
Rate Year 2018 Quality Program Update

7/29/16

Covered in this Presentation

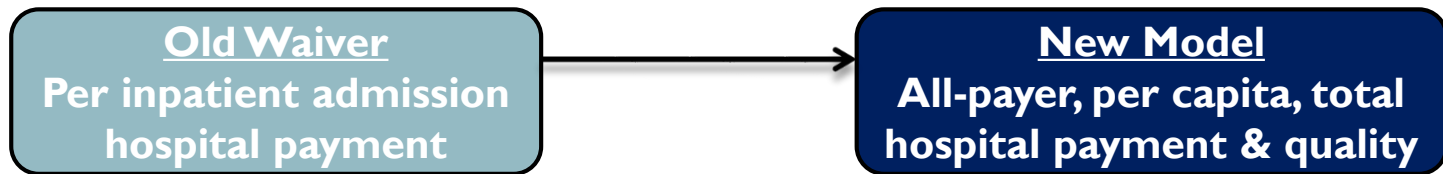
- ▶ **Introduction**
 - ▶ Maryland All-payer Model
 - ▶ Performance Based Payment Programs Overview
- ▶ **Rate Year 2018 Program Updates:**
 - ▶ QBR Program
 - ▶ MHAC Program
 - ▶ RRIP Program
 - ▶ PAU Savings
- ▶ **Aggregate Revenue at-risk Based on Performance**
- ▶ **Reports to Track Hospital Progress**
- ▶ **Q and A**

Webinar Housekeeping

Maryland All Payer Model Overview

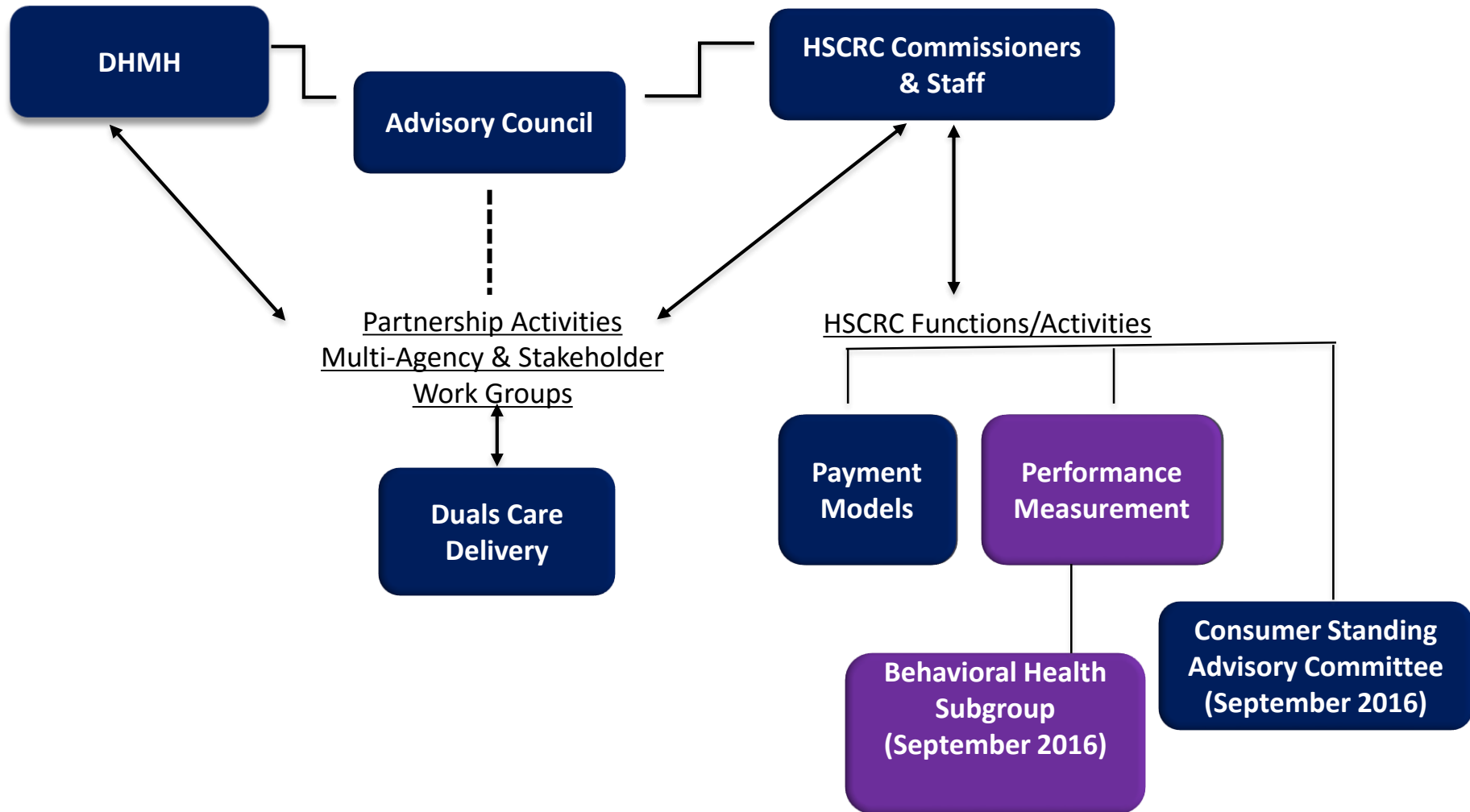
Unique New Model: Maryland's All-Payer Model

- ▶ Maryland has implemented an All-Payer Model for hospital payment
 - ▶ Approved by Centers for Medicare & Medicaid Services(CMS) as of January 1, 2014 for 5 years
 - ▶ Modernizes Maryland's Medicare waiver and unique all-payer hospital rate system



- ▶ Key provisions of the new Model Agreement Related to Performance Based Payment Programs:
 - ▶ **Quality Based Reimbursement** – Need CMS Value Based Purchasing exemption each year
 - ▶ **Maryland Hospital Acquired Conditions-** Must reduce complications by 30% at end of 2018
 - ▶ **Readmissions Reduction Incentive Program-** Must reduce Maryland Medicare readmission rate to at or below National rate by 2018
 - ▶ **Potentially Avoidable Utilization-** Must meet hospital per capita revenue growth ceiling of 3.58% per year, with savings of at least \$330 million to Medicare over 5 years (2014-2018)
 - ▶ **Aggregate at Risk-** Must meet or exceed CMS Medicare hospital revenue magnitude allocated for performance-based payment programs

Workgroup Structure



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HSCRC Performance Based Payment Programs' Overview

Performance Based Payment Programs: Maryland and CMS National

Maryland

Quality
Based
Reimburse-
ment
(QBR)

Maryland
Hospital
Acquired
Conditions
(MHAC)

Readmission
Reduction
Incentive
Program
(RRIP)

Potentially
Avoidable
Utilization
(PAU)
Savings

CMS National

Value Based
Purchasing

Hospital Acquired
Condition Reduction

Hospital Readmissions
Reduction Program

HSCRC Performance Measurement Workgroup

- ▶ Current group commenced its work with kickoff of the new model
- ▶ Comprises broad key stakeholder group of hospital, payer, quality measurement, e-health quality, academic, consumer, and government agency experts and representatives
- ▶ Meets monthly with participation in person and virtually; all meetings open to the public and materials publicly available
- ▶ Reviews and recommends guiding principles for, and annual updates to, the performance based payment programs
- ▶ Considers and recommends strategic direction for the overall performance measurement system
 - ▶ Focus on High-Need Patients and chronic conditions
 - ▶ Care Coordination performance measures
 - ▶ Population health and patient centered focus
 - ▶ CMS Star Rating approach
 - ▶ Incorporating new measures, such as Emergency Department, Outpatient Imaging measures etc.

Guiding Principles For HSCRC Performance-Based Payment Programs

- ▶ Program must improve care for all patients, regardless of payer
- ▶ Program incentives should support achievement of all payer model targets
- ▶ Program should prioritize high volume, high cost, opportunity for improvement and areas of national focus
- ▶ Predetermined performance targets and financial impact
- ▶ Hospital ability to track progress
- ▶ Encourage cooperation and sharing of best practices
- ▶ Consider all settings of care

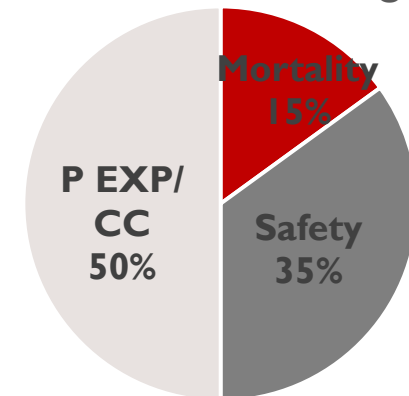
Rate Year (RY) 2018 Quality Based Reimbursement (QBR) Program

QBR RY 2018 Overview

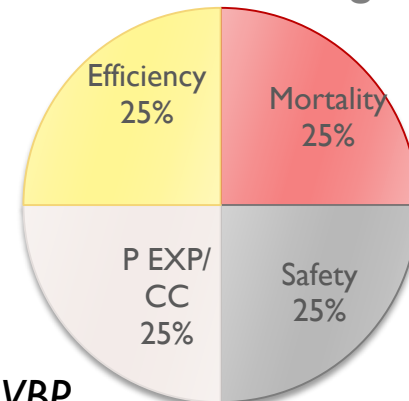
QBR Measures

- ▶ Patient Experience/Care Coordination (P EXP/CC):
 - ▶ **NEW:** 3-item Care Transitions Measure added to HCAHPS9
- ▶ Clinical care: Mortality (Inpatient all-cause)
- ▶ Safety:
 - ▶ Central-Line Blood Stream Infections
 - ▶ Catheter-Related Urinary Tract Infections
 - ▶ Surgical Site Infections: Colon and Hysterectomy
 - ▶ **NEW for QBR:** MRSA, c.Diff, PC-01
 - ▶ **SUSPENDED for QBR:** AHRQ Patient Safety Indicator-90

QBR Domain Weights



VBP Domain Weights



FACT: QBR was implemented in 2009 with first adjustments made to hospital payment rates in 2010; payment adjustments based on CMS VBP program performance began in 2013.

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QBR Methodology: Measure Inclusion Rules and Data Sources

- ▶ HSCRC will use the data submitted to CMS for the Inpatient Quality Reporting program for calculating hospital performance scores for all measures with exception of PSI 90 and the mortality measure, which are calculated using HSCRC case mix data.
- ▶ CMS rules are used when possible for minimum measure requirements for scoring a domain and for readjusting domain weighting if a domain is missing. Hospitals must be eligible for scores in 2 of the 3 domains to be included in the program.
- ▶ For hospitals with measures that have no data in the base period, attainment only scores will be used to measure performance on those measures, since HSCRC will be unable to calculate improvement scores
- ▶ For hospitals that have measures with data missing for the base and performance periods, hospitals will receive scores of zero for these measures. It is imperative, that hospitals review their data as soon as it is available from CMS.

QBR Methodology: Measure Inclusion Rules and Data Sources

DOMAIN	Clinical Care- Mortality	Patient Experience	Safety
Minimum Numbers for Inclusion	~N/A for hospital ~Statewide 20 cases for APRDRG cell to be included	100 for applicable period	~At least three measures needed to calculate hospital score ~ Each NHSN measure requires at least one predicted infection during the applicable period
Data Source	HSCRC Case Mix Data	HCAHPS surveys reported to CMS	CDC- NHSN data reported to CMS

QBR Methodology Same as CMS VBP : Points Given for Better of Attainment or Improvement

Hospitals are given points based upon the higher of attainment/achievement or improvement

Attainment

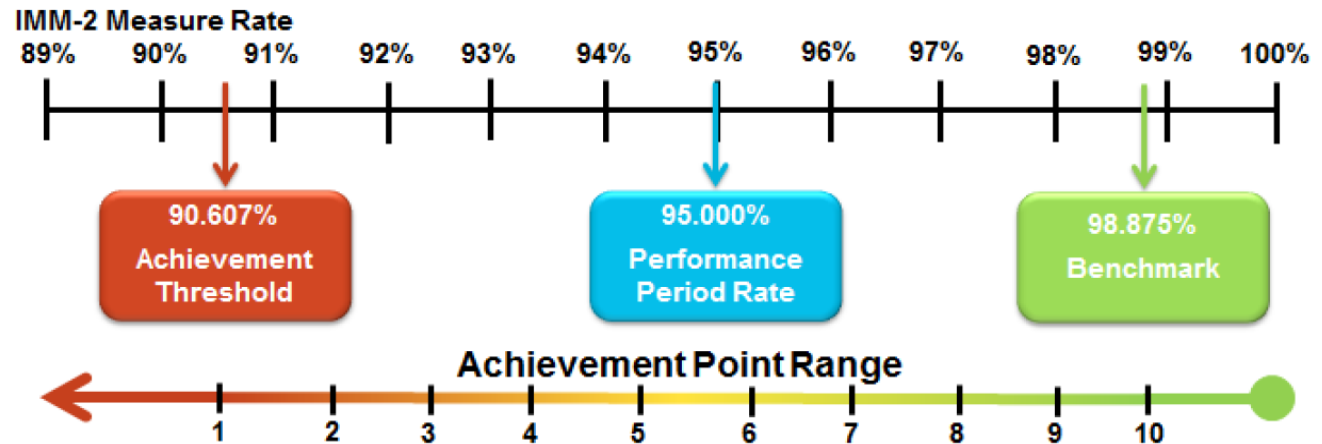
- compares hospital's rate to a threshold and benchmark.
- if a hospital's score is equal to or greater than the benchmark, the hospital will receive 10 points for achievement.
- if a hospital's score is equal to or greater than the achievement threshold (but below the benchmark), the hospital will receive a score of 1–9 based on a linear scale established for the achievement range.

Improvement

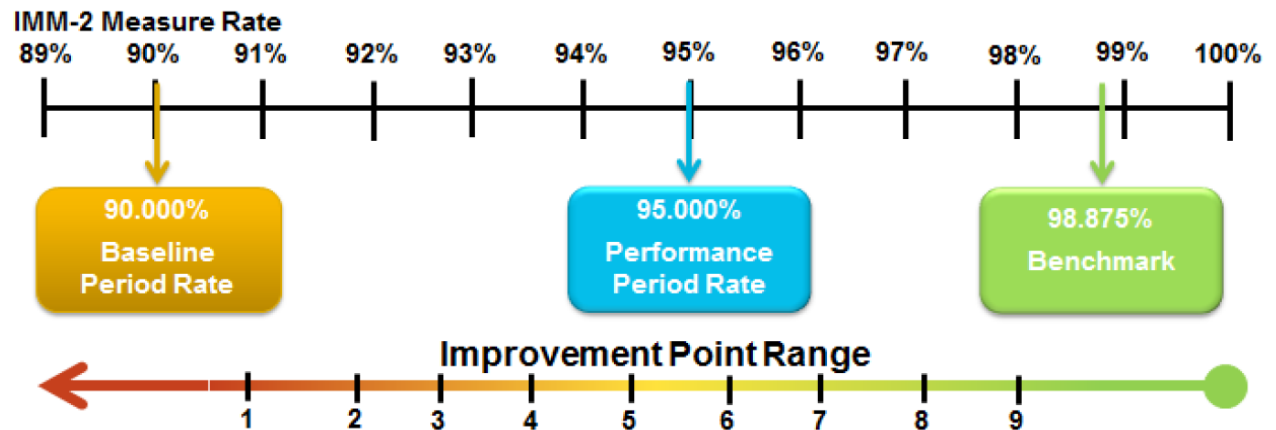
- compares hospital's rate to the base year (the highest rate in the previous year for opportunity and HCAHPS performance scores)
- if a hospital's score on the measure during the performance period is greater than its baseline period score but below the benchmark (within the improvement range), the hospital will receive a score of 0–9 based on the linear scale that defines the improvement range.

QBR Measure Points Calculation

Attainment



Improvement



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QBR Measures Base and Performance Periods Timeline

Rate Year (Maryland Fiscal Year)	FY14- Q3	FY14- Q4	FY15- Q1	FY15- Q2	FY15- Q3	FY15- Q4	FY16- Q1	FY16- Q2	FY16- Q3	FY16- Q4	FY17- Q1	FY17- Q2	FY17- Q3	FY17- Q4	FY18- Q1	FY18- Q2	FY18- Q3	FY18- Q4
Calendar Year	CY14- Q1	CY14- Q2	CY14- Q3	CY14- Q4	CY15- Q1	CY15- Q2	CY15- Q3	CY15- Q4	CY16- Q1	CY16- Q2	CY16- Q3	CY16- Q4	CY17- Q1	CY17- Q2	CY17- Q3	CY17- Q4	CY18- Q1	CY18- Q2
QBR Program Base and Performance Peiods that Impact Rate Year 2018																		
	Maryland Safety, HCAHPS Base Period														2018 Rate Year Impacted by QBR Results			
							Maryland Safety, HCAHPS Performance Period											
	Maryland Mortality Base Priod																	
								Maryland MortalityPerformance Period										

QBR Methodology: Scaling Rewards and Penalties

A preset scale (established using base period QBR scores) is used to determine hospital rewards and penalties; hospitals that score below the target will receive a penalty and those that score above will receive a reward.

Final QBR Score		Below/Above State Quality Target
Scores less than or equal to*	0.08	-2.00%
	0.09	-1.89%
	0.10	-1.78%
Penalty/Reward Threshold^	0.26	0.00%
	0.51	0.89%
	0.52	0.93%
Scores greater than or equal to**	0.53	0.96%
	0.54	1.00%
Penalty/Reward threshold:		0.26

QBR RY 2018 Approved Updates Recap

Measures

- ▶ The **Clinical Care-Process** subdomain was removed
- ▶ **PC-01** has been moved from the Clinical Care-Process subdomain to the Safety Domain
- ▶ Measures **AMI-7a** and **IMM-2** have been removed
- ▶ A new dimension, entitled **3-Item Care Transition (CTM-3)**, has been added to the HCAHPS survey in the Patient- and Caregiver-Centered Experience of Care/Care Coordination domain

Measure Weighting and Revenue at Risk

- ▶ Continue to allocate 2 percent of hospital-approved inpatient revenue for QBR performance.
- ▶ Adjust measurement domain weights to include: 50 percent for Patient Experience/Care Transition, 35 percent for Safety, and 15 percent for Clinical Care.

RY 2018 Maryland Hospital Acquired Conditions (MHAC) Program

MHAC Program

- ▶ Uses list of 65 Potentially Preventable Complications (PPCs) developed by 3M.
- ▶ PPCs are post-admission (in-hospital) complications that may result from hospital care and treatment, rather than underlying disease progression
 - ▶ Examples: Accidental puncture/laceration during an invasive procedure or hospital acquired pneumonia
- ▶ Relies on Present on Admission (POA) Indicators
- ▶ Links hospital payment to hospital performance by comparing the observed number of PPCs to the expected number of PPCs.

Rate Year 2018

- ▶ Base Period = FY2015
- ▶ Performance Period = CY2016
- ▶ 3M PPC Grouper Version 32 (base period, ICD-9) and Version 33 (performance period, ICD -10)
- ▶ HSCRC considering applying clinical logic changes that 3M will implement in Version 34 of grouper during RY 2018.
- ▶ Note: Both RY and FY refer to the state FY of July 1st to June 30th and are sometimes used interchangeably.

Methodology for MHAC Scoring

Performance Metric

- ▶ Hospital performance is measured using the Observed (O) / Expected (E) ratio for each PPC.
- ▶ Lower number = Better performance
- ▶ Expected number of PPCs for each hospital are calculated using the base period statewide PPC rates by APR-DRG and severity of illness (SOI).
- ▶ See Appendix A of RY18 MHAC Memo for details on how to calculate expected numbers

Normative values for calculating expected numbers are included in MHAC Excel workbook.

RY 2018 PPCs

- ▶ **Total 63 PPCs**
 - ▶ PPC 24 suspended indefinitely
 - ▶ PPC 43 combined with PPC 42
- ▶ **Four Combo PPCs**
- ▶ **Five PPCs (2, 15, 20, 29, 33) with lower reliability moved to a monitoring-only status and will not be scored for payment purposes.**

PPC Number	PPC Description
Combo 1	General Combination PPC: PPC 25, 26, 63, 64
Combo 2	Gastrointestinal Complications: PPC 17 and 18
Combo 3	OB Hemorrhage: PPC 55 and 56
Combo 4	OB Lacerations: PPC 57 and 58

The MHAC Excel workbook contains data on individual PPCs in combinations and the monitoring-only PPCs.

Adjustments to PPC Measurement

- ▶ Adjustments are done to improve measurement fairness and stability.
- ▶ The following exclusions will be applied:
 - ▶ For the state, cases will be removed if:
 - ▶ APR-DRG SOI cell has less than 2 total cases
 - ▶ Palliative care cases
 - ▶ Cases with more than 6 PPCs

Applied to base period and performance period
 - ▶ For each hospital, PPCs will be excluded if:
 - ▶ The number of cases at-risk is less than 10
 - ▶ The number of expected cases is less than 1

Applied to base period only

List of hospital specific excluded PPCs is included in MHAC Excel workbook (tab 4).

Benchmarks and Thresholds

- ▶ A threshold and benchmark value for each PPC/PPC combo is calculated based upon the FY 2015 base period data.
- ▶ For serious reportable events, the threshold and benchmark are 0 (PPC 30, 31, 32, 45, and 46).
- ▶ For all other PPCs:
 - ▶ Threshold = weighted mean of all O/E ratios ($O/E = 1$)
 - ▶ **NEW RY 18:** Benchmark = weighted mean of the O/E ratios for top performing hospitals that account for a minimum 25% of statewide discharges

Thresholds and Benchmarks are included in MHAC
Excel workbook (tab 2).

Attainment and Improvement Points

- ▶ Hospital's O /E ratios are compared to statewide benchmarks and thresholds and converted to points from 0-10.
- ▶ The points for each PPC are based on the **higher of attainment points or improvement points**.
- ▶ **Attainment points:**
 - ▶ Number of points is based on the range between the benchmark and threshold. Hospitals whose performance period rates are equal to or below the benchmark receive 10 full attainment points and hospitals whose rates are above the threshold receive 0 attainment points.
- ▶ **Improvement points:**
 - ▶ Number of points is based on a scale between the hospital's base period on a particular PPC and the benchmark.

PPC Tiers

- ▶ PPCs are in tiers that are weighted differently to put more emphasis on the “target” PPCs.
- ▶ **NEW RY 18:** Two ‘tiers’ of MHACs/PPCs
 - ▶ Tier 1 – Target list– High volume, high cost, and opportunity for improvement and national focus
 - ▶ Tier 2 – All other PPCs, including those with very low volume, affecting low number of hospitals, Obstetric-related PPCs

Tier	Weighting	# of PPCs/Combos	PPCs Included
1	100%	20	3,4,5,6,7,9,14,16, 21,27, 35,37,38,40,41, 42,49,54,65,66
2	50%	32	1, 8, 10,11, 12, 13, 19, 23, 28, 30, 31, 32, 34, 36, 39, 44, 45, 46, 47, 48, 50, 51,52,53,59, 60, 61, 62, Combo 1 (25, 26, 43, 63, 64), Combo 2 (17, 18), Combo 3 (55, 56), Combo 4 (57, 58),

Calculation of Overall MHAC Score

- ▶ The final score is calculated using the following formula:

$$\text{Final Score} = \frac{((\text{Points Tier 1} * 1) + (\text{Points Tier 2} * 0.5))}{((\text{Denominator Tier 1} * 1) + (\text{Denominator Tier 2} * 0.5))}$$

The MHAC Excel workbook provides PPC specific points and Hospital MHAC Scores.

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Financial Impact of MHAC Performance

RY 2018 RRIP Scaling Parameters

- ▶ For RY 2018 the Commission voted for the following scaling parameters:
 - ▶ For CY2016 performance period, the statewide MHAC minimum improvement target is an **6%** reduction.
 - ▶ If the 6% reduction target is not met, the maximum revenue at risk will be 3% of permanent inpatient revenue.
 - ▶ If the 6% reduction target is exceeded, the maximum revenue at risk will be 1% of permanent inpatient revenue and there will be scaled rewards to hospitals up to 1% of permanent inpatient revenue.
 - ▶ This revenue adjustment is not revenue neutral.

Payment Adjustment Methodology; Pre-set Points, Contingent Scale, No-Adjustment Zones

Final MHAC Score		Below State Quality Target	Exceed State Quality Target
Scores less than or equal to	0.20	-3.00%	-1.00%
	0.30	-2.03%	-0.52%
	0.40	-1.06%	-0.05%
	0.41	-0.97%	0.00%
	0.42	-0.87%	0.05%
	0.43	-0.77%	0.10%
	0.44	-0.68%	0.14%
	0.45	-0.58%	0.00%
	0.46	-0.48%	0.00%
	0.47	-0.39%	0.00%
	0.48	-0.29%	0.00%
	0.49	-0.19%	0.00%
	0.50	-0.10%	0.00%
	0.51	0.00%	0.00%
	0.52	0.10%	0.00%
	0.53	0.19%	0.00%
	0.54	0.29%	0.13%
	0.55	0.00%	0.17%
	0.56	0.00%	0.20%
	0.57	0.00%	0.23%
	0.58	0.00%	0.27%
	0.59	0.00%	0.30%
	0.60	0.00%	0.33%
	0.70	0.00%	0.67%
	0.80	0.00%	1.00%
Scores greater than or equal to	0.80	0.00%	1.00%

Scores for the scaling basis are determined by attainment points in the base year.

Payment adjustments vary depending on the state MHAC target but fixed for each score.

The MHAC Excel workbook provides RY 2018 Pre-set scale

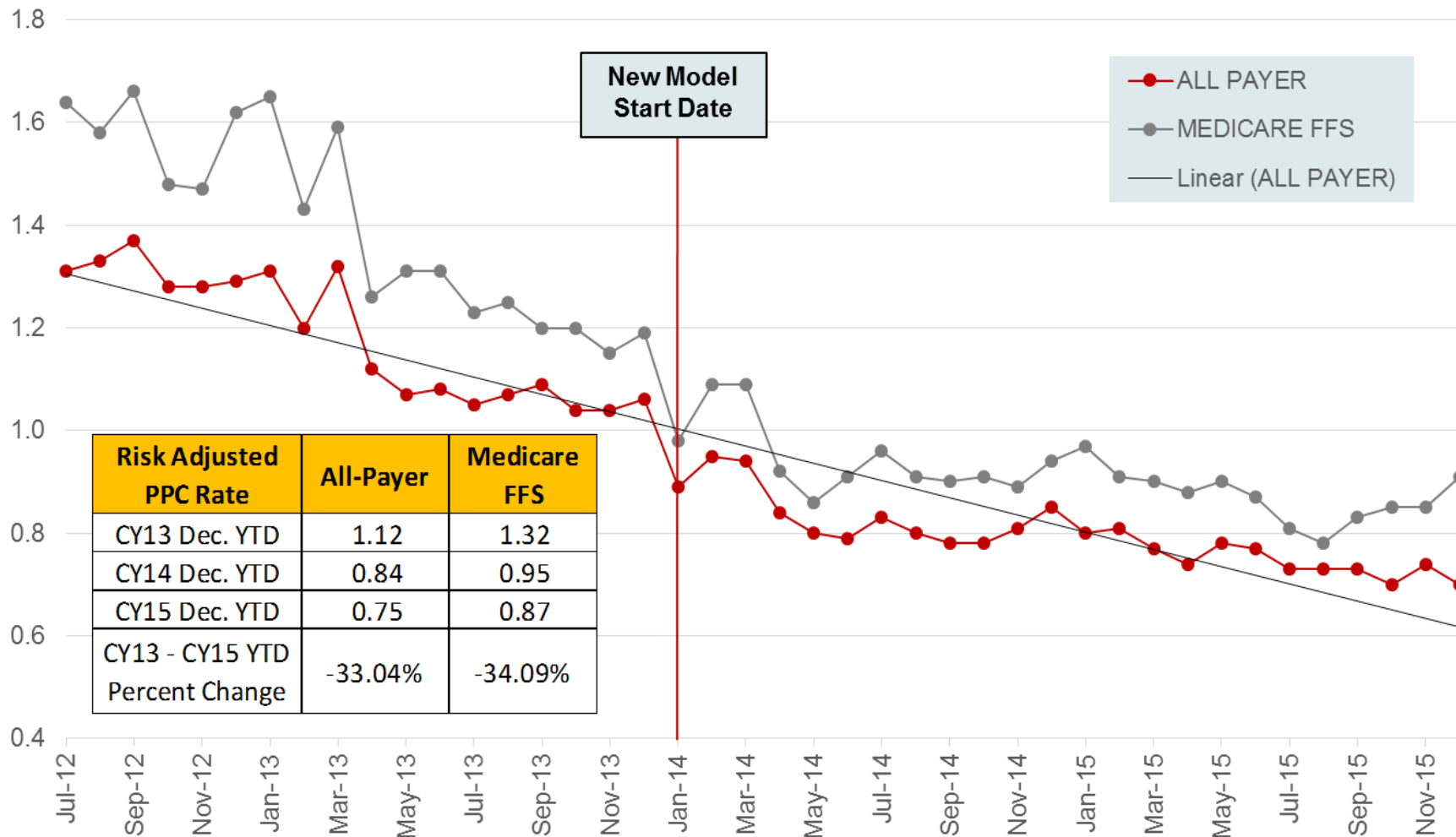
Audits

- ▶ HSCRC contracts with an independent auditor to do a coding audit of 10 hospitals annually.
- ▶ The purpose of POA auditing is to identify potential systemic errors in coding practice within a facility.
- ▶ Cases selected for audit (N = 230)
 - ▶ 50% random sample for ICD Audit
 - ▶ 50% for POA audit: Targets cases for auditing such as those with changes from preliminary and final data or where PPC would be triggered if certain diagnosis not POA
 - ▶ Hospitals that exceed a 5% benchmark for POA quality may be required to do a 2nd independent audit or may be subject to financial penalties

RY 2018 Measurement Methodology Recap

- ▶ RY2018 MHAC scoring methodology has not changed significantly from the FY2016 policy
- ▶ Changes include:
 - ▶ PPCs included in the payment program will be grouped into two instead of three tiers, which are weighted at 100% and 50%
 - ▶ Five PPCs with lower reliability are being moved to a monitoring-only status; other PPCs with low rates are grouped into four combo PPCs for scoring purposes
 - ▶ New benchmark calculation that requires that a minimum of 25% of discharges to be included in setting benchmark
 - ▶ Updated when exclusions are applied and norms calculated

Progress on Reducing Complications



RY 2018 Readmission Reduction Incentive Program (RRIP)

Readmission Reduction Incentive Program

- ▶ Payment program was designed to support the waiver goal of reducing inpatient Medicare readmissions, but applied to all-payers.
- ▶ The RRIP was approved in 2014 and began to impact hospital revenue starting in RY 2016.
- ▶ The Model Agreement requires Maryland to lower readmission rates to the national level by the end of the demonstration period (CY2018) AND to make annual progress by reducing the gap by one-fifth each year.

Methodology for RRIP Scoring

Performance Metric

▶ Case-Mix Adjusted Inpatient Readmission Rate

- ▶ 30-Day
- ▶ All-Payer
- ▶ All-Cause
- ▶ All-Hospital (both intra and inter hospital)

▶ Exclusions:

- ▶ Same-day and **next-day** transfers
- ▶ Rehabilitation Hospitals
- ▶ **Oncology discharges**
- ▶ Planned readmissions
 - ▶ (CMS Planned Admission **Version 4** + all deliveries + **all rehab discharges**)
- ▶ Deaths

Red indicates new for RY18

Figure 1: CY 2013 Readmission Rates

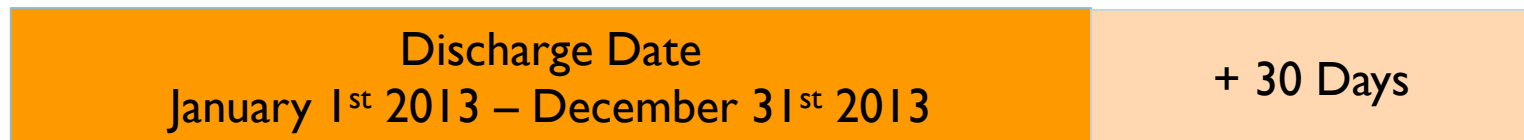
Rate Year Methodology	CY 2013 Unadjusted Readmission Rate
RY 2017	13.86%
RY 2018	12.93%

Data Sources and Timeframe

- ▶ Inpatient abstract/case mix data with CRISP Unique Identifier (EID).
- ▶ Case-mix adjustment uses discharge APR-DRG and Severity of Illness.
- ▶ RY18 Base period is CY 2013, run using version 32 of the APR grouper (ICD-9 compatible).
- ▶ RY18 Performance period is CY 2016, run using version 33 of the APR grouper (ICD-10 compatible).

Measurement Timeframe:

Example CY2013 Base Period:



Example January 2016:



Readmissions Only

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Case-Mix Adjustment

- ▶ Hospital performance is measured using the Observed (O) unplanned readmissions / Expected (E) unplanned readmission ratio and multiplying by the statewide readmission rate.
- ▶ Expected number of unplanned readmissions for each hospital are calculated using the discharge APR-DRG and severity of illness (SOI).
- ▶ HSCRC and stakeholders evaluated alternative risk adjustment methodologies but will continue with the existing case-mix adjustment for RY 2018.

Measuring the Better of Attainment or Improvement

- ▶ The RRIP was modified to link payment to hospital performance as measured by the better of attainment or improvement due to concerns about hospitals with low readmission rates having less opportunity for improvement.
- ▶ RRIP adjustments are scaled, with maximum penalties up to 2% of inpatient revenue and maximum rewards up to 1% of inpatient revenue.

Rate Year	Performance Year	Improvement Target	Attainment Benchmark
RY 2017	CY 2015	9.30%	12.09%
RY 2018	CY 2016	9.50%	11.85%

Improvement Scaling

- ▶ Improvement compares CY16 case-mix adjusted inpatient readmission rates to CY13 case-mix adjusted inpatient readmission rates.
- ▶ Improvement Target for CY16 = 9.5% decrease
- ▶ Adjustments range from 1% reward to 2% penalty, scaled for performance.
 - ▶ Hospitals with readmission rate reductions of 20% or higher will receive 1% reward
 - ▶ Hospitals with readmission rate increases of 10% will receive 2% penalty
 - ▶ Hospitals with readmission rate changes between 20% reduction and 10% increase will receive scaled adjustments between 1% reward and 2% penalty

Improvement Payment Scale	
All-Payer Readmission Rate Change CY13-CY16	RRIP % Inpatient Revenue Payment Adjustment
Lower	1.00%
-20.0%	1.00%
-18.0%	0.81%
-15.0%	0.52%
-10.0%	0.05%
-9.5%	0.00%
-9.0%	-0.05%
5.0%	-1.49%
9.0%	-1.90%
10.0%	-2.00%
Higher	-2.00%

Attainment Scaling

- ▶ Attainment scaling compares CY16 case-mix adjusted inpatient readmission rates to a state benchmark.
 - ▶ Adjust attainment scores to account for readmissions occurring at non-Maryland hospitals.
- ▶ Attainment Benchmark for CY16= 11.85%
- ▶ Adjustments range from 1% reward to 2% penalty, scaled for performance.
 - ▶ Hospitals with readmission rates of 10.61% or less (highest performing 25th percentile of hospitals) will receive 1% reward
 - ▶ Hospitals with readmission rates of 14.16% or greater will receive 2% penalty
 - ▶ Hospitals with readmission rates between 10.61% and 14.16% will receive scaled adjustment between 1% reward and 2% penalty

Attainment Payment Scale	
All Payer Readmission Rate CY16	RRIP % Inpatient Revenue Payment Adjustment
Lower	1.00%
10.61%	1.00%
10.85%	0.81%
11.20%	0.52%
11.79%	0.05%
11.85%	0.00%
11.91%	-0.05%
13.57%	-1.49%
14.05%	-1.90%
14.16%	-2.00%
Higher	-2.00%

RRIP Scoring

Examples

Hospital	Casemix Adjusted Rate with Out of State Adjustment			Revenue Adjustments: Better of improvement or Attainment		
	CY 13	CY 16	% Change	Improvement	Attainment	Final
A	15.96%	13.57%	-15.00%	+0.52%	-1.49%	+0.52%
B	10.33%	10.85%	+5.00%	-1.49%	+0.81%	+0.81%

Improvement Payment Scale		Attainment Payment Scale	
All-Payer Readmission Rate Change CY13-CY16	RRIP % Inpatient Revenue Payment Adjustment	All Payer Readmission Rate CY16	RRIP % Inpatient Revenue Payment Adjustment
Lower	1.00%	Lower	1.00%
-20.0%	1.00%	10.61%	1.00%
-18.0%	0.81%	10.85%	0.81%
-15.0%	0.52%	11.20%	0.52%
-10.0%	0.05%	11.79%	0.05%
-9.5%	0.00%	11.85%	0.00%
-9.0%	-0.05%	11.91%	-0.05%
5.0%	-1.49%	13.57%	-1.49%
9.0%	-1.90%	14.05%	-1.90%
10.0%	-2.00%	14.16%	-2.00%
Higher	-2.00%	Higher	-2.00%

RY 2018 Measurement Methodology Recap

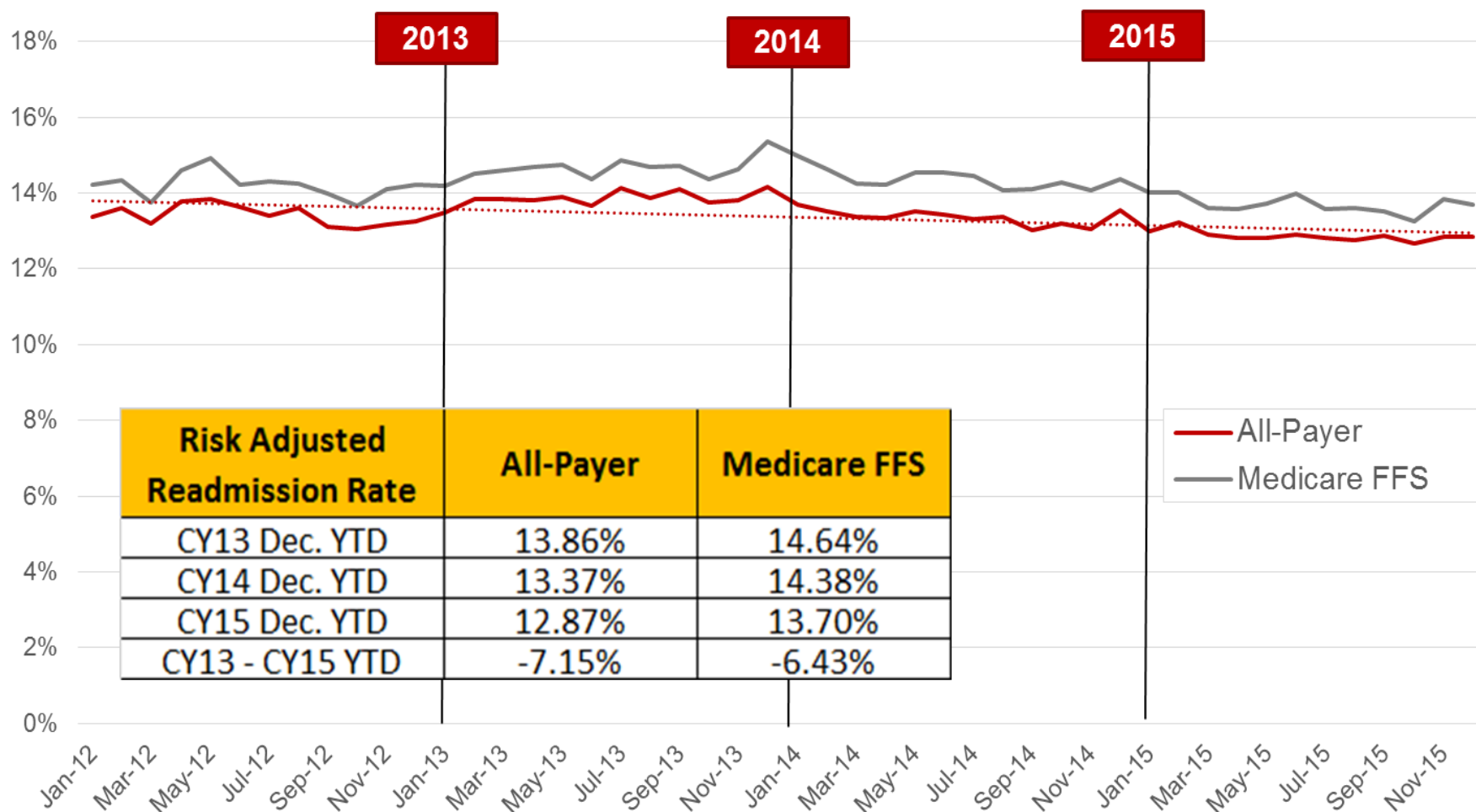
► Major changes:

- Link payment to hospital performance as measured **by the better of attainment or improvement** (also applies retroactively to RY2017)
 - Adjusting for attainment scores required accounting for readmissions occurring at non-Maryland hospitals.

► Other measurement changes:

- Update the transfer definition
- Suspend oncology discharges
- Update to the latest CMS Planned Admission Logic
- Define all rehabilitation discharges as planned and ineligible for readmission

Progress on Reducing Readmissions



RY 2017 Potentially Avoidable Utilization (PAU) Savings Policy

Background

- ▶ Builds on the Readmission Shared Savings Policy implemented for the Admission-Readmission Revenue (ARR) program to maintain exemption from CMS Readmission Reduction Program by ensuring savings to the purchasers
- ▶ Last year, the Commission continued to focus the policy on readmissions due to concerns over slower reductions in readmission rates
- ▶ **NEW RY 2017:** Change policy to focus more broadly on percent of revenue associated with PAU

RY 2017 Measurement Updates

- ▶ Add admissions for ambulatory care sensitive conditions as measured by the Agency for Health Care Research and Quality's Prevention Quality Indicators (PQIs)
 - ▶ PQIs are 4% of revenue compared to 8% of revenue for readmissions.
 - ▶ Progress in reducing PQIs is limited compared to CY 2013 levels
 - ▶ PQIs will also be used for physician payment adjustments by CMS
- ▶ Align the PAU definitions with market shift adjustments, which include observation cases lasting 23 hour longer and measure readmissions at the receiving hospital

RY 2017 PAU Savings Revenue Reduction

- ▶ In the third year of the All-Payer Model, with its intense focus on improving care and health and reducing PAU, there is a need to provide increased savings from reducing PAU
- ▶ The annual value of the PAU savings amount was increased from 0.20 percent to 0.45 percent, resulting in a statewide PAU savings adjustment of 1.25 percent of total hospital revenue.
 - ▶ Because last year's statewide savings reduction of 0.60 percent is added back into rates, this represents an incremental reduction of 0.65 percent.
- ▶ Every hospital contribution to savings is % PAU revenue X required reduction in PAUs to achieve the statewide savings (1.25%)
- ▶ PAU savings are capped at the statewide average reduction for hospitals with higher socio-economic burden using percent Medicaid and Self-Pay/Charity inpatient utilization (ECMADs).

Additional Recommendations

- ▶ Evaluate further expansion of PAU definitions for RY 2018 to incorporate additional categories of unplanned admissions.
- ▶ Evaluate progress on sepsis coding and the apparent discrepancies in levels of sepsis cases across hospitals, including the need for possible independent coding audits.

Aggregate Revenue Amount At-Risk under Maryland Hospital Performance-Based Programs

Final Recommendation for RY 2018

- ▶ No change is recommended to RY 2017 levels

	Max Penalty	Max Reward
MHAC Below target	-3.0%	0.0%
MHAC Above Target	-1.0%	1.0%
RRIP	-2.0%	1.0%
QBR	-2.0%	1.0%

- ▶ Continue to set the maximum penalty guardrail at 3.5 percent of total hospital revenue
- ▶ **NEW RY18:** The quality adjustments will be applied to inpatient revenue centers, similar to the approach used by CMS.

Monitoring Reports for Hospitals and Other Resources

Monitoring Reports

- ▶ HSCRC summary level reports and case level data files are distributed through a secure site called the CRISP Reporting Services Portal – “CRS Portal”.
- ▶ The following summary reports and case level files are currently posted on the CRS Portal:
 - ▶ QBR Mortality (quarterly preliminary and final)
 - ▶ MHAC Workbook (monthly preliminary/quarterly final)
 - ▶ RRIP Comparison Report (monthly)
 - ▶ PAU Report (monthly)--including a new detailed summary report on specific PQIs by hospital
- ▶ Reports for readmissions and PAU have been delayed due to changes in RY 2018 logic.

Reporting Timeline

- ▶ Timeline is dependent on timely data submission
- ▶ Going forward incomplete preliminary data may be processed; depending on the issue readmission and PAU reports may not be produced
- ▶ Final data will not be processed until all hospitals submit

Preliminary Data Processing Timeline

Case Mix Data
Submission

**Around 15th
of Month**



Case Mix Data
Grouped and
Sent to CRISP



CRISP assigns
EIDs and
Readmission
Flags



CRISP Reports
Produced and
Available
though CRS
Portal

**Goal: First
week of
month**

Accessing Reports

- ▶ Email support@crisphealth.org to request access to portal:
 - ▶ Request should specify hospital and level of access (summary vs. case-level)
 - ▶ Historically access was given to specific programs; moving forward access will be granted based on level of access
- ▶ All hospitals have a CRS Point of Contact (CFO or designee) who is contacted to confirm and approve access requests.
- ▶ Questions regarding content of reports should be directed to the HSCRC quality email (hscrc.quality@maryland.gov)
- ▶ Note: CRISP also has a separate Tableau portal with interactive reports

Calculation Sheets & Other Resources

- ▶ Calculation sheets are available to allow hospitals to monitor scores over time or estimate final scores:
 - ▶ QBR
 - ▶ MHAC
 - ▶ RRIP
- ▶ CRISP is currently assisting us with creating annotated SAS programs and technical documentation for MHAC, QBR mortality, and PAU.
 - ▶ MHAC available; QBR mortality under development

Acknowledgements

- ▶ Thanks to the performance measurement workgroup members, MHA, hospital industry, and other stakeholders for their work on developing and vetting Maryland's performance based payment methodologies.

Q & A

- ▶ Raise hand on webinar and we will unmute your line
- ▶ Additional or unanswered questions can be emailed to the quality mailbox: hscrc.quality@maryland.gov

Presenters

- ▶ Dianne Feeney, Associate Director of Quality Initiatives
- ▶ Alyson Schuster, Associate Director of Performance Measurement
- ▶ Laura Mandel, Health Policy Analyst