

Program Overview

The VM program adjusts payment to a physician or group practice identified by tax identification number (TIN) under the Medicare Physician Fee Schedule (PFS) based on the quality and cost of care. The VM evaluates the performance based on quality of care compared to cost of care. Beginning January 1, 2016, the VM will be applied to Medicare payments to physicians* in TINs with 10 or more eligible professionals (EPs), based on CY 2014 performance.

For CY 2018 the payment adjustment (based on CY 2016 performance) is up to +/- 4% and will apply to all physicians and specific non-physician EPs**.

CMS will waive the VM for groups and solo practitioners, if at least one EP billed under PFS using the group's TIN and participated in the Pioneer ACO Model, Comprehensive Primary Care Initiative, or other similar Center for Medicare and Medicaid Innovation models during the performance period.

*Physicians include doctors of medicine or osteopathy, doctors of dental surgery or dental medicine, doctors of podiatric medicine, doctors of optometry, and chiropractors

**Non-physician EPs that the VM will apply to include physician assistants, nurse practitioners, clinical nurse specialists, and certified registered nurse anesthetists

2018 VM Payment Adjustments (2016 Performance)

TINs with 10 or more EPs

	Low quality	Avg Quality	High quality
Low cost	0.0%	+2.0x*	+4.0x*
Avg cost	-2.0%	+0.0%	+2.0x*
High cost	-4.0%	-2.0%	0.0%

TINs with <10 EPs

	Low quality	Avg quality	High quality
Low cost	0.0%	+1.0x*	+2.0x*
Avg cost	-1.0%	+0.0%	+1.0x*
High cost	-2.0%	-1.0%	0.0%

TINs with NP, PA, CNS, CRNA (no physician)

	Low quality	Avg quality	High quality
Low cost	0.0%	+1.0x*	+2.0x*
Avg cost	0.0%	0.0%	+1.0x*
High cost	0.0%	0.0%	0.0%

*x factor is determined by the funds derived from EPs who have received a downward payment adjustment once the performance period has ended



teachingphysicians@aamc.org



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