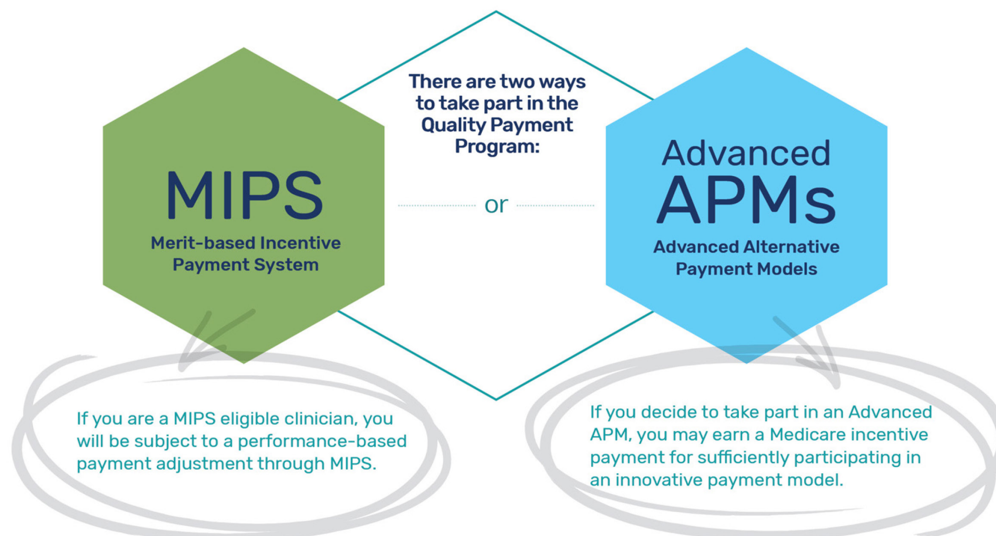
Quality Payment PROGRAM

2023 Call for Cost Measures Fact Sheet

Overview

1. What is the Quality Payment Program (QPP)?

The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) (H.R. 2, Pub.L. 114–10) ended the Sustainable Growth Rate (SGR) formula, which would have resulted in a significant cut to payment rates for clinicians participating in Medicare. In response to MACRA, the Centers for Medicare & Medicaid Services (CMS) created a federally mandated Medicare program, the Quality Payment Program (QPP) that seeks to improve patient care and outcomes while managing the costs of services patients receive. Clinicians providing high value/high quality patient care are rewarded through Medicare payment increases, while clinicians not meeting performance standards have a reduction in Medicare payments. Clinicians may participate in the QPP through the following ways:



Under the Merit-based Incentive Payment System (MIPS), performance is assessed across 4 performance categories: quality, cost, improvement activities, and Promoting Interoperability. The performance categories have different "weights" and the scores from each of the performance categories are added together, resulting in a MIPS Final Score. The MIPS payment adjustment assessed for MIPS eligible clinicians is based on the MIPS Final Score. For the 2023 performance period, the weights for the quality and cost performance categories are 30% each, the weight for the improvement activities category is 15%, and the weight for the Promoting Interoperability category is 25%.

2. What is the MIPS Call for Cost Measures?

The “Call for Cost Measures” process provides interested parties with an opportunity to identify and submit measures for CMS to consider whether to use them in the MIPS cost performance category. Interested parties include:

- Clinicians
- Professional associations and medical societies that represent eligible clinicians
- Researchers
- Consumer groups
- Other interested parties

CMS encourages all interested parties to submit cost measures through the pre-rulemaking process described in Question 3 for consideration during this period. The timeframe for measures to be considered for inclusion on the annual list of cost measures is a 2-year process. Only cost measures submitted by May 19, 2023 at 8 p.m. ET will be considered for inclusion on the annual list of cost measures for the 2025 performance period.

While interested parties were previously able to submit cost measures through the pre-rulemaking process, the Call for Cost Measures provides interested parties with more guidance about measurement priorities and requirements. This process was established through the CY 2022 Physician Fee Schedule Final Rule (86 FR 65455). The 2022 Call for Cost Measures was the first year that this process was in place, and the Call for Cost Measures will be an annual process like the Annual Call for Quality Measures.

3. How do I submit candidate cost measures for CMS to consider for use in MIPS?

Interested parties responding to the Call for Cost Measures can submit candidate measures through the pre-rulemaking process. The pre-rulemaking process involves the following steps:

- CMS invites the submission of candidate measures from interested parties through the Call for Cost Measures. Candidate measures must be submitted to CMS via the CMS MUC Entry/Review Information Tool (MERIT). In 2023, the submission period opens on January 30, 2023 and closes on May 19, 2023 at 8 p.m. ET to allow CMS time to review measures and select measures being considered for use in Medicare programs.
- CMS publicly releases the Measures Under Consideration (MUC) List no later than December 1 each year.
- The Consensus-Based Entity (CBE) convenes multi-stakeholders to review measures on the MUC List. The review of measures on the MUC List generally occurs in December and January, in which the multi-stakeholders convened by the CBE provide input on measures being considered for use in public reporting and performance-based programs.
- The multi-stakeholders convened by the CBE provide their recommendations to CMS by February 1 on whether the measures under consideration should be used in various programs.
- CMS considers the input provided by the multi-stakeholders convened by the CBE in selecting measures to propose for use in a Medicare program in a notice of proposed rulemaking in the Federal Register. This allows for public comment and further consideration before a final rule is issued by November 1 of the year before the first day of a performance year.

Interested parties can submit measures for CMS consideration by completing the required fields in the CMS MUC Entry/Review Information Tool (CMS MERIT). Measures need to be fully specified and tested for reliability and validity to be considered for use. For details on how to submit candidate measures and what information is required for the submission, please see the CMS Pre-Rulemaking website.[1]

When interested parties submit measures that don't make the MUC List, they or their point of contact will be contacted regarding such status. The notice will outline the reasons why the measure is not recommended for review by the multi-stakeholders convened by the CBE. If it is recommended that the measure be revised and resubmitted, the interested parties can resubmit the measure during a subsequent Call for Cost Measures cycle.

Cost Performance Category

4. What are cost measures?

Cost measures are measures that assess the amount, usually in dollars, related to providing and receiving medical care. Costs can include the direct costs of treatment, the total costs borne by a patient across all providers, follow-up care, outcomes after treatment, or some mixture of these.[2]

There are different types of cost measures. Section 1848(r) of the Social Security Act, as added by section 101(f) of the Medicare Access and Children's Health Insurance Program (CHIP) Reauthorization Act (MACRA) of 2015 requires the development of episode-based cost measures that take into consideration patient condition groups and care episode groups ("episode groups"), which serve as units of comparison. Care episode groups consider the "patient's clinical problems at the time items and services are furnished during an episode of care, such as the clinical conditions or diagnoses, whether or not inpatient hospitalization occurs, and the principal procedures or services furnished." Patient condition groups consider the "patient's clinical history at the time of a medical visit, such as the patient's combination of chronic conditions, current health status, and recent significant history."

There are 23 episode-based measures in the MIPS cost performance category in 2023, which represent various types of care episode and patient condition groups. Specifically, they cover:

- Care episode groups, defined to focus on:
  - Procedures of a defined purpose or type. These can be performed in different settings depending on the specific measure's intended focus (e.g., outpatient, inpatient).
  - Acute inpatient medical conditions involving a hospital stay. These can represent treatment for a self-limited acute illness or treatment for a flare-up or an exacerbation of a condition.
- Patient condition groups, defined to focus on:
  - Chronic or long-term health conditions that can involve ongoing management and care.

There are also 2 global or population-based cost measures in the MIPS cost performance category. These focus broadly on inpatient care and primary care. These are the Medicare Spending Per Beneficiary (MSPB) – Clinician and Total Per Capita Cost (TPCC) measures.

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[1] CMS, Pre-Rulemaking. https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/QualityMeasures/Pre-Rulemaking

[2] National Quality Forum, "Glossary of Terms."
https://www.qualityforum.org/Measuring_Performance/Submitting_Standards/NQF_Glossary.aspx

5. How are cost measures selected for MIPS?

CMS reviews submissions to consider whether measures should be included on the MUC List. This process includes consideration of whether the submitted measure has complete specifications and required testing information. In addition, CMS considers how the submitted measure would potentially fit within the MIPS cost performance category and furthers the goals of CMS's Meaningful Measures Initiative. An aspect of this is that a measure should not be duplicative or redundant with an existing cost measure.

In addition, CMS will consider the following factors:

- Is the measure based on measure specifications that have clinical face validity? Are the specifications consistent with practice standards?
- Does the measure have clear, ex ante attribution to clinicians? Could clinicians anticipate when their responsibility for a patient begins under the measure?
- Does the measure include the cost of services that reflect the role of attributed clinicians?
- Is the construction methodology readily understandable to clinicians?
- Can the measure be presented in a way that conveys clear information on how clinicians can alter their practice to improve measured performance?
- Do the measure specifications allow for consistent calculation and reproducibility using Medicare claims data?
- Does the testing information in the submission demonstrate variation to help distinguish cost performance across individual clinicians?
- Can the measure be used in an existing or future potential MIPS Value Pathway (MVP) to assess the value of care for a defined clinical topic?

Beyond these factors, CMS will also consider the extent to which the measure shares the same components as current cost measures and any other factors as appropriate. This helps to promote consistency within the MIPS cost performance category. The MIPS cost measures share the following features: (i) define episodes based on medical codes that determine the patient cohort and identify a clinician-patient relationship for the particular type of care being assessed (i.e., attribution), (ii) specify what costs are included in the measure, (iii) apply exclusions to ensure completeness of data and a fairly comparable patient cohort, and (iv) use a risk adjustment approach to account for differences in clinical and other risk factors that affect cost.

6. Which cost measures are currently in MIPS?

For the MIPS 2023 performance period, there are 25 cost measures. These are listed in Table 1. CMS is the measure steward for these measures.

Table 1. Cost Measures in MIPS

ISO	Cost Measure	Type of Cost Measure	First Year of Use
1	Total Per Capita Cost	Population-based (primary care)	2017; refined measure from 2020
2	Medicare Spending Per Beneficiary Clinician	Population-based (inpatient care)	2017; refined measure from 2020
3	Elective Outpatient Percutaneous Coronary Intervention (PCI)	Episode-based (procedural)	2019
4	Knee Arthroplasty	Episode-based (procedural)	2019

ISO	Cost Measure	Type of Cost Measure	First Year of Use
5	Revascularization for Lower Extremity Chronic Critical Limb Ischemia	Episode-based (procedural)	2019
6	Routine Cataract Removal with Intraocular Lens (IOL) Implantation	Episode-based (procedural)	2019
7	Screening/Surveillance Colonoscopy	Episode-based (procedural)	2019
8	Intracranial Hemorrhage or Cerebral Infarction	Episode-based (acute inpatient medical condition)	2019
9	Simple Pneumonia with Hospitalization	Episode-based (acute inpatient medical condition)	2019
10	ST-Elevation Myocardial Infarction (STEMI) with Percutaneous Coronary Intervention (PCI)	Episode-based (acute inpatient medical condition)	2019
11	Acute Kidney Injury Requiring New Inpatient Dialysis	Episode-based (procedural)	2020
12	Elective Primary Hip Arthroplasty	Episode-based (procedural)	2020
13	Femoral or Inguinal Hernia Repair	Episode-based (procedural)	2020
14	Hemodialysis Access Creation	Episode-based (procedural)	2020
15	Inpatient Chronic Obstructive Pulmonary Disease (COPD) Exacerbation	Episode-based (acute inpatient medical condition)	2020
16	Lower Gastrointestinal Hemorrhage *(at group level only)*	Episode-based (acute inpatient medical condition)	2020
17	Lumbar Spine Fusion for Degenerative Disease, 1-3 Levels	Episode-based (procedural)	2020
18	Lumpectomy, Partial Mastectomy, Simple Mastectomy	Episode-based (procedural)	2020
19	Non-Emergent Coronary Artery Bypass Graft (CABG)	Episode-based (procedural)	2020
20	Renal or Ureteral Stone Surgical Treatment	Episode-based (procedural)	2020
21	Melanoma Resection	Episode-based (procedural)	2022
22	Colon and Rectal Resection	Episode-based (procedural)	2022
23	Sepsis	Episode-based (acute inpatient medical condition)	2022
24	Asthma/Chronic Obstructive Pulmonary Disease (COPD)	Episode-based (chronic condition)	2022
25	Diabetes	Episode-based (chronic condition)	2022

Cost Measure Development

7. Is CMS currently developing any cost measures?

Yes.[3] CMS, with measure development contractor Acumen, LLC, is currently developing 5 episode-based cost measures and reevaluating 3 episode-based cost measures. An additional 5 previously developed episode-based cost measures are on the 2022 Measures Under Consideration (MUC) List for consideration for possible use in MIPS. These measures are listed in Table 2.

Table 2. Current Cost Measure Development, Testing, and Maintenance

ISO	Cost Measure	Status
1	Emergency Medicine	2022 MUC List
2	Heart Failure	2022 MUC List
3	Low Back Pain	2022 MUC List
4	Depression	2022 MUC List
5	Psychoses and Related Conditions	2022 MUC List
6	Kidney Transplant Management	Field testing to begin in early 2023
7	Rheumatoid Arthritis	Field testing to begin in early 2023
8	Prostate Cancer	Field testing to begin in early 2023
9	End Stage Renal Disease (ESRD)	Field testing to begin in early 2023
10	Chronic Kidney Disease (CKD)	Field testing to begin in early 2023
11	Routine Cataract Removal with Intraocular Lens (IOL) Implantation	Undergoing comprehensive reevaluation
12	ST-Elevation Myocardial Infarction (STEMI) with Percutaneous Coronary Intervention (PCI)	Undergoing comprehensive reevaluation
13	Simple Pneumonia with Hospitalization	Undergoing comprehensive reevaluation

The measures in Table 2 were selected with input from interested parties based on the following prioritization criteria and an assessment of measurement gaps:

- The clinical coherence of measure concept to ensure valid comparisons across clinicians.
- The impact and importance to MIPS, including cost coverage, clinician coverage, and patient coverage.
- The opportunity for performance improvement.
- The potential alignment with quality measures and improvement activities to ensure meaningful assessments of value.

[3] More information about the cost measure development and maintenance processes is available on the MACRA Feedback Page (https://www.cms.gov/Medicare/Quality-Payment-Program/Quality-Payment-Program/Give-Feedback).

8. What is the difference between this Call for Cost Measures and CMS's own measure development process?

Interested parties who submit a measure in response to this Call for Cost Measures undertake all steps of measure development and testing themselves. They would then present a fully developed and tested measure for CMS to consider for use in MIPS. The stakeholder would be the measure steward; this means that the stakeholder would own the measure and be responsible for determining the measure specifications and for conducting measure maintenance.

In contrast, CMS's cost measure development process involves a development contractor who gathers stakeholder input and conducts all measure testing. For those measures, CMS is the measure steward.

9. Do I need to follow a particular process to develop a cost measure?

CMS encourages measure developers who do not currently hold CMS contracts to use the information outlined in each section listed under the Blueprint Measure Lifecycle tab on the CMS Measures Management System (MMS) Hub (content previously found in the CMS MMS Blueprint) as a guide in their measure development process, especially if they have a future interest in working within CMS programs. The Blueprint process produces high-caliber measures that stand up to review for reliability, validity, and importance.

10. Can I access claims data to develop a cost measure?

The new process for cost measure development by interested parties is intended to align with the process that has been available to developers of quality measures. To support cost measure development, interested parties can access publicly available data, such as the Physician and Other Supplier Public Use Files (Physician and Other Supplier PUFs), on Data.CMS.gov.

In addition, measure developers may request restricted data through the CMS Research Data Request process. The process for requesting CMS data for research purposes varies depending on the privacy level and type of data requested. Information on available Limited Data Sets (LDS) and instructions for requesting these data can be found on the CMS LDS website.[4] CMS's Research Identifiable Files (RIFs) are requested through the CMS Research Data Assistance Center (ResDAC).[5] This website contains information on available RIF data and the process for requesting these data can be found. Please note that fees associated with requesting and accessing research data files will be assessed and must be collected prior to CMS providing access to either LDS or RIF datasets.

[4] CMS, Limited Data Set Files. https://www.cms.gov/research-statistics-data-and-systems/files-for-order/limiteddatasets

[5] CMS, ResDAC. https://resdac.org/

11. What types of cost measures need to be developed?

We have conducted empirical analyses as part of a scan to identify measurement gaps by specialty. We encourage interested parties interested in measure development to consider the factors listed above under Questions 5 and 7 to identify performance gaps and opportunities for improvement in clinical topics that could apply to their and other specialties. In addition, we identify high priority MVP areas which may benefit from episode-based measures.

Specialties with Limited Episode-based Cost Measures

Based on empirical analyses using administrative claims data, we identified a list of specialties where the current MIPS episode-based cost measures and CMS's measures under development have limited applicability. To examine the extent to which episode-based measures apply to a specialty, we identify all TINs with at least 1 episode for an episode-based cost measure. Then, we identify all TIN-NPIs who are attributed 1 episode under those TINs. The list of specialties below represents those where the specialty has fewer than ten percent of clinicians who are attributed at least 1 episode. This analysis is on 2019 data and does not apply restrictions for MIPS participation.

While the global cost measures may apply to these specialties, we nonetheless include the specialties here as many interested parties have expressed interest in having measures focused on particular types of care in addition to the broad, population-based measures. The specialties that have clinical topics as part of CMS's Wave 5 development prioritization are indicated with an asterisk (*).

- Anesthesiology*
- Audiology
- Certified Nurse Midwife
- Certified Registered Nurse Anesthetist (CRNA)*
- Dentist
- Diagnostic Radiology*
- Hand Surgery
- Maxillofacial Surgery
- Nuclear Medicine
- Obstetrics/Gynecology
- Optometry
- Oral Surgery (dentists only)
- Pathology
- Pediatric Medicine
- Podiatry
- Radiation Oncology*
- Registered Dietician/Nutrition Professional
- Speech Language Pathology

Within each specialty, there may be multiple clinical topics; for example, podiatry could include evaluating and treating foot injury, managing foot infections, and treating foot changes such as bunions. There may also be clinical topics that involve multiple specialties. For instance, screening for female preventive health (e.g., screening Papanicolaou (Pap) tests and pelvic exams) could involve obstetrics/gynecology, family medicine, internal medicine, and other specialties.

High Priority MVP Clinical Topics

CMS has identified high priority clinical topics for future MVP development described further in MVP Needs and Priorities.[6] These are also listed in Table 3, below, along with information about potential applicability of episode-based cost measures currently in use in MIPS or under development. Measures under development are marked with a double asterisk (**).

Interested parties may use this information to identify whether additional episode-based cost measures would benefit the MVP clinical topic based on their expertise and understanding of value improvement opportunities and quality metrics that could pair with cost measures within each topic. We note that the MSPB Clinician and TPCC measures could also apply to these clinical topics, but for the purposes of this document have focused just on episode-based measures.

Table 3. High Priority MVP Clinical Topics and Potential Applicability of Episode-based Cost Measures

ISO	Specialties/ Clinical Topics	Episode-based Cost Measures
1	Allergy/Immunology	• Asthma/COPD
2	Audiology	• n/a
3	Chiropractic Medicine	• Low Back Pain**
4	Clinical Social Work	• Major Depressive Disorder**
5	Dentistry	• n/a
6	Dermatology	• Melanoma Resection
7	Endocrinology	• Diabetes
8	Gastroenterology	• Lower Gastrointestinal Hemorrhage • Screening/Surveillance Colonoscopy
9	General Surgery	• Colon and Rectal Resection • Femoral or Inguinal Hernia Repair • Lumpectomy, Partial Mastectomy, Simple Mastectomy • Melanoma Resection
10	Heart Failure	• Heart Failure**
11	Hospitalists	• Inpatient Chronic Obstructive Pulmonary Disease (COPD) Exacerbation • Intracranial Hemorrhage or Cerebral Infarction • Lower Gastrointestinal Hemorrhage • Sepsis • Simple Pneumonia with Hospitalization • Emergency Medicine**
12	Infectious Disease	• Sepsis

[6] CMS, MVP Needs and Priorities (2022), https://qpp-cm-prod-content.s3.amazonaws.com/uploads/1803/MIPS%20Value%20Pathways%20(MVPs)%20Development%20Resources.zip

ISO	Specialties/ Clinical Topics	Episode-based Cost Measures
13	Interventional Cardiology	• Elective Outpatient Percutaneous Coronary Intervention (PCI) • ST-Elevation Myocardial Infarction (STEMI) with Percutaneous Coronary Intervention (PCI)
14	Mental/ Behavioral Health	• Major Depressive Disorder • Psychoses/Related Conditions
15	Nephrology	• Acute Kidney Injury Requiring New Inpatient Dialysis • Chronic Kidney Disease (CKD)** • End-Stage Renal Disease (ESRD)**
16	Neurology	• Intracranial Hemorrhage or Cerebral Infarction
17	Neurosurgery	• Intracranial Hemorrhage or Cerebral Infarction • Lumbar Spine Fusion for Degenerative Disease, 1-3 Levels
18	Non-patient Facing Specialties (Diagnostic Radiology, Interventional Radiology, Pathology, and Radiation Oncology)	• n/a
19	Nutrition/Dietician	• n/a
20	Obstetrics, Gynecology, Certified Nurse Midwife (Women's Health)	• n/a
21	Oncology/Hematology	• Sepsis
22	Ophthalmology	• Routine Cataract Removal with Intraocular Lens (IOL) Implantation
23	Pain Management	• Low Back Pain**
24	Pediatrics	• Episode-based cost measures are calculated for Medicare beneficiaries, so can include pediatric patients
25	Physical Therapy/Occupational Therapy	• Low Back Pain**
26	Plastic Surgery	• Melanoma Resection
27	Podiatry	• n/a
28	Preventive Medicine	• Asthma/COPD • Diabetes
29	Pulmonology	• Asthma/COPD • Inpatient COPD Exacerbation • Sepsis • Simple Pneumonia with Hospitalization
30	Speech Language Pathology	• n/a
31	Substance Use Disorder	• n/a

ISO	Specialties/ Clinical Topics	Episode-based Cost Measures
32	Thoracic Surgery	• Asthma/Chronic Obstructive • Non-Emergent Coronary Artery Bypass Graft (CABG) • Pulmonary Disease (COPD)
33	Urology	• Renal or Ureteral Stone Surgical Treatment • Sepsis
34	Vascular Surgery	• Hemodialysis Access Creation • Revascularization for Lower Extremity Chronic Critical Limb Ischemia

Note: Measures marked with a double asterisk (**) are currently under development.

12. Where can I learn more?

Contact the Quality Payment Program at 1-866-288-8292, Monday through Friday, 8 a.m. - 8 p.m. ET or by e-mail at QPP@cms.hhs.gov.

The following resources provide additional information:

- Quality Payment Program Resource Library
- CMS Pre-Rulemaking Website
- CMS Call for Measures Website
- CMS Measures Management System Blueprint
- CMS Meaningful Measures Hub
- 2023 MIPS Summary of Cost Measures
- 2023 MIPS Cost Measure Information Forms
- 2023 MIPS Cost Measure Codes Lists