



Maryland Hospitals' Quality- Based Reimbursement Project -Composite Score Construction

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Appropriateness Model

- 'Appropriateness of Care' Score Approach
 - No partial credit – hospital receives score of 0 or 1 for each patient considered
 - Score of 1 given if all appropriate care is provided
 - Score of 0 otherwise
 - Quality measure for a domain (e.g., AMI) is ratio of sum of scores to number of patients considered
- Patients can be weighted equally to produce composite score



Usefulness of Peer Groups

- Analysis of Hospital Compare data indicates certain types of hospitals consistently perform better or worse than the median (C. Kahn et al . Health Affairs, Jan/Feb 2006)
- Implementation of peer groups provides a more level playing field and give hospitals a greater sense of fairness with respect to a performance-based payment initiative.



Hospital Characteristics for Peer Group Development

- Hospital Compare data identifies hospital characteristics that associate highly with currently reported quality measures:
 - Annual admissions
 - Setting (urban, rural)
 - Teaching hospital status
 - Ownership (public, tax-exempt, investor-owned)
- These are many of the same hospital characteristics used to develop Maryland's ICC/ROC peer groups.