Facility-based groups and virtual groups:

- Must submit data for the improvement activities and/or Promoting Interoperability performance categories to be able to receive quality and cost scores based on their attributed facility's Fiscal Year 2026 Hospital VBP Program score.

Step 2. Understand What MIPS Data You Need to Collect and Submit (Continued)

Did You Know?

A facility-based clinician or group can choose to report an MVP or the APP. However, the facility-based scores in the quality and cost performance categories will be attributed to traditional MIPS and won't be applied to quality and cost scores under the MVP or APP.

We'll create 2 final scores and assign the higher of the 2:

- 1 final score for MVP or APP reporting (based on the data submitted for the MVP or APP)
- 1 final score in traditional MIPS (based on quality and cost performance category scores determined by their facility's Fiscal Year 2026 Hospital VBP Program score)

Step 2. Understand What MIPS Data You Need to Collect and Submit (Continued)

We'll calculate 2 final scores and assign you the higher of the 2:

FINAL SCORE #1

- Quality and cost performance category scores in traditional MIPS based on your facility's Fiscal Year 2026 Hospital VBP Program score

AND

- Improvement activities and Promoting Interoperability performance category scores based on data you may have collected and submitted for traditional MIPS

OR

FINAL SCORE #2

- Quality, improvement activities and Promoting Interoperability performance category scores based on data you may have collected and submitted for traditional MIPS, an MVP, or the APP

AND

- Cost performance category score based on the performance data we collect and calculate for you (if applicable)

If you're reporting traditional MIPS and don't submit data for the MIPS improvement activities or Promoting Interoperability performance categories, you'll receive zero points in those categories unless you qualify for reweighting.

- **Reminder:** To be eligible for facility-based scoring in quality and cost, **groups and virtual groups** must submit either improvement activities or Promoting Interoperability data.

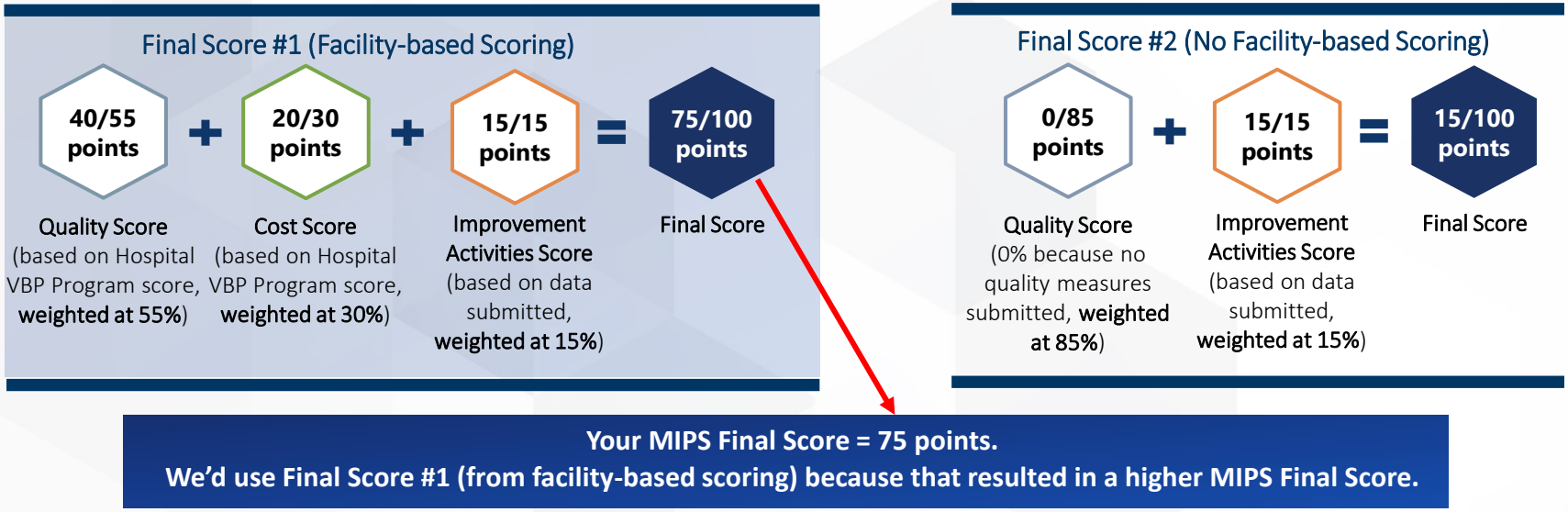
Your 2025 MIPS quality and cost performance category scores in traditional MIPS, based on your assigned facility's Fiscal Year 2026 Hospital VBP Program score, won't be available until final scores are released in summer 2026.

Step 2. Understand What MIPS Data You Need to Collect and Submit (Continued)

Let's look at 2 examples.

Example 1

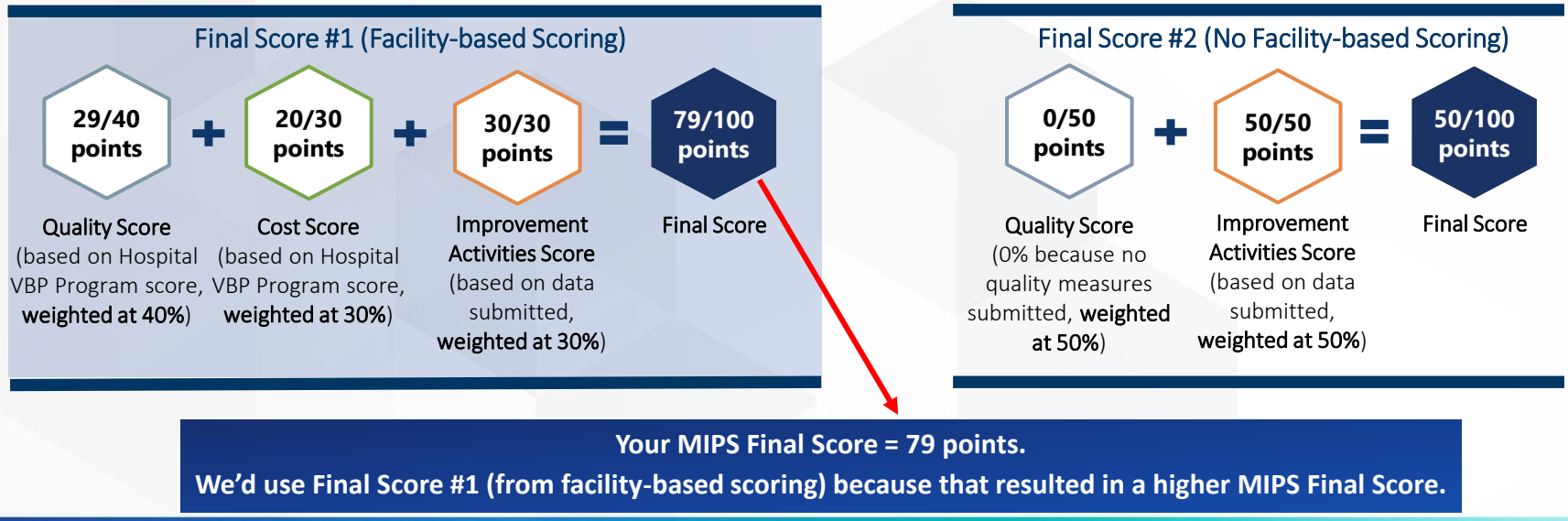
- You aren't identified as a small practice.
- You're reporting traditional MIPS.
- You don't submit any MIPS quality measures.
- You qualify for automatic reweighting in the Promoting Interoperability performance category.
- You can't be scored on any MIPS cost measures.
- You attest to 2 improvement activities, receiving full credit in this performance category.



Step 2. Understand What MIPS Data You Need to Collect and Submit (Continued)

Example 2 (Small Practice)

- You're identified as a small practice and therefore qualify for a different redistribution policy when the Promoting Interoperability performance category is reweighted.
- You're reporting traditional MIPS.
- You don't submit any MIPS quality measures.
- You qualify for automatic reweighting in the Promoting Interoperability performance category.
- You can't be scored on any MIPS cost measures.
- You attest to performing 1 improvement activity, receiving full credit in this performance category.



Step 3. Verify Your Facility-based Status

Facility-based clinicians, groups, and virtual groups should verify their facility-based status on the QPP Participation Status Tool in late 2025.

Did you know?
You can lose your facility-based status if your assigned facility doesn't have a Fiscal Year 2026 Hospital VBP Program Score.

What You Need to Know:

It's possible for a facility to have a Fiscal Year 2025 Hospital VBP score (used for the predictive facility-based status) but not receive a Fiscal Year 2026 Hospital VBP score (used for facility-based quality and cost scores).

This can occur if the facility doesn't meet one or more of the Hospital VBP Program's exclusion/eligibility criteria. Some examples of these criteria include:

- Hospital is subject to payment reductions under the Hospital Inpatient Quality Reporting (IQR) Program.
- Hospital has an approved extraordinary circumstance exception specific to the Hospital VBP Program.
- Hospital didn't meet the minimum number of cases, measures, or surveys, as determined by program requirements.
- Hospital was cited for deficiencies during the applicable fiscal year performance period(s) that pose an immediate jeopardy (IJ) to patients' health or safety.

This can also occur when a hospital closes or otherwise has its CMS Certification Number (CCN) terminated, which can result from a merger between 2 facilities, or the transition from an acute care hospital to a critical access hospital (CAH).

Finally, this can occur if the Hospital VBP Program determines that it's not appropriate to calculate Fiscal Year 2026 total performance scores.

If this happens:
- We'll remove your facility-based status in the QPP Participation Status Tool in fall 2025;
- You won't be eligible for facility-based measurement; and
- You'll need to submit quality measure data to MIPS (we'll still calculate your cost measures for you).

If you have questions or concerns about your assigned facility's continued compliance with the Hospital VBP Program, please contact your hospital administrator.

Facility-based Measurement FAQs

How Does Facility-based Measurement and Scoring Work?

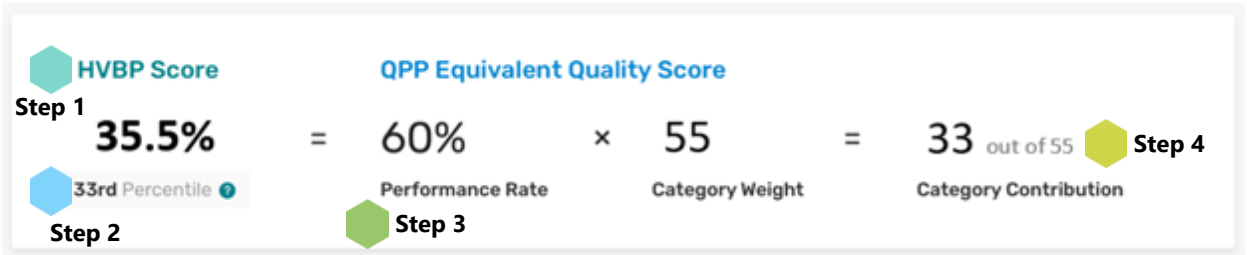
Step 1: We'll review your facility's Fiscal Year 2026 Hospital VBP Program score.

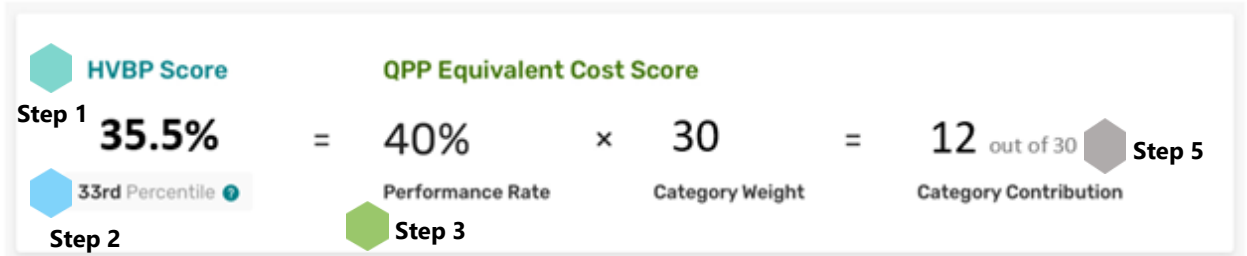
Step 2: We'll determine how your facility's Fiscal Year 2026 Hospital VBP Program score compares to all other facilities with a Fiscal Year 2026 Hospital VBP Program score and arrive at a percentile.

Step 3: We'll review the range and distribution of unweighted 2025 MIPS quality and cost performance category percentile scores for MIPS participants and identify which 2025 MIPS quality (percentile) score and cost (percentile) score maps to the percentile associated with your Fiscal Year 2026 Hospital VBP Program score. Note that we won't assign a quality percentile score below 30%.

Step 4: We'll multiply the mapped 2025 MIPS quality percentile score by the 2025 quality performance category weight to determine the quality performance category points contributing to your final score.

Step 5: We'll multiply the mapped 2025 MIPS cost percentile score by the 2025 cost performance category weight to determine the cost performance category points contributing to your final score.





NOTE: The performance category weights in this example reflect reweighting (to 0%) of the Promoting Interoperability performance category, since most facility-based clinicians, groups, and virtual groups also receive the hospital-based special status which qualifies them for automatic reweighting of Promoting Interoperability.

Facility-based Measurement FAQs

Does the small practice bonus apply to facility-based scoring?

No. We won't add the small practice bonus to a MIPS quality performance category score derived from facility-based measurement.

Does quality or cost improvement scoring apply to facility-based scoring?

No. We won't add improvement scoring points to a MIPS quality or cost performance category score derived from facility-based measurement because the Hospital VBP Program already measures improvement.

Am I eligible for the complex patient bonus if I'm a facility-based clinician that doesn't submit data?

Yes. As finalized in the Calendar Year (CY) 2024 Medicare Physician Fee Schedule (PFS) Final Rule, facility-based clinicians receiving a final score from facility-based measurement are eligible to receive the complex patient bonus even if no data are submitted for a MIPS performance category.

Do "hospital-based" and "facility-based" mean the same thing?

No. In MIPS, "hospital-based" and "facility-based" have different definitions and reporting implications, but clinicians and groups identified as facility-based are often identified as hospital-based as well.

"Hospital-based" is a special status that affects your Promoting Interoperability reporting requirements. If you're identified as hospital-based on the QPP Participation Status Tool, you qualify for automatic reweighting of the Promoting Interoperability performance category to 0%. The 25% category weight will be redistributed to another performance category (or categories) unless you choose to submit Promoting Interoperability data. Learn more about the hospital-based special status.

Facility-based Measurement FAQs (Continued)

What happens if I'm facility-based as an individual, but our practice is participating in MIPS as a group?

We'll use facility-based measurement to calculate quality and cost performance category scores for all individual facility-based clinicians. These scores will be based on the Fiscal Year 2026 Hospital VBP Program score of the hospital to which you're assigned as an individual. If your practice also participated as a group, we'll assign you the higher final score – your individual score (using facility-based measurement) or your group's score.

I'm a facility-based clinician and no longer affiliated with the facility I'm assigned to on the QPP Participation Status Tool, but I'm still with the same practice. Am I still eligible for facility-based scoring at this practice?

Yes. You're still eligible for facility-based scoring as long as your assigned facility has a Fiscal Year 2026 Hospital VBP Program score. Even though you're no longer affiliated with the facility (in the 2025 MIPS performance year), you were assigned to that facility based on services you furnished between October 1, 2023, and September 30, 2024, which generally aligns with the Fiscal Year 2026 Hospital VBP Program measure performance period. Please make sure you check the QPP Participation Status Tool in late 2025 when final MIPS eligibility is released to verify your MIPS eligibility at this practice and confirm that you're still identified as facility-based (which means that your assigned facility has a Fiscal Year 2026 Hospital VBP Program score).

We developed an indicator for public reporting to display on Care Compare profile pages if a MIPS eligible clinician or group is scored using facility-based measurement. This indicator is shown with an icon and plain language description and links to the relevant hospital profile page on the compare tool on Medicare.gov. This began with 2019 performance year data available for public reporting in 2021.

Does facility-based measurement under MIPS affect my assigned hospital's payment adjustment under the Hospital VBP Program?

No. A clinician's MIPS payment adjustment is distinct from, and doesn't affect, any payment adjustment the hospital receives through the Hospital VBP Program.

Help and Version History

Where Can You Go for Help?

Contact the Quality Payment Program Service Center by email at QPP@cms.hhs.gov, by creating a QPP Service Center ticket, or by phone at 1-866-288-8292 (Monday through Friday, 8 a.m. - 8 p.m. ET). To receive assistance more quickly, please consider calling during non-peak hours—before 10 a.m. and after 2 p.m. ET.

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

Visit the Quality Payment Program website for other help and support information, to learn more about MIPS, and to check out the resources available in the Quality Payment Program Resource Library.

Visit the Small Practices page of the Quality Payment Program website where you can **sign up for the monthly QPP Small Practices Newsletter** and find resources and information relevant for small practices.

Version History

If we need to update this document, changes will be identified here.

DATE	DESCRIPTION
05/21/2025	Original Posting.