

# Health system clinicians perform better under medicare value-based reimbursement

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A team of researchers led by Kenton Johnston, Ph.D., an associate professor of health management and policy at Saint Louis University's College for Public Health and Social Justice, conducted a study investigating the association between health system affiliations of clinicians and their performance scores and payments under Medicare value-based reimbursement.

Their findings, "Association of Clinician Health System Affiliation with Outpatient Performance Ratings in the Medicare Merit-based Incentive Payment System," were published online Sept. 8 in the *Journal of the American Medical Association*.

The researchers found that clinicians who were affiliated with health systems had better performance scores and received fewer payment penalties and more payment bonuses under the Medicare Merit-based Incentive Payment System (MIPS) than clinicians not affiliated with health systems.

"Physicians need to take the MIPS seriously. More and more of outpatient physicians' payments from

Medicare will be tied to their performance under the MIPS," Johnston said. "Payment penalties and bonuses will hit 9 percent of physicians' total Medicare reimbursement by 2022. There are things physician practices can do to maximize their success on the MIPS. But this requires the management, administration and technological infrastructure to report performance measures to the Centers for Medicare and Medicaid Services."

The study used 2019 MIPS data to examine 636,552 clinicians' performance and found that clinicians affiliated with health systems achieved mean performance scores of 79 versus 60 for unaffiliated clinicians, on a scale of 0 to 100. Physicians affiliated with health systems were 99 percent less likely to receive payment penalties and 29 percent more likely to receive exceptional performance bonus payments than physicians not affiliated with health systems.

Clinicians who affiliate with health systems appear to do substantially better under Medicare value-based payment. However, clinicians could self-select the performance measures they were evaluated on, so it is unclear whether findings represent real differences in patient quality of care or other factors. That is an area for future research.

Because the MIPS is a zero-sum game, Johnston said, the financial consequences are that system-affiliated clinicians are recipients of greater Medicare payment resources at the expense of clinicians not affiliated with health systems.

This is likely to amplify the existing trend toward [clinician](#) consolidation within [health systems](#) as clinicians seek sophisticated analytics, informatics, and administrative help to maximize performance and reimbursement under value-based [payment](#) programs.

MIPS, which is authorized under the Medicare Access and CHIP Reauthorization Act, is a

mandatory pay-for-performance program for clinicians participating in Medicare in the outpatient setting. Clinician performance under MIPS looks at quality of care, meaningful use of electronic [health records](#), improvement activities for patient care processes and cost.

**More information:** Kenton J. Johnston et al, Association of Clinician Health System Affiliation With Outpatient Performance Ratings in the Medicare Merit-based Incentive Payment System, *JAMA* (2020). DOI: [10.1001/jama.2020.13136](https://doi.org/10.1001/jama.2020.13136)

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