



2025 Medicare Quality Payment Program Final Rule

Background:

The Centers for Medicare & Medicaid Services (CMS) released the Calendar Year (CY) 2025 Medicare Physician Fee Schedule and Quality Payment Program (QPP) [Final Rule](#) on November 1, 2024. The rule takes effect on January 1, 2025.

What this rule will do:

The final rule updates policies for the Merit-based Incentive Payment System (MIPS), the MIPS Value Pathways (MVP) program, and makes changes to the scoring for clinicians in alternative payment models (APMs). Key changes include the following:

- **Opposition to Mandatory MVP Participation (RFI):** AAOS opposed the mandatory participation in MIPS Value Pathways (MVPs) due to the gaps in applicability to specialists and subspecialists. AAOS requested that CMS maintain the traditional MIPS framework, allowing clinicians to select measures, improvement activities, and strategies most relevant to their specific practices. CMS reiterated its intention to move to full MVP adoption, though a future date has not been set. They intend to transform MIPS with the goal of obtaining more meaningful comparable performance data.
- **Concerns About Surgical Care MVP:** AAOS reiterated concerns about the Surgical Care MVP, highlighting the lack of consultation with AAOS and other surgical specialties in its development. We requested that CMS clarify why the MVP excludes certain surgeries with existing MIPS measures and explain the rationale for combining unrelated surgical specialties, as the current inclusion appears arbitrary and disconnected from clinical practice. CMS finalized the MVP as proposed and noted that the MVP was intentionally made broad to allow for surgical specialties the option of reporting an MVP. The intent was to not overlap with currently available MVPs, such as the Improving Care for Lower Extremity Joint Repair MVP. CMS may consider the inclusion of additional quality measures and improvement activities through the MVP Maintenance Process and future rulemaking. Interested parties are welcome to submit recommended changes to an MVP on an ongoing basis. CMS may also consider the inclusion of QCDR measures that meet the inclusion criteria and address a measurement gap through the MVP Maintenance Process and future rulemaking.
- **RFI on Guiding Principles for Patient-Reported Outcome Measures (PROMs):** AAOS supports the integration of more PROMs into CMS quality programs and models. We recommend that CMS collaborate with measure developers to create a standardized library of PROMs that are applicable across various clinical contexts while emphasizing the need for condition-specific tools in orthopaedics. We also requested CMS to ensure these tools are accessible, minimize administrative burden, and support better integration into clinical practice.
- **RFI on Building MVP Framework to Improve ASC:** AAOS raised concerns about the framework's limitations, advocating for voluntary participation and the development of more comprehensive, specialty-focused payment models. AAOS urged CMS to engage physicians throughout the model development process, ensure adequate payments and flexibility, and prioritize transparency to support high-quality care, particularly for vulnerable populations. CMS acknowledged receipt of the comments and will consider them in future rulemaking and design of ASC specialty models.

- **Alternative Payment Models (APMs) Stability:** AAOS acknowledges CMS's statutory requirements for increasing QP thresholds and replacing the APM incentive payment but urges CMS to work with Congress to ensure stability and predictability in the APM incentive payment structure. Per the final rule, barring Congressional action, the APM Incentive Payment will end after the CY 2024 performance period/CY 2026 payment year. As required under MACRA, beginning with the CY 2024 performance year/CY 2026 payment year, QPs will also receive a higher PFS payment rate, calculated using the differentially higher “qualifying APM conversion factor” update (0.75%) versus non-QPs (0.25%), including MIPS eligible clinicians.
- **MIPS Scoring:** CMS will maintain the 75-point performance threshold and will allow clinicians to request reweighting of a category when data are inaccessible and unable to be submitted due to reasons outside control of clinician who delegated data submission to a 3rd party intermediary (e.g., registry).
- **MIPS Cost Scoring:** CMS finalized revisions to the cost measure scoring methodology to measure cost more appropriately in relation to national averages (based on standard deviations from median), starting with the 2024 performance period. This is expected to raise cost scores for most and not negatively impact clinicians whose average costs are around median.
- **APMs:** As required under statute, starting with payment year 2025 (based on 2023 eligibility), Qualifying Participants (QPs) in Advanced APMs will receive a lump-sum APM Incentive Payment equal to 3.5% payment of their estimated aggregate paid amounts for covered professional services furnished during CY 2024 (down from 5%). In payment year 2026 (based on 2024 eligibility), this incentive payment drops to 1.88%. Also beginning in payment year 2026, CMS will apply two separate PFS conversion factor updates—one for QPs (0.75) and one for all non-QP eligible clinicians (0.25).
- **MIPS Orthopedic Specialty Set:** AAOS had commented on Measure 376: Functional Status Assessment for Total Hip Replacement, which specifies patients aged 19 years and older to be measured. To ensure consistency with the Patient-Reported Outcome Performance Measure (PRO-PM) and other orthopaedic measures, AAOS recommended revising the age criterion to include patients 18 years and older. CMS explained in the final rule that the age criterion starts at 19 because this is determined at the start of the measurement period, while the denominator eligible procedure has a lookback period starting in November two years prior to the measurement period, allowing for patients aged 18 at the time of the procedure to be included within the denominator eligible patient population. CMS encourages AAOS to reach out to the measure steward to discuss revisions for possible implementation in future years.

What Happens Next:

AAOS will continue to advocate for the policies we recommended as well as monitor CMS policy for changes.

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