

## **Alternative Payment Model (APM) Incentive Payment Extension FAQs**

### **What are the Details of the APM Incentive Payment Extension?**

The APM Incentive Payment was extended by legislation enacted by Congress for one additional year for performance year 2023. The incentive payment percentage will be 3.5 percent instead of the amount in previous years, which was 5 percent.

Eligible clinicians who are determined to be Qualifying APM Participants (QPs) with respect to performance year 2023 will receive the 3.5 percent APM Incentive Payment in payment year 2025 and will not be subject to the MIPS reporting requirements or payment adjustments.

The QP payment amount and patient count thresholds for QPs in Advanced APMs (AAPMs) will remain frozen at 50% and 35%, respectively, for QP Performance Year 2023 (associated with payment year 2025).

### **Will the APM Incentive Payment be calculated the same way for Performance Year 2023?**

Yes, the APM Incentive Payment will be calculated using claims submitted with dates of service from January 1 through December 31 of the base year.


### **What Do I Need to Do in Order to Receive the APM Incentive Payment in 2025?**

Similar to previous years, if you meet the requirements to be a QP in the 2023 performance period, you will not need to do anything to receive your payment in 2025, unless CMS is unable to verify your Medicare billing information. If you do not receive your payment after initial payments are made, a public notice will be posted with a list of names which indicates that you will need to verify your Medicare billing information. If you do not verify your Medicare billing information by the date in the notice, then CMS will not be able to issue your APM Incentive Payment.

### **What happens after Payment Year 2025?**

Beginning with payment year 2026, rather than an APM Incentive Payment, eligible clinicians who are QPs for the year will receive a differentially higher annual update to the payment rates for services under the Physician Fee Schedule than non-QPs. These updates are applied as





adjustments to what is called the PFS conversion factor, for those who are not QPs. The update to the factor that is applied to relative value units to calculate payment rates.

Beginning with payment year 2026, rather than an APM Incentive Payment, eligible clinicians who are QPs for the year will receive a differentially higher update to the PFS conversion factor than those who are not QPs. The update to the conversion factor will be 0.75% for QPs and 0.25% for non-QPs.

## Where Can I Get More Information?

For additional information on the QPP APMs, please visit the [QPP APM website](#).  
For additional information regarding the legislative change, this can be found on page 3711 in section 4111 of the [Consolidated Appropriations Act, 2023](#).

## Who Should I Contact if I Have Additional Questions?

Contact the APM Program Support Team at [gpp@cms.hhs.gov](mailto:gpp@cms.hhs.gov).

## Version History

Date	Change Description
01/30/2023	Original version