Merit-based Incentive Payment System (MIPS)

2024 MIPS Payment Year: Payment Adjustment User Guide

Quality Payment PROGRAM

Already know what MIPS is?
Skip ahead by clicking the links in the Table of Contents.

Table of Contents

How To Use This Guide 3

Acronyms 5

Overview 7

Determining Your 2024 MIPS Payment Adjustment 12

Application of 2024 MIPS Payment Adjustments 17

Frequently Asked Questions 20

Help and Version History 29

How to Use This Guide

How to Use This Guide

Table of Contents

The Table of Contents is **interactive**. Click on a Chapter in the Table of Contents to read that section.

You can also click on the icon on the bottom left to go back to the Table of Contents.

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.

Hyperlinks

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

Acronyms

Acronyms

APM
Alternative Payment Model

APP
APM Performance Pathway

CMS
Centers for Medicare & Medicaid Services

EUC
Extreme and Uncontrollable Circumstances

MIPS
Merit-based Incentive Payment System

NPI
National Provider Identifier

QPP
Quality Payment Program

TIN
Taxpayer Identification Number

Overview

2024 MIPS Payment Adjustments

Overview

In August 2023, we released 2022 MIPS final scores and 2024 MIPS payment adjustment information as part of final performance feedback.

The 2024 MIPS payment adjustment, determined by the 2022 final score, will affect payments made for services in calendar year 2024, also referred to as the 2024 MIPS payment year.

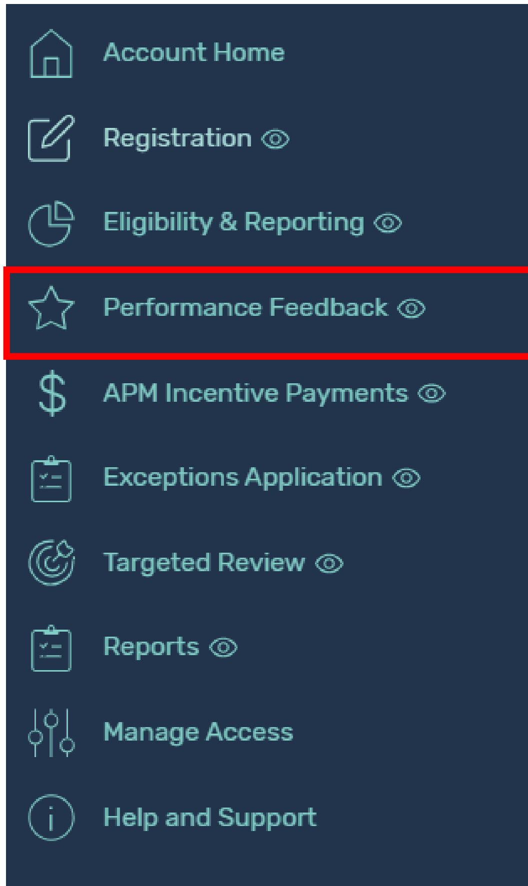
These adjustments are made on a claim-by-claim basis.

Type of Payment Adjustment	Impact to Payments in 2024
Positive	Each covered professional service you furnish in 2024 is reimbursed more than 100% – increase to paid amount
Neutral	Each covered professional service you furnish in 2024 is reimbursed 100% – no increase or decrease to paid amount
Negative	Each covered professional service you furnish in 2024 is reimbursed less than 100% – decrease to paid amount

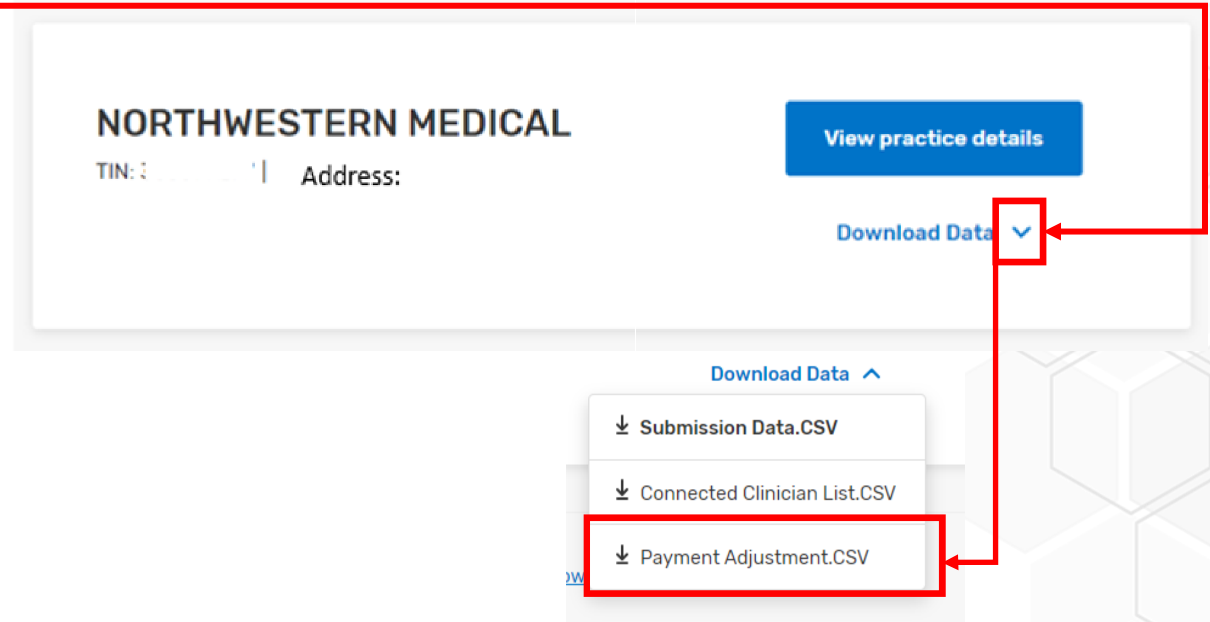
2024 MIPS Payment Adjustments

Where Can I Find Payment Adjustment Information?

The best way to view payment adjustment information for the clinicians in your practice is to download the **Payment Adjustment.CSV.** This report provides final score and payment adjustment information for all clinicians in your practice.



1. Sign In to the QPP website
2. Click Performance Feedback from left-hand navigation
3. Click the carat next to Download Data and click Payment Adjustment CSV



2024 MIPS Payment Adjustments

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Who Gets a MIPS Payment Adjustment?

Who?	MIPS Eligibility Status Indicator from QPP Participation Status Tool
✓ Clinicians who were individually eligible or opted in as an individual	MIPS Eligibility: ✔ INDIVIDUAL ✔ GROUP MIPS Eligibility: ⊘ INDIVIDUAL ✔ GROUP Opt-in Option: Opt-in eligible as individual
✓ Clinicians who were eligible at the group level (or their group opted in) **and** data was submitted at the group or APM Entity level	MIPS Eligibility: ⊘ INDIVIDUAL ✔ GROUP
✓ Clinicians in a CMS-approved virtual group	MIPS Eligibility: ✔ VIRTUAL GROUP
✓ Partial Qualifying APM Participants (QPs) who elected to participate in MIPS (there's no indicator on the lookup tool about this election)	Partial Qualifying APM Participant (Partial QP) Learn more about QP Status ⊙ CHECK APM REQUIREMENTS

Payment Adjustments Are Tied to Unique TIN/NPI Combinations
A single clinician, identified by NPI, that billed Medicare under multiple TINs during 2022, can receive a separate 2022 MIPS final score – and therefore a different 2024 MIPS payment adjustment – for each of his/her unique TIN/NPI combinations.

2024 MIPS Payment Adjustments

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Who Doesn't Get a MIPS Payment Adjustment?

Who?	MIPS Eligibility Status Indicator from QPP Participation Status Tool
X Clinicians who weren't individually eligible **and** no data was submitted by the group or APM Entity	MIPS Eligibility: ⊘ INDIVIDUAL ✔ GROUP
X Clinicians in a group below the low-volume threshold (at the group level) X Ineligible clinician types. X Clinicians that enrolled as Medicare providers for the first time on or after January 1, 2022.	MIPS Eligibility: ⊘ INDIVIDUAL ⊘ GROUP
X QPs.	Qualifying APM Participant (QP) Learn more about QP Status MIPS Eligibility: ⊘ INDIVIDUAL ⊘ GROUP ⊙ CHECK APM REQUIREMENTS
X Partial QPs who **didn't** elect to participate in MIPS	Partial Qualifying APM Participant (Partial QP) Learn more about QP Status ⊙ CHECK APM REQUIREMENTS

Determining Your 2024 Payment Adjustment

Determining Your 2024 MIPS Payment Adjustment

2024 Payment Adjustments and Your 2022 Final Score

Your final score was compared to performance thresholds to determine whether you'll receive a positive, negative, or neutral adjustment to payments for the covered professional services you furnish in the 2024 MIPS payment year.

Payment adjustment factors are assigned on a linear sliding scale:

Table 1. How 2022 MIPS final scores Relate to 2024 MIPS Payment Adjustments

Final Score Points	MIPS Payment Adjustment
0.00 – 18.75 points	• Negative MIPS payment adjustment of -9%
18.76 – 74.99 points	• Negative MIPS payment adjustment, between -9% and 0%, on a linear sliding scale
75.00 points (Performance threshold = 75.00 points)	• Neutral MIPS payment adjustment (0%)
75.01 – 88.99 points	• Positive MIPS payment adjustment, greater than 0% (subject to a scaling factor to preserve budget neutrality) • Not eligible for an additional adjustment for exceptional performance
89.00 – 100.00 points (Additional performance threshold = 89.00 points)	• Positive MIPS payment adjustment (subject to a scaling factor to preserve budget neutrality) **AND** • Eligible for additional adjustment for exceptional performance (subject to a scaling factor to account for available funds)

Determining Your 2024 MIPS Payment Adjustment

Budget Neutrality and Scaling Factors

MIPS Payment Adjustment

MIPS is required by law to be a budget neutral program, which generally means that the projected negative adjustments must be balanced by the projected positive adjustments. To achieve this, positive MIPS payment adjustment factors may be increased or decreased (or "scaled") by an amount called a "scaling factor."

The magnitude of positive payment adjustments is influenced by 2 factors: the performance threshold and the distribution of final scores in comparison to the performance threshold in a given year. (The low-volume threshold, which is used to determine eligibility for the program, doesn't impact the magnitude of the payment adjustment.)

- When more clinicians receive a final score below the performance threshold, clinicians with a score above the performance threshold see a larger payment adjustment amount.
- When fewer clinicians receive a final score below the performance threshold, clinicians with a score above the performance threshold see a smaller payment adjustment amount.

Additional MIPS Payment Adjustment for Exceptional Performance (≥ 89 points)

A scaling factor is also applied to the additional adjustments for exceptional performance (i.e., final scores at or above 89 points). In this circumstance, the scaling factor is necessary to proportionally distribute the available funds to the clinicians who qualified.

Reminder
The 2022 performance year/2024 payment year is the **last year for the additional MIPS payment adjustment for exceptional performance**.

Determining Your 2024 MIPS Payment Adjustment

2024 Payment Adjustments and Your 2022 Final Score

In some cases, there may be multiple final scores associated with your TIN/NPI combination. If this happens, we'll use the hierarchy described in Table 2 (below) to assign the final score that will be used to determine your payment adjustment applicable to that TIN/NPI combination.

Table 2: Hierarchy for Assigning the 2022 MIPS Final Score when More Than One Final Score is Associated with a TIN/NPI Combination for a MIPS Eligible Clinician.

Scenario	Final Score Used to Determine Payment Adjustments
Virtual Group Score. TIN/NPI has a virtual group final score, an APM Entity final score, an APM Performance Pathway (APP) final score, a group final score, and/or an individual final score.	Virtual group final score.
No Virtual Group Score. TIN/NPI has an APM Entity final score, a group final score, and/or an individual final score, but isn't in a virtual group.	The highest of the available final scores.

Multiple TIN/NPI Combinations

A single clinician, identified by NPI, that billed Medicare under multiple TINs during 2022, can receive a separate 2022 MIPS final score – and therefore a different 2024 MIPS payment adjustment – for each of his/her unique TIN/NPI combinations.

Establishing a New TIN/NPI Combination After the 2022 Performance Year

There may also be instances when a MIPS eligible clinician with a 2022 MIPS final score bills Medicare in the 2024 payment year under a TIN/NPI combination that they didn't use during the 2022 performance year. In such cases, we'll apply the payment adjustment associated with the highest 2022 final score associated with the NPI under any TIN during 2022.

Determining Your 2024 MIPS Payment Adjustment

Table 3. How 2022 MIPS final scores Relate to 2024 MIPS Payment Adjustments

Scenario	Payment Adjustment
Clinician has a 2022 final score under TIN A. **→ Clinician continues to bill under TIN A in the 2024 payment year.**	Clinician will receive a payment adjustment for covered professional services billed in 2024 **under their TIN A/NPI combination** based on 2022 final score attributed to that **TIN A/NPI combination**.
Clinician has a single 2022 final score, received at TIN A. **→ Clinician bills under TIN B in the 2024 payment year.**	Clinician will receive a payment adjustment for covered professional services billed in 2024 **under their TIN B/NPI combination** based on 2022 final score attributed to their **TIN A/NPI combination**.
Clinician has a 2022 final score under TIN A and under TIN B. **→ Clinician bills under TIN C in the 2024 payment year.**	Clinician will receive a payment adjustment for covered professional services billed in 2024 **under their TIN C/NPI combination** based on their higher 2022 final score – either attributed to their **TIN A/NPI combination or TIN B/NPI combination**.
Clinician has a 2022 final score under TIN A and under TIN B. **→ Clinician bills under TIN A and TIN B in the 2024 payment year.**	Clinician will receive a payment adjustment for covered professional services billed in 2024: • **under their TIN A/NPI combination** based on 2022 final score attributed to that **TIN A/NPI combination** • **under their TIN B/NPI combination** based on 2022 final score attributed to that **TIN B/NPI combination**.

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Application of 2024 MIPS Payment Adjustments

Application of 2024 MIPS Payment Adjustments

How Are Payment Adjustments Applied?

MIPS payment adjustments are applied on a claim-by-claim basis, to payments made for covered professional services furnished by a MIPS eligible clinician.

- The payment adjustment is applied to the Medicare paid amount (not the "allowed amount").
- Payment adjustments don't impact the portion of the payment that a patient is responsible to pay.

A covered professional service is one which payment is made under, or based on, the Medicare Physician Fee Schedule (PFS)

The PFS Look-Up Tool provides information on services covered by the PFS, including fee schedule status indicators. Definitions of these procedure status indicator codes (or "PROC STAT" codes) are on pages 9-15 of the "PF23PA.pdf" document, part of the PFS National Payment Amount File.

See also: How to use the MPFS Look-Up Tool Booklet (PDF, 2276KB).

MIPS payment adjustments are applied only to assigned claims* for covered professional services furnished by MIPS eligible clinicians.

*Accepting assignment of the Medicare Part B payment means that the patient assigned the right to receive Medicare Part B payment for covered services to their clinician. Under assignment, the Medicare-approved charge is the full charge for the Part B covered service. The participating clinician shall not collect more than the applicable deductible and coinsurance from the patient or other person or organization for covered services.

Application of 2024 MIPS Payment Adjustments

Participating vs. Nonparticipating Providers

Participating professionals and suppliers submit assigned claims on behalf of patients and Medicare issuers payment to the submitter. Medicare issues payment to the submitter.

- Participating Health Care Professionals and Suppliers enrolled in Medicare and signed the Form CMS-460, Medicare Participating Physician or Supplier Agreement, agreeing to charge no more than Medicare-approved amounts.

Nonparticipating health care professionals may choose to have claims paid on an assignment-related basis.

- Nonparticipating Health Care Professional and Suppliers enrolled in Medicare but decided not to sign the Form CMS-460.
- They accept assignment on a case-by-case basis. For services paid under the MPFS, Medicare reduces (5%) the Medicare-approved amounts for nonparticipants. Also, Medicare limits what the health care professional or supplier may charge the patient (Limiting Charge) when they choose not to accept assignment on the claim.

Frequently Asked Questions

Frequently Asked Questions

1. How will MIPS payment adjustments be reflected on remittance advice (RA) documents?

If a MIPS payment adjustment is applied to a payment made to a MIPS eligible clinician, the following codes will be displayed on the RA[1]:

Positive MIPS Payment Adjustments	**CARC[2] 144:** "Incentive adjustment, e.g., preferred product/service"	**RARC[3] N807:** "Payment adjustment based on the Merit-based Incentive Payment System (MIPS)."	**Group Code[4]: CO.** This group code is used when a contractual agreement between the payer and payee, or a regulatory requirement, resulted in an adjustment.
Negative MIPS Payment Adjustments	**CARC 237:** "Legislated/Regulatory Penalty. At least one Remark Code must be provided (may be comprised of either the NCPDP Reject Reason Code, or Remittance Advice Remark Code that is not an ALERT.)"	**RARC N807:** "Payment adjustment based on the Merit-based Incentive Payment System (MIPS)."	**Group Code: CO**

[1]When you submit a claim to a Medicare Administrative Contractor (MAC), you'll receive a Remittance Advice (RA) that explains the payment and any adjustment(s) made to a payment during Medicare's adjudication of the claim. RAs provide itemized claims processing decision information regarding deductibles and co-pays, adjustments, denials, missing or incorrect data, claims withholding due to Medicare Secondary Payer situations, and more. For additional detailed information, please reference the Remittance Advice Booklet (PDF, 473KB).

[2] Claim Adjustment Reason Codes (CARCs) provide financial information about claim decisions. CARCs communicate adjustments the MAC made and provide explanations when the MAC pays a claim or service line differently than what was on the original claim.

[3] Remittance Advice Remark Codes (RARCs) further explain an adjustment or relay informational messages that CARCs can't express.

[4] A group code is a code identifying the general category of payment adjustment. A group code is always used in conjunction with a CARC to show liability for amounts not covered by Medicare for a claim or service. For more information on group codes, visit the Medicare Claims Processing Manual, Chapter 22 (Remittance Advice), Section 60.1 (Group Codes).

Frequently Asked Questions

2. I'm a MIPS eligible clinician who billed under multiple TINs during the 2022 MIPS performance year. Could I have multiple payment adjustments in 2024?

Yes. If you were MIPS eligible under multiple TIN/NPI combinations, you may receive a distinct MIPS payment adjustment for covered professional services furnished in 2024 and billed under each of those TIN/NPI combinations.

3. We have a MIPS eligible clinician who started billing Medicare claims under our practice's existing TIN in October 2022. We participated as a group. Will this clinician receive a payment adjustment based on our group's final score?

Yes. MIPS eligible clinicians who started billing to a group's existing TIN between 10/1/2022 and 12/31/2022 will receive the group's final score and payment adjustment in the 2024 payment year.

If the new practice didn't report as a group, then the MIPS eligible clinician will receive a neutral payment adjustment under this TIN/NPI combination in the 2024 payment year.

4. We established a new TIN in October 2022, but our old TIN was eligible for MIPS as a group. We submitted MIPS data as a group under the old TIN, where it was billed and collected. What payment adjustment will our clinicians get?

MIPS eligible clinicians who started billing claims under this new TIN between 10/1/2022 and 12/31/2022 will receive a neutral payment adjustment under this TIN in the 2024 payment year.

MIPS eligible clinicians who start billing under this new TIN after 12/31/2022 (i.e., after the performance year) will receive the highest payment adjustment attributed to their NPI* when billing under this new TIN in the 2024 payment year. *This could be a payment adjustment earned from a final score received at another practice (TIN).

Frequently Asked Questions

5. If a QP is part of a group that submitted MIPS data on behalf of all the individual eligible clinicians in its group, will the QP receive a 2024 payment adjustment based on that group's 2022 final score?

No, the group's 2024 MIPS payment adjustment doesn't apply to clinicians in that group who were also determined to be a QP in 2022. Instead, clinicians in the group who are QPs are eligible to receive the 5% APM Incentive Payment in the 2024 payment year.

6. In 2022, I participated in an Advanced APM that was also considered a MIPS APM but didn't have QP or Partial QP status. How does the payment adjustment work for me?

If you're in an Advanced APM but aren't a QP or a Partial QP, you're evaluated for MIPS eligibility just like any other clinician. Your MIPS eligibility status determines how the payment adjustment will work for you.

As a reminder, any MIPS eligible clinician who is identified on a participation list or affiliated practitioner list of any APM Entity participating in a MIPS APM on 1 of the 4 2022 snapshot dates (March 31, June 30, August 31, December 31, 2022) may report via the APP. If they don't wish to report through the APP, then they're required to report via traditional MIPS.

See: 2022 and 2023 Comprehensive List of APMs (PDF, 483KB)

7. How are payment adjustments determined for virtual groups?

MIPS eligible clinicians who participate in a CMS-approved virtual group will receive a payment adjustment based on the virtual group's final score, even if they have additional final scores from other participation options.

For more information, please refer to the 2022 Virtual Group Toolkit (ZIP, 1.8MB).

Frequently Asked Questions

8. Is the 2024 MIPS payment adjustment applied before or after sequestration?

Before sequestration. Sequestration is the automatic reduction in Medicare fee-for-service (FFS) payments to plans and providers, resulting from the Budget Control Act of 2011. The MIPS payment adjustment percentage is applied to the Medicare paid amount for covered professional services furnished by a MIPS eligible clinician after calculating deductible and coinsurance amounts but before sequestration.

9. Is the MIPS payment adjustment applied to the Medicare paid amount or Medicare allowed amount?

The MIPS payment adjustment is applied to the Medicare paid amount for covered professional services (services for which payment is made under, or is based on, the Medicare Physician Fee Schedule) furnished by a MIPS eligible clinician.

10. How is the MIPS payment adjustment applied to services that are "globally billed," meaning services are split into separate professional component (PC) and technical component (TC) services when the PC and TC are furnished by the same physician or supplier entity?

The MIPS payment adjustment is applied to the paid amount for both the TC and PC of a globally billed service.

11. Are payments for radiology services subject to MIPS payment adjustments?

The professional component of radiology services furnished by a physician to an individual patient in all settings under the Medicare Physician Fee Schedule are subject to the MIPS payment adjustment. Radiology and other diagnostic services furnished to hospital outpatients are paid under the Outpatient Prospective Payment System (OPPS) to the hospital and aren't subject to MIPS payment adjustments.

Frequently Asked Questions

12. Are payment for anesthesiology services subject to MIPS payment adjustments?

Yes, anesthesiology services are subject to MIPS payment adjustments. The payment adjustment isn't applied to any components of the anesthesia calculations. The adjustment is applied to the paid amount, not the allowed amount. After the system has applied the patient's deductible, coinsurance, and (if Medicare is secondary) the Medicare Secondary Payment Reduction to the claim, the system will apply the MIPS payment adjustment amount.

13. Are payments for federally qualified health center (FQHC) and rural health center (RHC) benefits subject to MIPS payment adjustments?

No. All professional services in FQHC and RHC benefits are paid through the all-inclusive rate (AIR) system or the FQHC prospective payment system (PPS) for each patient encounter or visit. FQHC Healthcare Common Procedure Coding System (HCPCS) codes aren't priced by the Medicare PFS.

14. Are payments for durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) subject to MIPS payment adjustments?

No, payments for DMEPOS are made according to a separate fee schedule. They aren't considered covered professional services payable under the Medicare PFS.

15. Do 2024 MIPS payment adjustments impact Medicare Advantage Organization (MAO) payments to non-contract providers? If so, how?

For guidance on when and how the MIPS payment adjustments apply to MAOs' payments to out-of-network MIPS eligible clinicians, please see the July 10, 2020, memorandum entitled "Application of the Merit-based Incentive Payment System (MIPS) Payment Adjustment to Medicare Advantage Out-of-Network Payments - Update." This memo is available here (ZIP, 4.2MB) [See document entitled "2020 MIPS HPMS Memo 7.10.2020.pdf]

CMS also publishes an annual memo about the release of the MIPS payment adjustment file. This memo typically comes out in February of the payment year. You can sign up to receive these memos by entering your email address at the bottom of the PFS National Payment Amount File page of the CMS website.

16. Do MIPS payment adjustments impact Medicare Advantage payments to in-network/contracted providers? If so, how?

Section 1854(a)(6)(B)(iii) of the Social Security Act prohibits CMS from interfering in payment arrangements between MAOs and contracted clinicians by requiring specific price structures for payment. Thus, whether and how the MIPS payment adjustments might affect an MAO's payments to its contracted clinicians are governed by the terms of the contract between the MAO and the clinician.

Frequently Asked Questions

17. Are MIPS payment adjustments applied to items and services furnished by MIPS eligible clinicians in an Ambulatory Surgical Center (ASC), Home Health Agency (HHA), Hospice, and/or hospital outpatient department (HOPD)?

If a MIPS eligible clinician furnishes items and services in an ASC, HHA, Hospice, and/or HOPD and the ASC, HHA, Hospice and/or HOPD bills for those items and services under the facility's all-inclusive payment methodology or prospective payment system methodology, then the MIPS payment adjustment isn't applied to the facility payment itself.

If a MIPS eligible clinician furnishes covered professional services for which payment is made under or is based on the Medicare PFS in an ASC, HHA, Hospice and/or HOPD and bills for those services separately, then the MIPS payment adjustment is applied to payments for those services.

18. How are MIPS payment adjustments applied to MIPS eligible clinicians practicing in Critical Access Hospitals (CAHs)?

For MIPS eligible clinicians who practice in Method II CAHs and have assigned their billing rights to the Method II CAH, the MIPS payment adjustment is applied to the Method II CAH payment.

For MIPS eligible clinicians who practice in Method II CAHs and haven't assigned their billing rights to the CAH, the MIPS payment adjustment is applied to payments for covered professional services billed by the MIPS eligible clinicians under PFS. The payment adjustment isn't applied to the facility payment to the Method II CAH itself.

For MIPS eligible clinicians who practice in CAHs that bill under Method I, the MIPS payment adjustment is applied to payments for covered professional services billed by MIPS eligible clinicians under the PFS. The MIPS payment adjustment wouldn't apply to the facility payment made to the Method I CAH itself.

Frequently Asked Questions

19. Will patients be notified if a claims payment made to one of their clinicians was adjusted due to that clinician's participation in MIPS?

Yes. Every 3 months, Original Medicare* patients receive a Medicare Summary Notice (MSN) in the mail for their Medicare Part A and Part B-covered services. MSNs show a patient all of his/her services or supplies that providers and suppliers billed to Medicare during the 3-month period, what Medicare paid, and the maximum amount the patient may owe the provider or supplier. For all the patients' claims for which the clinician who furnished the service received a positive or negative MIPS payment adjustment, the following MSN message will be displayed: "This claim shows a quality reporting program adjustment."

*Original Medicare includes Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance).

20. Can you tell me more about the 'scaling factor' applied to MIPS payment adjustments?

The scaling factor is a number between 0 and 3, but the exact amount depends on the distribution of final scores across all MIPS eligible clinicians in the performance year.

- When the scaling factor is less than 1.0, clinicians who receive a final score of 100 points will still receive a positive payment adjustment, but the amount of the positive payment adjustment that clinicians will receive will be less than the maximum 9%.
- When the scaling factor is greater than 1.0, then the amount of the positive payment adjustment for clinicians who receive a final score of 100 points will would be more than 9%.

Help and Version History

Help and Version History

Where Can I Get 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-Friday, 8 a.m. - 8 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.

Help and Version History

Version History

Date	Description
08/10/2023	Original Posting.