

# Merit-based Incentive Payment System (MIPS)

## 2023 Complex Patient Bonus Fact Sheet



Quality Payment  
PROGRAM

## What Is the Complex Patient Bonus?

The complex patient bonus aims to protect access to care for vulnerable, complex patients by awarding bonus points to the clinicians who care for them.

- Clinicians can earn up to 10 bonus points based on the medical complexity and social risk of your patients.

These bonus points are added to the MIPS final score for qualifying MIPS eligible clinicians, groups, subgroups\*, virtual groups and APM Entities.

### The complex patient bonus looks at:

- **Medical complexity** as determined by the average Hierarchical Condition Categories (HCC) risk score of your Medicare patient population.

- **Social risk** as determined by the proportion of your Medicare patient population that's **dually eligible** for both Medicare and Medicaid.

\*As finalized in the CY 2024 Medicare Physician Fee Schedule Final Rule, subgroups would receive the complex patient bonus of their affiliated group beginning in the 2023 performance year.

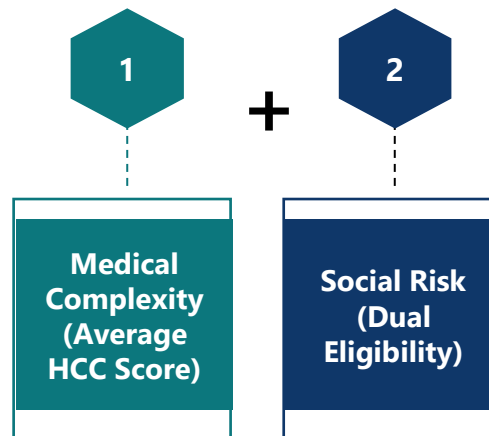


# Overview

## How Is the Complex Patient Bonus Determined?

We **updated our complex patient bonus policies** beginning with the 2022 performance year, to better target clinicians who have a higher share of medically and/or socially complex patients.

- **The complex patient bonus is now composed of 2 distinct calculations** which are added together:



- **The complex patient bonus is now limited** to MIPS eligible clinicians, groups, virtual groups and APM Entities with at least one risk indicator (either average HCC risk score or dual eligibility ratio) at or above the median risk indicator calculated for all MIPS eligible clinicians, groups, virtual groups and APM Entities from the prior performance year.

## Medical Complexity

### What Are Hierarchical Condition Categories?

Hierarchical Condition Categories, or HCCs, are sets of medical codes that are linked to specific clinical diagnoses. CMS has used HCCs since 2004 as part of a risk-adjustment model that identifies individuals with serious acute or chronic conditions. You can find information about the Current Procedural Terminology (CPT) and Healthcare Common Procedure Coding System (HCPCS) codes eligible for Medicare risk-adjustment [here on the CMS website](#).

### Why Use HCC Risk Scores?

We believe that average HCC risk scores are a valid proxy for medical complexity that have been used by other CMS programs. The HCC model was developed by CMS as a risk-adjustment model that uses hierarchical condition categories to assign risk scores to Medicare patients. Those scores estimate how Medicare patients' Fee For Service spending will compare to the overall average for the entire Medicare population.

A patient's HCC risk score is based on:

- Age and sex.
- Diagnoses from the previous year.
- Whether they are eligible for Medicaid, first qualified for Medicare on the basis of disability, or live in an institution (usually a nursing home).

## Social Risk

### How Is the Proportion of Dually Eligible Patients Determined?

We'll calculate the number of your dually eligible patients for the 2023 performance year using claims data from 10/1/2022 to 9/30/2023

- The proportion will be a comparison of unique patients who are dually eligible for Medicare and Medicaid seen by the MIPS eligible clinician to all unique Medicare patients seen by the MIPS eligible clinician during this time period.



## Eligibility for the Complex Patient Bonus: Performance Year 2023

### Step 1

We'll identify the **median HCC risk score** and **median dual eligibility ratio** based on the complex patient bonus included in the final score attributed to each MIPS eligible clinician (whether participating as an individual, group, virtual group or APM Entity) in performance year 2022.

### Step 2

We'll calculate the average HCC risk score and dual eligibility ratio for each MIPS eligible clinician, group, virtual group and APM Entity for performance year 2023.

- **Average HCC risk score** = sum of HCC risk scores for the unique Medicare patients treated\*/number of unique Medicare patients treated\*
- **Dual eligibility ratio** = unique Medicare patients treated\* who were dually eligible for Medicare and full- or partial-Medicaid benefits/unique Medicare patients treated\*

\*Medicare patients must have been treated between October 1, 2022, and September 30, 2023, to be included in these calculations.

### Step 3

We'll compare your average HCC risk score and dual eligibility ratio (calculated in Step 2) to the median values identified in Step 1.

- **If either (or both) of your risk indicators is at or above the median identified in step 1, you're eligible to receive the complex patient bonus.**

We'll evaluate each MIPS eligible clinician, group, virtual group, or APM Entity for their eligibility to receive the complex patient bonus, but **only the MIPS eligible clinicians, groups, virtual groups and APM Entities that meet the criteria above will receive the bonus.**



## Calculating the Complex Patient Bonus: Performance Year 2023

### Step 1

We'll identify the **mean HCC risk score** and **mean dual eligibility ratio** based on the complex patient bonus included in the final score attributed to each MIPS eligible clinician (whether participating as an individual, group, virtual group or APM Entity) in the 2022 performance year. (This is different than the median calculated to determine eligibility.)

### Step 2

We'll calculate a **standardized** score for the medical complexity component.

- **Medical component standardized score** = (your average HCC risk score for 2023 MINUS the 2022 mean HCC risk score from step 1)/ standard deviation for the 2022 mean HCC risk score from step 1.

### Step 3

We'll calculate a **standardized** score for the social risk component.

- **Social component standardized score** = (your dual eligibility ratio for 2023 MINUS the 2022 mean dual eligibility ratio from step 1)/ standard deviation for the 2022 mean dual eligibility ratio from step 1

### Step 4

We'll calculate the medical complexity component contribution to your complex patient bonus.

- **Medical complexity complex patient bonus points** =  $1.5 + [4 \times (\text{standardized score from step 2})]$

### Step 5

We'll calculate the social risk component contribution to your complex patient bonus.

- **Social risk complex patient bonus points** =  $1.5 + [4 \times (\text{standardized score from step 3})]$

### Step 6

We'll calculate your total complex patient bonus

- **Complex patient bonus** = Medical complexity points (step 4) + Social risk points (step 5)

If only 1 of the 2 risk indicators – medical complexity or social risk – was at or above the median when we determined your eligibility for the complex patient bonus, then the other will contribute 0 points toward your complex patient bonus.

