

# MIPS Penalty Exemption Applied to All Clinicians



**By Elizabeth Woodcock, MBA, FACMPE, CPC**

On February 25, 2021, the Centers for Medicare & Medicaid Services (CMS) [declared](#) that a hardship exception would retroactively apply to all eligible clinicians for the 2020 performance year of the Quality Payment Program (QPP). The announcement, which came just weeks after the deadline for the exemption application had passed, was certainly welcome news. Eligible clinicians – physicians and advanced practice providers – were facing a whopping 9% penalty in 2022 for failure to participate successfully in the program. This was a particularly painful cut following the challenges of 2020 brought on by the pandemic, coupled with the Medicare reimbursement cuts imposed for 2021.

---

Although you have until the end of the month – March 31, 2021 at 8 pm EST, to be exact – to report your 2020 data via the Merit-based Incentive Payment System (MIPS) or an Advanced Alternative Payment Model (AAPM), **you will not be penalized should you fail to do so. Indeed, you will automatically be identified to receive a neutral payment adjustment in 2022.**

If you already reported – or you are planning to report - the exception will not be applied. According to CMS, it cannot be used to override data that you submitted previously under MIPS. Eligible clinicians who submit data will be scored and receive a bonus in 2022, as applicable. The QPP was established as a program in which the penalties are transferred to successful participants in the form of payment boosts. Because there will be no longer be “losers” in 2020, however, there will be less funds to distribute to the “winners.” Fortunately, there is still money left in the coffers that Congress set aside for exceptional performers. These funds, which were appropriated for the first five years of the program, will be used for the 2022 distribution to eligible clinicians who exceed the performance threshold.

The previous three years have seen increases of less than two percent even for the highest performers; given the circumstances, this trend will most likely continue.

Should you wish to report, click here for more details on how to report:  
<https://qpp.cms.gov/login>

---

*The contents of The Sentinel are intended for educational/informational purposes only and do not constitute legal advice. Policyholders are urged to consult with their personal attorney for legal advice, as specific legal requirements may vary from state to state and/or change over time.*