

## Center for Medicare

### **Medicare Shared Savings Program: Performance Scores that Equate to the 30th and 40th Percentile MIPS Quality Performance Category Scores for Performance Years 2018 to 2021**

November 2022

**Quality Reporting Requirements:** Beginning in performance year 2021, Shared Savings Program Accountable Care Organizations (ACOs) are required to report quality data via the Alternative Payment Model (APM) Performance Pathway (APP) to meet the quality reporting requirements under the Shared Savings Program and the Merit-based Incentive Payment System (MIPS).

**Quality Performance Standard:** The quality performance standard is the minimum performance level ACOs must achieve to be eligible to share in any savings earned, avoid maximum shared losses under certain payment tracks, and avoid quality-related compliance actions. Under current rules, for performance years 2021–2023, an ACO that achieves a quality performance score that is equivalent to or higher than the 30th percentile across all MIPS quality performance category scores, excluding entities/providers eligible for facility-based scoring, meets the quality performance standard.<sup>1,2</sup> For performance year 2024 and subsequent performance years, an ACO must achieve a quality performance score equivalent to or higher than the 40th percentile across all MIPS quality performance category scores, excluding entities/providers eligible for facility-based scoring, to meet the quality performance standard.<sup>3</sup>

- ACOs that meet the quality performance standard are eligible to share in savings at the maximum sharing rate, and ACOs in two-sided models share in losses based on their quality performance score or at a fixed percentage based on track.
- ACOs that do not meet the quality performance standard are ineligible to share savings and owe the maximum amount of shared losses, if applicable.

<sup>1</sup> See 42 C.F.R. § 425.512(a)(3)(i) and (4)(i)(A). For performance years 2022 and 2023, an ACO may also meet the quality performance standard if it reports the three electronic clinical quality measures (eCQMs)/MIPS CQMs in the APP measure set, meets data completeness and case minimum requirements, achieves a quality performance score equivalent to or higher than the 10<sup>th</sup> percentile of the performance benchmark on at least one of the four outcome measures in the APP measure set, and achieves a quality performance score equivalent to or higher than the 30th percentile of the performance benchmark on at least one of the remaining five measures in the APP measure set. See 42 C.F.R. § 425.512(a)(4)(i)(B).

<sup>2</sup> In the CY 2023 PFS proposed rule (87 FR 46127–46), we proposed modifications to the quality performance standard for performance year 2023 and subsequent performance years. Those proposals are not described in this document.

<sup>3</sup> 42 C.F.R. § 425.512(a)(5)(i).

An ACO's quality performance score will be calculated using the ACO's performance on the quality measures reported under the APP, any applicable MIPS bonus points, and quality improvement points. The methodology used to calculate MIPS Quality performance category scores is described in the "2021 APM Performance Pathway Scoring Guide" and the "2021 APM Performance Pathway for Shared Savings Program Accountable Care Organizations (ACOs) User Guide" found within the "PY2021 APM Performance Pathway Toolkit" that is available on the [Quality Payment Program Resource Library website](#).

In the Calendar Year (CY) 2022 Medicare Physician Fee Schedule (PFS) final rule (86 FR 65271), we stated that for a given performance year, the 30th or 40th percentile across all MIPS Quality performance category scores would be calculated after MIPS final scoring is complete based on the distribution across all MIPS Quality performance category scores, excluding entities and providers eligible for facility-based scoring. In the CY 2023 PFS proposed rule (87 FR 46150), we clarified that we use the submission level MIPS Quality performance category scores (unweighted distribution of scores) to determine the 30<sup>th</sup> percentile and 40<sup>th</sup> percentile MIPS Quality performance category scores for the purpose of establishing the applicable quality performance standard under the Shared Saving Program. The unweighted distribution of quality performance category scores submitted by ACOs, groups, and individuals has historically been used to calculate benchmarks for quality measure performance under MIPS and the Shared Savings Program.

**Table 1** below shows the MIPS Quality performance category scores that equate to the 30th and 40th percentile across all MIPS Quality performance category scores for performance years 2018, 2019, 2020, and 2021 based on the unweighted distribution of all MIPS Quality performance category scores, excluding entities and providers eligible for facility-based scoring.

*Table 1: Historical Quality Performance Category Scores (Unweighted)*

PERFORMANCE YEAR	30TH PERCENTILE OF THE MIPS QUALITY PERFORMANCE CATEGORY SCORE	40TH PERCENTILE OF THE MIPS QUALITY PERFORMANCE CATEGORY SCORE
2018	59.30	70.80
2019	58.00	70.82
2020	63.90	75.59
2021	61.73 <sup>4</sup>	77.83 <sup>5</sup>

### **Use of ACO Quality Performance in Calculating Shared Savings and Shared Losses:**

Achieving the applicable quality performance standard for a performance year will enable the ACO to share in the maximum amount of savings based on its track, potentially avoid maximum losses under certain payment tracks, and avoid quality-related compliance actions for that performance year. For performance years beginning on or after January 1, 2021, ACOs that

<sup>4</sup> These data reflect the updated 30<sup>th</sup> percentile MIPS QPC score, consistent with the performance year 2021 MIPS performance feedback data republished by the Quality Payment Program on September 28, 2022.

<sup>5</sup> These data reflect the updated 40<sup>th</sup> percentile MIPS QPC score, consistent with the performance year 2021 MIPS performance feedback data republished by the Quality Payment Program on September 28, 2022.

meet the quality performance standard, and are otherwise eligible to share in savings, will share in savings at the maximum sharing rate according to the ACO's track/level of participation, up to the performance payment limit.

ACOs in two-sided models share in losses at a rate determined according to the ACO's track/level of participation, up to the applicable loss recoupment limit. For performance years beginning on or after January 1, 2021, under Track 2 and the ENHANCED track, ACOs that meet the quality performance standard share in losses on the basis of their quality performance score. ACOs in two-sided models of the BASIC track or who were in the Track 1+ ACO Model for performance year 2021 share in losses at a fixed shared loss rate of 30 percent. For information on how shared savings and shared losses are calculated, please refer to the Medicare Shared Savings Program, Shared Savings and Losses and Assignment Methodology Specifications, available on the Shared Savings Program website under [Program Guidance & Specifications](#) (e.g., in Version 9 and Version 10, refer to Section 4.3 Performance Year Financial Reconciliation Calculations).