Knack RCM

Whitepaper

The Four MIPS Categories for 2025:

What You Need to Know to Avoid a Penalty in 2027

INTRODUCTION:

MIPS 2025 – A Pivotal Year for Your Practice

The Merit-based Incentive Payment System (MIPS) continues to evolve, and the stakes are high in 2025. Clinicians must score at least **75 points** to avoid a **negative payment adjustment in 2027**, a potentially significant financial hit. With CMS introducing new measures, refining scoring methodologies, and expanding the MIPS Value Pathways (MVPs), the program demands more strategic focus than ever.

Whether you're a solo practitioner or part of a larger group, success in MIPS hinges on early preparation, data accuracy, and choosing performance areas that align with your strengths. This whitepaper outlines the four MIPS performance categories, highlights key updates for 2025, and offers actionable strategies to help your practice thrive.

01 Quality (30% of Final Score) –

Small Practice Exception with PI Hardship = 40% of Final Score

The Quality category remains the most heavily weighted component of the MIPS score, especially for small practices claiming a Promoting Interoperability (PI) hardship. In 2025, CMS offers **195 quality measures**, including **seven new measures**, **ten removals**, and **66 modifications**. CMS also continues using a flat benchmarking methodology for certain topped-out measures to promote meaningful participation.

STRATEGY TIP:

Focus on measures that align with your practice's strengths and meet or exceed benchmarks. Avoid low-scoring measures that may dilute your performance.

Key Updates:

- New measures focus on areas like diagnostic imaging, biomarker testing, and patient vaccination status.
- Removal of measures, such as #439 (Age Appropriate Screening Colonoscopy), reduces redundancy.
- Quality data submissions must meet 75% completeness criteria and include numerator and denominator data for at least one measure.
- You can submit measures from different collection types to fulfill the requirement to report data for at least six quality measures

02 Cost (30% of Final Score)

Cost is calculated automatically using CMS administrative claims data. For 2025, CMS introduced **six new episode-based cost measures**, including those for chronic kidney disease, prostate cancer, and respiratory infections. Cost measure benchmarking has also been updated to reflect median performance thresholds.

STRATEGY TIP:

Review CMS benchmarks for cost measures that apply to your patient population. Proactively manage resource utilization and coordinate care to minimize unnecessary expenses.

Key Updates:

- New cost measures include both acute and chronic conditions, reflecting real-world care scenarios.
- Errors or significant changes impacting cost measures can now qualify them for exclusion under the new cost measure exclusion policy.

03 Promoting Interoperability (25% of Final Score)

Small Practices May Qualify for PI Hardship: Weight Redistributed (15% to Improvement Activities, 10% to Quality)

This category focuses on the secure exchange of health information and patient engagement. While there are no major structural changes for 2025, clinicians such as clinical social workers will no longer qualify for automatic reweighting.

Key Updates:

- Data submissions must include performance data, required attestations, CEHRT IDs, and performance period dates to be valid.
- Clinicians can delegate data submission to third-party intermediaries without penalty.

STRATEGY TIP:

Ensure your EHR system supports patient engagement features like portal access and direct messaging. Review your performance data regularly to identify areas for improvement.

04 Improvement Activities (15% of Final Score)

Small Practice Exception with PI Hardship = 30% of Final Score

This category highlights your commitment to advancing care delivery. For 2025, CMS offers **104 activities**, including **two new ones** focused on lung cancer screening and cardiovascular disease risk reduction. CMS also removed weightings for activities to simplify scoring.

Key Updates:

- Small practices, rural clinicians, and other special statuses need only attest to one activity.
- New activities, like “Save a Million Hearts,” target specific public health priorities.

STRATEGY TIP:

Choose activities that bring tangible value to your practice and patients. For example, implementing cardiovascular screening protocols can enhance patient outcomes while fulfilling MIPS requirements.

Key Changes for 2025

Beyond category-specific updates, CMS has introduced overarching changes to improve flexibility and fairness:

MIPS Value Pathways (MVPs):
Six new MVPs were added for specialties like gastroenterology and urology, and population health measures will be automatically calculated for participants.

Data Submission Enhancements:
CMS will score the most recent valid data submission for each category, ensuring higher scores are prioritized

Simplified Scoring:
Updated methodologies make it easier for clinicians to achieve meaningful participation.

Prepare Now to Maximize Success in 2025

With Medicare payment adjustments of up to ±9% on the line, your 2025 MIPS performance directly influences your bottom line in 2027. The program continues to evolve with greater complexity but also greater opportunity.

ACTION STEPS:

- Evaluate your current performance against 2025 benchmarks.
- Identify categories where your practice can gain the most ground.
- Consider submitting through multiple channels or working with a trusted RCM partner to optimize results.
- Take advantage of small practice exemptions and hardship adjustments where applicable.

BOTTOM LINE:

Strategic participation in MIPS isn't just about avoiding penalties—it's about securing incentives, demonstrating quality care, and strengthening the financial health of your practice.