

Physician Payment Transition – Current Law

Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual Payment Update (APU)	0.0%	+0.5%	+0.25%	+0.5%	+0.5%	+0.5%	+0.5%	0.0%	0.0%	0.0%
Medicare EHR Incentive	Variable incentive	Variable incentive	-2.0%	-2.0%	-3.0%	Max -4.0%	Folded into MIPS			
Physician Quality Reporting System (PQRS)	+0.5%	+0.5%	-1.5%	-2.0%	-2.0%	-2.0%				
Value-Based Payment Modifier (VM)			+1.0x OR -1.0%	+2.0x OR -2.0%	+4.0x OR -4.0%	TBD				
Merit-Based Incentive Payment System (MIPS)							+/- 4.0%	+/- 5.0%	+/- 7.0%	+/- 9.0%
MIPS bonus							≤10%	≤10%	≤10%	≤10%
Alternative Payment Model (APM)							+5.0%	+5.0%	+5.0%	+5.0%
Maximum Potential Increase	0.5% plus Variable EHR	1.0% plus Variable EHR	0.5% plus 1.0x	0.5% plus 2.0x	0.5% plus 4.0x	0.5% plus VM	14.5%	15.0%	17.0%	19.0%
Maximum Potential Reduction	N/A	N/A	4.5%	6.0%	9.0%	9.0%	4.0%	5.0%	7.0%	9.0%

- Payment Update in 2015 = 0.0% Jan 1 – June 30; 0.5% July 1 – Dec 31
- CMS has discretion to set VM pool, but has not done so for 2018 and beyond
- MIPS bonus payable for exceptional performance in 2020-2024



Post-SGR Physician Payment Details

Program	2019	2020	2021	2022	2023	2024	2025	2026
Annual Payment Update	+0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	APM: 0.75% Others: 0.25%
MIPS at-risk payment	+/- 4.0%	+/- 5.0%	+/- 7.0%	+/- 9.0%	+/- 9.0%	+/- 9.0%	+/- 9.0%	+/- 9.0%
MIPS bonus	≤10%	≤10%	≤10%	≤10%	≤10%	≤10%		
APM (bonus)	+ 5.0%	+ 5.0%	+ 5.0%	+ 5.0%	+5.0%	+5.0%		
Maximum Potential Increase	MIPS: 14.5% APM: 5.5%	MIPS: 15% APM: 5%	MIPS: 17% APM: 5%	MIPS: 19% APM: 5%	MIPS: 19% APM: 5%	MIPS: 19% APM: 5%	MIPS: 9% APM: 0.0%	MIPS: 9.25% APM: 0.75%
Maximum Potential Reduction	MIPS: 4% APM: 0%	MIPS: 5% APM: 0%	MIPS: 7 % APM: 0%	MIPS: 9 % APM: 0%	MIPS: 9 % APM: 0%	MIPS: 9 % APM: 0%	MIPS: 9 % APM: 0%	MIPS: 9 % APM: 0%

- Alternative payment model participants avoid penalties and in 2019-2024 receive a bonus
- The maximum increase/reduction under MIPS is 9 percent in 2022 and subsequent years
- Variable MIPS bonus payable for exceptional performance in 2020-2024

