The Physicians Advocacy Institute's
Medicare Quality Payment Program (QPP)
Physician Education Initiative

2020 Virtual Groups Overview
2020 Virtual Groups Overview

2020 is the fourth year of the MACRA Quality Payment Program (QPP), under which physicians may choose to participate in an Advanced Alternative Payment Model (APM) or submit data to the Merit-Based Incentive Payment System (MIPS).

MIPS consolidates and sunsets the previous quality reporting programs by the Centers for Medicare and Medicaid Services (CMS), including the Physician Quality Reporting System (PQRS), Value-based Payment Modifier (VM), and the Electronic Health Records (EHR) Incentive program (Meaningful Use), into one program. In 2020, MIPS has four weighted performance categories: quality (45%), based on PQRS; cost (15%), based on VM; promoting interoperability (PI) (25%), previously advancing care information (ACI); and improvement activities (15%).

The performance period for the quality and cost categories is 12 months (January 1 – December 31, 2020) and the performance period for the PI and improvement activities categories is a minimum of a continuous 90-day period within the 2020 calendar year.

This resource provides guidance on the Virtual Groups participation option which is new for the 2020 QPP performance year.
Who is required to participate?

CMS has identified a list of “eligible clinicians (ECs)” who are subject to participation in the QPP; these include:

- Physicians
- Physician Assistants
- Osteopathic Practitioners
- Chiropractors
- Nurse Practitioners
- Clinical Nurse Specialists
- Certified Registered Nurse Anesthetists
- Physical & Occupational Therapists
- Qualified Speech-Language Pathologists
- Qualified Audiologists
- Clinical Psychologists
- Registered Dietitians or Nutrition Professionals

Physicians include doctors of: medicine, osteopathy, osteopathic practitioners, dental surgery, dental medicine, podiatric medicine, optometry, and chiropractors.

Additionally, CMS has defined a list of ECs who may be exempt from MIPS participation.
You may check your 2020 participation status on the QPP website by using the [MIPS lookup tool](https://www.mipscoach.com). **Note:** Continuing in 2020, you have the opportunity opt-in to MIPS if you meet or exceed one or two of the low-volume threshold criteria.

**How do I participate in MIPS?**

Physicians and other ECs can participate in MIPS either as individuals, as a group, as an APM Entity in a MIPS APM, or as part of a Virtual Group.

- **Participate individually**
  - Physician would report under an national provider identification (NPI) number and the tax identification number (TIN) of the practice to which they reassign their benefits
  - Physician receives score and corresponding payment adjustment based on his/her individual performance

- **Participate as a group**
  - 2 or more ECs (2 or more NPIs) who are part of the same practice with the same TIN
  - Specific reporting requirements and certain reporting options are available for groups of 25 or more physicians and other clinicians
  - All ECs in the group would receive the same aggregated scoring and corresponding payment adjustment across the practice-level group

- **Participate as a Virtual Group**
  - A combination of 2 or more TINs made up of solo practitioners or groups of 10 or fewer clinicians who come together "virtually" (regardless of specialty or location)
  - All ECs part of the Virtual Group would receive the same aggregated scoring and corresponding payment adjustment across the Virtual Group

Additionally, all physicians and other eligible clinicians in a practice must participate the same way—either individually, as a group, as an APM Entity in a MIPS APM, or as part of a Virtual Group. For example, a practice of 10 physicians all under the same TIN has the following participation options:

- **Individual participation** – each of the 10 physicians could report as individual physicians and each physician would have to meet the specific requirements for each category;
- **Group participation** – the group of 10 physicians could collectively have to meet the specific requirements for each category; or
- **Virtual Group participation** – the 10 physicians could be part of a Virtual Group with other practices and/or physicians, and the Virtual Group would collectively have to meet the specific requirements for each category.

---

1 For additional information on MIPS APMs, please see PAI’s MIPS APM Overview available on [PAI’s Advanced APM Pathway page](https://www.physiciansadvocacyinsitute.org/advancedapm).

© 2020 Physicians Advocacy Institute

[website](https://www.physiciansadvocacyinsitute.org)
The practice cannot split the physicians so that some physicians are participating individually while others are participating as a group or as part of a Virtual Group, or while some physicians are participating as a group and others are participating as part of a Virtual Group.

Who Can Form a Virtual Group?

The Virtual Group reporting option was initiated under the 2018 MIPS performance year. Virtual groups are defined as a combination of 2 or more TINs assigned to 1 or more solo practitioners or 1 or more groups consisting of 10 or fewer clinicians (including at least 1 EC). Physicians and other ECs can elect to form a Virtual Group regardless of their geographic location or specialty, and there are no limits on the number of solo practitioners and groups that can come together to form a Virtual Group. However, you can only participate in 1 Virtual Group per performance year.

Unlike the group participation option which is limited to physicians under the same TIN/practice, Virtual Groups participation option allows multiple solo practitioners and small practices to come together “virtually” with each other to participate and have their performance assessed collectively as a group in all four MIPS categories. The following requirements must be met for a solo practitioner or group to participate in a Virtual Group.

<table>
<thead>
<tr>
<th><strong>Solo Practitioners</strong></th>
<th><strong>Groups</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Must be a MIPS EC</td>
<td>• Have 10 or fewer clinicians (at least 1 that is an EC)</td>
</tr>
<tr>
<td>• Not be exempt from MIPS participation</td>
<td>• Not be exempt from MIPS participation due to the low-volume threshold at the Virtual Group level</td>
</tr>
</tbody>
</table>

How do I report my data as part of a Virtual Group?

There are generally five collection type options via which physicians can submit their MIPS data: Medicare Part B claims, CMS Web Interface, Log-In and Attest, Log-In and Upload, and Direct.

<table>
<thead>
<tr>
<th><strong>Medicare Part B claims</strong></th>
<th><strong>Direct</strong></th>
<th><strong>CMS Web Interface</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Quality measures are reported through routine billing processes</td>
<td>• Third-party intermediaries transmit data through a computer-to-computer interaction (e.g., an API)</td>
<td>• Web-based application with a required set of measures</td>
</tr>
<tr>
<td>• Only available to small practices (15 or fewer ECs)</td>
<td>• Third-party intermediaries include qualified clinical data registries (QCDRs), qualified registries, and EHR vendors</td>
<td>• Only available to groups of 25 or more clinicians</td>
</tr>
</tbody>
</table>

© 2020 Physicians Advocacy Institute
www.physiciansadvocacyinsitute.org
Reporting mechanisms that can be used to submit your MIPS data depend on the category and whether you participate as an individual, group, or Virtual Group. You can report different categories using different collection types and reporting mechanisms; you are not required to submit MIPS data using one collection type or reporting mechanism across all the categories.

<table>
<thead>
<tr>
<th>Category</th>
<th>Reporting Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>Virtual Group (themselves or working with a Qualified Registry, QCDR, or CEHRT)</td>
</tr>
<tr>
<td></td>
<td>Medicare Part B Claims (only for those with small practice designation); Direct; Log-In and Upload; CMS Web Interface (for 25 or more ECs); CAHPS for MIPS Survey; Administrative Claims</td>
</tr>
<tr>
<td>Improvement Activities</td>
<td>Virtual Groups and Third-Party Intermediaries (e.g., Qualified Registry, QCDR, CEHRT, CMS-approved survey vendor)</td>
</tr>
<tr>
<td></td>
<td>Direct; Log-In and Upload; Log-In and Attest (via qpp.cms.gov)</td>
</tr>
<tr>
<td>Promoting Interoperability</td>
<td>Virtual Groups and Third-Party Intermediaries (e.g., Qualified Registry, QCDR, CEHRT,)</td>
</tr>
<tr>
<td></td>
<td>Log-In and Upload; Log-In and Attest (via qpp.cms.gov)</td>
</tr>
<tr>
<td>Cost</td>
<td>Third-party Intermediaries</td>
</tr>
<tr>
<td></td>
<td>Direct</td>
</tr>
<tr>
<td></td>
<td>Virtual Group</td>
</tr>
<tr>
<td></td>
<td>No submission required. CMS will use administrative claims data.</td>
</tr>
</tbody>
</table>

What are Virtual Group Reporting Requirements?

The reporting requirements for each of the four MIPS categories are generally the same for Virtual Groups as they are for group reporting.
How is Scoring Determined Under a Virtual Group?

Data from all Virtual Group participants will be used to determine the Virtual Group’s performance in each MIPS category and its overall MIPS final score. All practices and ECs that are participating in a Virtual Group will receive the same aggregated score and related payment adjustment. The exception to this is when a group practice has some ECs who are participating in an APM Entity under a MIPS APM and/or an Advanced APM, and others as part of the Virtual Group.

In this case, were some ECs are participating in a MIPS APM, the scores and related payment adjustments for ECs will be tied to the APM Entity’s performance in the MIPS APM, and the other ECs in the practice would have their scores and related payment adjustments tied to the Virtual Group’s participation in MIPS.²

² ECs participating in a MIPS APM will not be carved out of the Virtual Group’s assessment; their performance will contribute towards both the aggregated Virtual Group and the MIPS APM performance assessment and scores.
• For example, in a practice of 10 physicians all under the same TIN, 5 of the physicians are participating as part of a Medicare Shared Savings Program Track 1 Accountable Care Organization (ACO), while the other 5 are participating as part of a Virtual Group with other ECs and groups. The 5 in the ACO will have their scores and payments tied to the ACO’s performance, and the 5 in the Virtual Group will have their scores and payments tied to the Virtual Group’s performance.

Similarly, in the case where some ECs are participating in an Advanced APM, the scores and related payment adjustments for ECs will be tied to the APM Entity’s performance in the Advanced APM. If the EC achieves a Qualifying APM Participant (QP) status, they will be assessed under MIPS as part of the Virtual Group but will be excluded from the MIPS payment adjustment and eligible for the 5% Advanced APM incentive payment. If the EC achieves Partial QP (PQ) status, they will be excluded from the MIPS payment adjustment unless the EC elects to report under MIPS by agreeing to participate in a Virtual Group prior to the start of the performance year.

<table>
<thead>
<tr>
<th>Virtual Group Members and MIPS Payment Adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virtual Group Member</td>
</tr>
<tr>
<td>Clinician is not MIPS eligible</td>
</tr>
<tr>
<td>Clinician is MIPS eligible</td>
</tr>
<tr>
<td>Clinician is a MIPS APM participant</td>
</tr>
<tr>
<td>Clinician has QP status</td>
</tr>
</tbody>
</table>

Source: CMS 2019 MIPS performance Period Virtual Group Participation Fact Sheet (continuing in 2020)

Special Status

- **Small Practice Status**
  - Virtual Groups consisting of 15 or fewer ECs

- **Rural Area or Health Professional Shortage Area (HPSA) Practice Status**
  - More than 75% of the clinicians in the Virtual Group are designated in a ZIP code designated as a rural area or HPSA.

- **Non-Patient Facing**
  - If more than 75% of the clinicians the Virtual Group’s TINs meet the definition of a non-patient facing individual MIPS ECs.
Additionally, Virtual Groups with special status will also be eligible for reduced burden reporting requirements under the quality, improvement activities, and PI categories:

- **MIPS quality category** – Virtual Groups with small practice status who submit at least 1 measure will have 6 bonus points added to their quality category score.
- **MIPS improvement activities category** – Virtual Groups with small practice, rural area or HPSA or non-patient facing status will have points doubled for this category, meaning medium weight activities will be worth 20 points each and high-weight activities will be worth 40 points each.
- **MIPS PI category** – Virtual Groups with small practice status may be eligible to apply for a hardship exempting them from the PI category and have the PI category reweighted to 0% (which would increase the weight of the quality category to 75%). Virtual Group designated as non-patient facing will automatically have the PI category reweighted to 0% (which would increase the weight of the quality category to 75%).

**What are some benefits to joining or forming a Virtual Group?**

According to CMS, some solo physicians and small groups may not have enough patient cases per measure to be reliably measured against a benchmark on their own or have the resources to successfully participate in MIPS on their own. This can be a disadvantage for solo physicians and small groups and affect their scoring results. However, in a Virtual Group, solo physicians and small groups who band together could increase their patient volume to be reliably measured, share resources and best practices, and optimize participation to increase their MIPS performance scores and related payment adjustments.

**What are other considerations for forming a Virtual Group?**

It is possible that a Virtual Group may have professional liability under state law, which varies from state-to-state. For example, a Virtual Group may be treated as a partnership and the partners would be jointly and separately liable. Additionally, federal and state tax, pension plans rules, and related issues may be implicated by the formation of a Virtual Group, and you may want to consider seeking legal counsel prior to forming or joining a Virtual Group.

When determining whether to join or form a Virtual Group, it is recommended that you carefully evaluate both strengths and weaknesses potential partnerships could bring before committing to reporting at the Virtual Group level.

**How do I form a Virtual Group?**

Virtual Group election must be made prior to the beginning of the performance period; therefore, physicians and other clinicians must have elected to form a Virtual Group by the
December 31, 2019 deadline for 2020 MIPS participation. Therefore, Virtual Groups can no longer be formed for the 2020 MIPS performance year. However, you or your group may consider forming or joining a Virtual Group for the 2021 MIPS performance year.

To form a Virtual Group, you must go through a 2-step election process. Once you complete the election process for a given performance year, you will be committed to reporting at the Virtual Group level for that year.

**Step 1 (Optional)**
- Contact your QPP Technical Assistance representative who can help you determine if you are eligible to join or form a Virtual Group.*

**Step 2 (Required)**
- Must have a formal agreement in place between each solo practitioner and group that composes the Virtual Group.
- CMS will confirm whether each solo practitioner and/or group is eligible to participate in the Virtual Group.


**What’s Required as Part of the Virtual Group Agreement?**

A Virtual Group formal agreement must meet and include the following elements:

- **Parties to the agreement are identified by name, tax identification number (TIN), national provider identification number (NPI).** Parties to the agreement includes only the groups and solo practitioners who are a member of the Virtual Group.
- **Identifies, but does not need to include as parties to the agreement, all ECs (all NPIs) who bill under the TINs that are members in the Virtual Group and requires each TIN to notify all NPIs associated with the TIN of their participation in MIPS as a Virtual Group.**
- **Is executed on behalf of a party to the agreement by an authorized individual.**
- **Expressly requires each member, and the NPIs who bill under each TIN in the virtual group, to participate in MIPS as a virtual group and comply with applicable laws and regulations (including, but not limited to, HIPAA, False Claims Act, civil monetary penalties law, self-referral, and anti-kickback laws).**
- **Sets forth NPI’s right and obligations in, and representation by, the Virtual Group, including reporting requirements and how Virtual Group participation affects the ability of the NPI to participate in MIPS outside of the Virtual Group.**
- **Describes how the opportunity to receive payment adjustments will encourage each member, and each NPI under each member TIN, to adhere to quality assurance and improvement.**
• Requires each party to the agreement to update its Medicare enrollment information, including the addition/deletion of NPIs, on a timely basis in accordance with Medicare program requirements, and with a notification to the Virtual Group within 30 days after the change.
• Is for a term of at least one performance period.
• Requires completion of a close-out process upon termination or expiration of the agreement, requiring each party to the agreement to furnish, in accordance with privacy and security laws, all data necessary for the virtual group to aggregate its data across the Virtual Group.

Note, only 1 agreement is required between all participants; it is not necessary to have separate agreements in place between every participant. Additionally, Virtual Groups have the ability to amend their agreements during the performance period, but additional participants cannot be added to the Virtual Group during the performance period.

How will CMS identify if I’m in a Virtual Group?

Once you have completed the election process and have been approved by CMS to participate in a Virtual Group for MIPS participation, CMS will issue a unique Virtual Group participant identifier using a combination of three identifiers: 1) the Virtual Group identifier established by CMS and assigned to the entire Virtual Group; 2) TIN; and 3) NPI. For example, the identifier may look like “VG-XXXXXX.” You will then need to provide this identifier to third party vendors for each reporting mechanism the Virtual Group uses to submit data for each MIPS category.

Where can I go for more information?

For questions about Virtual Groups or to get connected to a technical assistance representative in your area, contact the CMS QPP Service Center at (866) 288-8292 or by email at QPP@cms.hhs.gov.

Visit the PAI’s QPP Center for additional resources and tutorials. Additionally, see the CMS QPP Resource Library, which includes a CMS 2020 Virtual Group Toolkit.