



Performance Measurement Work Group

1/18/17 Meeting

R
Y 2019 Maryland Hospital
Acquired Conditions (MHAC)



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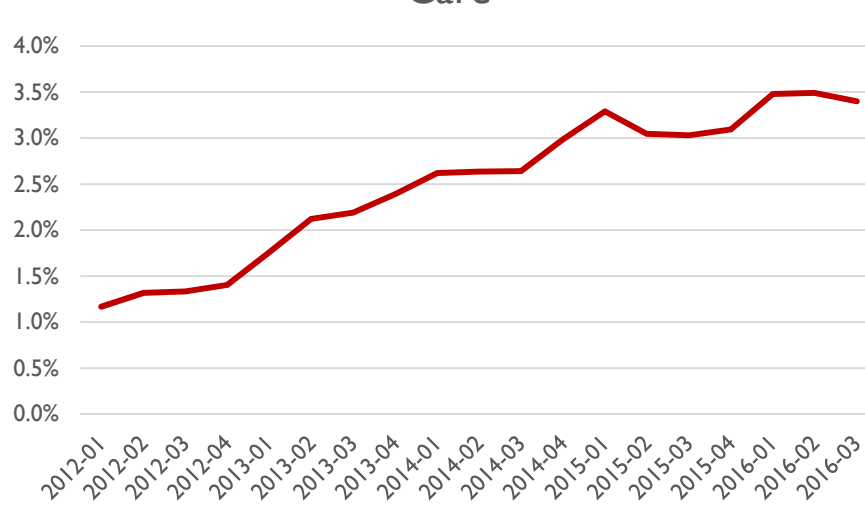
General RY 2019 MHAC Updates

- ▶ Removal of palliative care exclusion
- ▶ Update to PPC Grouper Version 34 (ICD-10)
- ▶ Inclusion of all chronic beds and Holy Cross Germantown
- ▶ Hospitals with only serious reportable events removed
- ▶ **MHAC methodology and Scaling**
 - ▶ No changes to setting of benchmarks/thresholds or PPC scoring methodology (i.e., improvement and attainment points)
 - ▶ Change to single linear scale with max penalty/reward of 2%

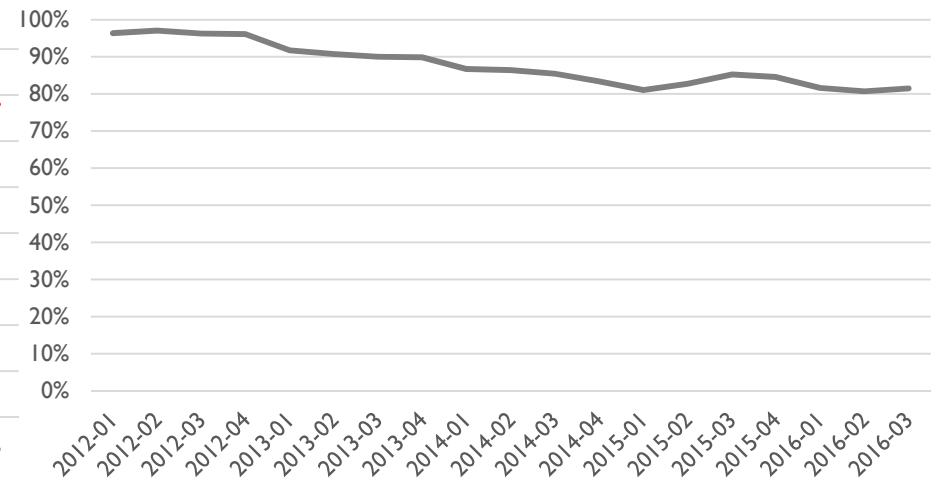
Palliative Care

- ▶ **Include palliative care cases in RY19 MHAC**
 - ▶ Rationale: Increased coding, large coding variance between hospitals, serious complication → PC, quality improvement

Percent of Total Discharges with Palliative Care



Percent of Total PPCs in MHAC Program



Program Specifics RY 19

- ▶ **3M PPC Grouper version 34**
 - ▶ Base Year = October 2015 – September 2016
 - ▶ Performance Year = CY 2017
- ▶ **Performance metric = observed / expected ratio**
- ▶ **Exclusions**
 - ▶ Statewide: Cases with more than 6 PPCs
 - ▶ Hospital: <10 at-risk or <1 expected; must qualify for more than the seriously reportable events
- ▶ **Better of Attainment and Improvement**
 - ▶ Hospital's O /E ratios are compared to statewide base year performance, thresholds and benchmarks and converted to points from 0-10.
- ▶ **PPCs grouped in two tiers weighted differently (100% vs 50%) to put more emphasis on the “target” PPCs.**

PPC Measurement Changes

- ▶ **Version 34 PPC grouper**
- ▶ **PPC Changes**
 - ▶ 3M removed PPC 12 (cardiac arrhythmia) and PPCs 57, 58 (OB Lacerations)
 - ▶ Clinical changes to PPC 36 (Acute mental health changes) and PPC 66 (Catheter related UTI) result in no hospital meeting minimum inclusion threshold
 - ▶ PPC 21 (c. Diff) moved to tier 2
 - ▶ Inclusion of PPC 64 back into combo PPC 67
 - ▶ Removal of all out of grouper exclusions and hierarchy changes
- ▶ **No other changes to combos or monitoring only PPCs**
 - ▶ Based on this there are 57 PPCs (48 with combinations) included in payment program

Benchmarks / Thresholds

- ▶ Threshold = weighted mean of all O/E ratios ($O/E = 1$)
- ▶ Benchmark = weighted mean of the O/E ratios for top performing hospitals that account for a minimum 25% of statewide discharges

- ▶ See excel handout with benchmarks for RY18 and RY19 benchmarks

RY2019 MHAC Scaling Proposal

- ▶ **No statewide improvement goal**
 - ▶ Single revenue adjustment scale with max penalty 2% and max reward 1%
- ▶ **Full range scale (0-100%)**
 - ▶ Options: Continuously scaled revenue adjustments vs neutral zone

MHAC Scaling Options

RY 2018 Scale			
Final MHAC Score		Below State Quality Target	Exceed State Quality Target
Scores less than or equal to	0.17	-3.00%	-1.00%
	0.20	-2.74%	-0.88%
	0.25	-2.29%	-0.67%
	0.30	-1.85%	-0.46%
	0.35	-1.41%	-0.25%
	0.40	-0.97%	-0.04%
	0.45	-0.53%	0.00%
	0.50	-0.09%	0.00%
	0.55	0.35%	0.17%
	0.60	0.79%	0.33%
	0.65	1.24%	0.50%
	0.70	1.68%	0.67%
	0.75	2.12%	0.83%
Scores greater than or equal to	0.80	0.00%	1.00%
Penalty threshold:	0.51	0.41	
Reward Threshold	No rewards	0.50	

Option 1: Full Scale without Neutral Zone	
Final MHAC Score	Revenue Adjustment
0.00	-2.00%
0.05	-1.80%
0.10	-1.60%
0.15	-1.40%
0.20	-1.20%
0.25	-1.00%
0.30	-0.80%
0.35	-0.60%
0.40	-0.40%
0.45	-0.20%
0.50	0.00%
0.55	0.10%
0.60	0.20%
0.65	0.30%
0.70	0.40%
0.75	0.50%
0.80	0.60%
0.85	0.70%
0.90	0.80%
0.95	0.90%
1.00	1.00%
Penalty/Reward threshold:	0.50

Option 2: Full Scale with Neutral Zone	
Final MHAC Score	Revenue Adjustment
0.00	-2.00%
0.05	-1.78%
0.10	-1.56%
0.15	-1.33%
0.20	-1.11%
0.25	-0.89%
0.30	-0.67%
0.35	-0.44%
0.40	-0.22%
0.45	0.00%
0.50	0.00%
0.55	0.00%
0.60	0.11%
0.65	0.22%
0.70	0.33%
0.75	0.44%
0.80	0.56%
0.85	0.67%
0.90	0.78%
0.95	0.89%
1.00	1.00%
Penalty threshold:	0.45
Reward Threshold	0.55

MHAC Modeling

RY 17 Modeled Results	Min	Penalty/Reward Cut Point	Max	Statewide Penalties	Statewide Rewards
RY 2017 Actual Results	17%	33%/43%	80%	<\$1M	+30M
RY 2017 scores w/Ry18 Scale	17%	40%/50%	80%	-\$2M	+22M
Full Range Scale without Neutral Zone	0%	50%	100%	-\$10M	+\$13M
Full Range Scale with Neutral Zone	0%	45%/55%	100%	-\$6M	+\$9M

RX 2019 Quality Based Reimbursement (QBR)



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RX17 QBR Scaling

- ▶ Retrospective change to RX17 QBR scale approved by Commission in December
 - ▶ Scale was originally too low when based on base year attainment only points
 - ▶ Approved scale uses final QBR scores to set linear scale that rewards/penalizes hospitals above/below statewide average
 - ▶ Not revenue neutral
 - ▶ Higher penalties put into rates in RX18

RY18 QBR Updates

- ▶ HSCRC will resend base year data to hospitals with following changes:
 - ▶ Removal of HCAHPS pain measure
 - ▶ Correction on CTM-3 measure
 - ▶ For CAUTI, RY18 scores will be based on performance period attainment only and state benchmark (as was done for RY17)
- ▶ HSCRC staff is proposing to use final scores to set **linear scale for RY18 QBR** (same as RY17)
 - ▶ Performance period complete
- ▶ Exploring options for calculating scores earlier

RY19 QBR Updates

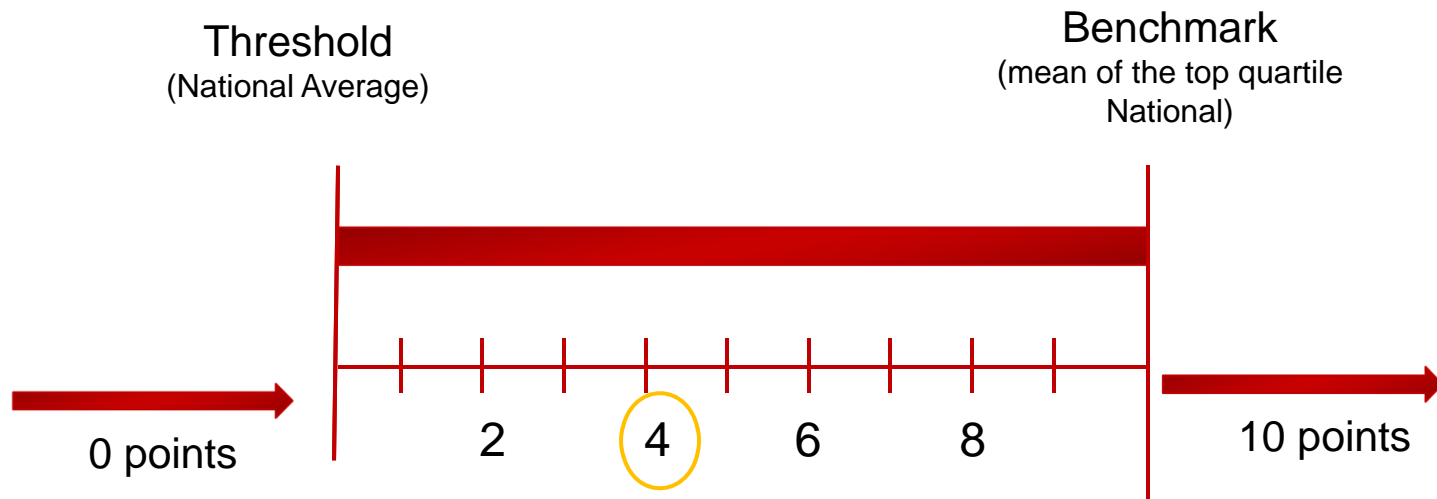
- ▶ **Update measures**
 - ▶ Add THA/TKA – Total hip/total knee arthroplasty complications
 - ▶ Update mortality measure
 - ▶ Final recommendation stated we will be not excluding palliative care cases from mortality measures (statewide improvement rate is highly correlated with increase in palliative care cases)
 - ▶ Working through details on adding palliative care (e.g., adding palliative care flag to regression model)
 - ▶ PSI-90 – currently no ICD-10 version
- ▶ **Exploring options for calculating scores earlier**

RY19 QBR Scaling

- ▶ Goal is to incentivize all MD hospitals to improve and achieve performance on par with the nation
- ▶ Final Score Scale vs. Prospective Scale
 - ▶ Predetermined performance targets and financial impact
 - ▶ Ensure performance aligns with revenue adjustments

Attainment Score Calculations

One QBR Measure-
Risk Adjusted Rate or Percent of Patients



*Mortality and PSI measures are based on state average and top performance benchmarks.

QBR Score Calculations

- ▶ Better of Attainment or Improvement = 0-10 points
- ▶ Maximum Available Points= 10 Points* Number of Measures
- ▶ Actual Hospital Points= Sum of Hospital Points
- ▶ QBR Final Score= Actual Hospital Points/Maximum Available Points
 - ▶ 0% = None of the rates are at the average
 - ▶ 100%= All of the rates are at the top 5 %

Applying Final Score to Scaling

- ▶ Full Score: Range 0-100%, mid-point 50%
- ▶ State distribution: 7%-57%, average 37%
- ▶ Scaling based on state distribution recalibrates the payment adjustments back to state performance
- ▶ Predetermined scores should be more specifically tied to the state's performance compared to national rates
 - ▶ Performance benchmarks for each measure (Thresholds and benchmarks) are based on national rates
 - ▶ Scaling methodology does not reflect performance standards as the total scores are lower

Modeling of QBR Scaling Options

- Which scores should be used for maximum rewards and penalties ?
- Which score should be used as cut point to turn from penalty to reward zones ?
 - 80% represents realistic max possible score
 - Rewards can be increased in commensurate with higher points
 - Increase the maximum reward from 1% to 2% inpatient revenue

RY 19 Scaling Options	Min	Cut Point	Max	Statewide Penalties	Statewide Rewards
Final Scores (max reward 1%)	7%	37%	57%	-\$20M	+11M
Prospective Options Max Reward 2%					
Full Score Range	0%	50%	100%	-49M	+1M
Option 1	0%	40%	80%	-24M	+7M
Option 2	0%	45%	80%	-37M	+3M

Note: Modeling based on RY17 Final Scores

QBR Scaling Options: Score Comparison

FY 2017

FY 2017 Final QBR Score Based Scaling	
Final QBR Scores	% Revenue Impact
0.07	-2.00%
0.20	-1.13%
0.31	-0.40%
0.31	-0.40%
0.37	0.00%
0.40	0.15%
0.49	0.60%
0.57	1.00%

Full Score Range

Final QBR Score	Payment Adjustment
0.00	-2.00%
0.10	-1.60%
0.20	-1.20%
0.30	-0.80%
0.40	-0.40%
0.50	0.00%
0.60	0.40%
0.70	0.80%
0.80	1.20%
0.90	1.60%
1.00	2.00%
Payment Threshold	0.50

Option 1

Final QBR Score	Payment Adjustment
0.00	-2.00%
0.10	-1.50%
0.20	-1.00%
0.30	-0.50%
0.40	0.00%
0.50	0.50%
0.60	1.00%
0.70	1.50%
0.80	2.00%
0.80	2.00%
Payment Threshold	0.40

Option 2

Final QBR Score	Payment Adjustment
0.00	-2.00%
0.10	-1.56%
0.20	-1.11%
0.30	-0.67%
0.40	-0.22%
0.45	0.00%
0.50	0.29%
0.60	0.86%
0.70	1.43%
0.80	2.00%
0.80	2.00%
Payment Threshold	0.45

Draft RY19 Recommendation (February Commission Meeting)

- ▶ Staff recommends that the following be considered for RY 2019:
 - ▶ Move to a modified full scale distribution:
 - ▶ Range 0-80%
 - ▶ **Penalty/Reward Cut Point between 40% and 50%**
 - ▶ Increase the maximum reward to 2 percent as the achieving rewards will be based on modified full scale distribution.

Contact Information

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