

**FINAL RECOMMENDATION REGARDING MODIFYING THE QUALITY-
BASED REIMBURSEMENT INITIATIVE AFTER STATE FY 2010**

Health Services Cost Review Commission
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This document is a final staff recommendation approved by the Commission at the May 13, 2009 public meeting.

Background

The Maryland Health Services Cost Review Commission at its June 4, 2008 meeting approved the staff recommendation titled, “Final Staff Recommendations regarding the HSCRC’s Quality-Based Reimbursement (QBR) Project - based on Deliberations of the Initiation Work Group (IWG).” The QBR Initiative’s development and implementation are based upon the deliberations and analysis performed by the HSCRC staff, the IWG, the Evaluation Work Group (EWG), and Commission consultants over the past several years. The IWG completed its work in June 2008 and the EWG was then established to: provide a system for developing new measures, retiring old measures, and recommending other adjustments to the data and scoring; ensure that the QBR Initiative was meeting its established goals; and to support and advance the rationale for linking hospital performance to payment.

For the first year of the QBR Initiative, the approved recommendations included using data for 19 process measures across four clinical topics including heart attack, heart failure, pneumonia and surgical care. For these measures, the additional approved recommendations included:

- incorporating new definitions for these core measures as they become available from CMS and the Joint Commission;
- weighting the scores for each process measure equally;
- establishing one index for the process measures for purposes of scoring, anticipating that reporting will be on performance for each clinical topic separately;
- utilizing an opportunity model for scoring purposes, whereby a hospital receives credit for each time the measure is performed, and the hospital’s available points will be 10 times the number of applicable quality measures;
- utilizing calendar year 2007 as the base period and calendar year 2008 as the measurement period, establishing the scale for calibrating performance based on the prior year’s experience so that thresholds and benchmarks are known in advance;
- counting (for purposes of scoring) the “higher of” either attainment or improvement points on each process measure for each hospital – on a 10 point scale for each measure;
- establishing the threshold for attainment at the 50th percentile benchmark at 95th percentile for the non-topped off measures, and for topped off measures, a score of 0.65 and 0.90 respectively;
- applying rewards and incentive payments maintaining revenue neutrality in FY 2010 as part of the FY 2010 update factor for individual hospitals;
- utilizing an exchange rate function (cubed-root functional form) for translating scoring into rewards/incentives without high or low restrictions on eligibility or rewards/incentives achieved;
- establishing a rule to adjust for “down and up” year to year performance on any individual process measure, establishing the base-line for improvement as that hospital’s best previous score on that measure;

- establishing a mechanism where the Commission can obtain necessary data directly from hospitals through its own vendor arrangement based on work with the Maryland Health Care Commission (MHCC) through a contract with a data vendor to collect quality data for both MHCC's quality performance guide and the HSCRC QBR Initiative;
- moving over time toward use of complete data and away from sampling;
- assuring public accountability by providing accessibility to data with necessary restrictions on confidentiality;
- carefully planning and manage the public release of quality-related scoring information;
- determining the amount of funding "at-risk" based on further deliberations and recommendations of the HSCRC Payment Work Group comprising HSCRC staff and the hospital and payer industries, and approval of the Commission;
- scaling reward and incentive payments in the update factor for hospitals reporting on a minimum of 5 measures; and,
- investigating the feasibility in future years of incorporating additional funding ("new money") into the system if Maryland as a state can achieve certain benchmarks vs. the performance of hospitals nationally on the selected performance measures.

Status of QBR Initiative Implementation

Hospital rate adjustments will be made for FY 2010 within the parameters of the recommendations specified above. The amount of funding "at risk" for the first year must still be approved by the Commission, and data on the process measures for CY 2008 is in the process of being obtained by the Delmarva Foundation for analysis to calculate hospitals' improvement and attainment scores. The data vendor has been procured by MHCC, with patient-level data collection by the vendor on the process measures beginning with first quarter CY 2009. The EWG has met regularly to deliberate: measure additions, changes, and deletions; changes to the benchmark and threshold values for topped off measures; and the use of a blended appropriateness and opportunity model for the process measures in order to raise the bar of performance and better distinguish hospital performance in light of the increasing number of topped off measures. A call for comments was broadly disseminated and posted to the HSCRC website on the April 3, 2009 Draft Recommendation presented at the April 15, 2009 Commission meeting, with a comment submission due date of May 6, 2009; comments received did not necessitate substantive changes to the April 3, 2009 Draft Recommendations.

Recommendations to Complete Implementation of the QBR Initiative for the Initial Year

- The amount of funding "at risk" in the Rate Year 2010 will be determined in 2009 based on the recommendations of the HSCRC Payment Work Group and approval of

the Commission of the Final Recommendation of the HSCRC 2010 Hospital Payment Update.

- Consistent with the Joint Commission, CMS and MHCC initiatives, retire pneumonia 5b, Antibiotic within 4 hours, and replace it with pneumonia 5c, Antibiotic within 6 hours.

Recommendations for Changes to the QBR Initiative For Rate Years after FY 2010

- Consistent with the Joint Commission, Hospital Compare, and/or CMS Reporting Hospital Quality Data for Annual Payment Update (RHQDAPU) initiatives' changes to the core measures, adopt the following modifications to the QBR measures:
 - PN 1- Oxygenation Assessment- retire this measure from use in the QBR beginning with January 1, 2009 discharges.
 - AMI 6- Beta Blocker at Arrival within 24 hours- retire this measure beginning with April 1, 2009 discharges.
- Expand current surgical care SCIP 1, 2, and 3 measures beyond hip, knee and colon surgery patients to include CABG, Other Cardiac, Hysterectomy, and Vascular Surgery with discharges beginning January 1, 2009; these measures include:
 - SCIP INF 1- Antibiotic given within 1 hour prior to surgical incision
 - SCIP INF 2- Antibiotic selection
 - SCIP INF 3- Antibiotic discontinuance within appropriate time period postoperatively
- Add new process measures consistent with MHCC's timeframe for adding these measures to the Hospital Performance Evaluation Guide:
 - AMI 8- Percutaneous Coronary Intervention Timing for AMI patients– base CY 2008, measurement CY 2009, and rate year FY 2011
 - SCIP VTE 1- Surgery Patients with Recommended Venous Thromboembolism Prophylaxis Ordered - base CY 2009, measurement CY 2010, and rate year FY 2012
 - SCIP VTE 2 - Surgery Patients with Recommended Venous Thromboembolism Prophylaxis Given 24 hours prior and after surgery–base CY 2009, measurement CY 2010, and rate year FY 2012
 - SCIP CARD 2 Surgery Patients on Beta-Blocker Therapy Prior to Admission Who Received a Beta-Blocker During the Perioperative Period – base CY 2009, measurement CY 2010, and rate year FY 2012
 - SCIP Inf – 4- Cardiac Surgery Patients with Controlled 6 A.M. Postoperative Serum Glucose - base CY 2009, measurement CY 2010, and rate year FY 2012
 - SCIP Inf 6- Surgery Patients with Appropriate Hair Removal - base CY 2009, measurement CY 2010, and rate year FY 2012

- Children's Asthma Care Asthma Measures (CAC-1-3)- base CY 2010, measurement CY 2011, and rate year FY 2013; these measure include:
 - CAC 1- Systemic Relievers for Inpatient Asthma
 - CAC 2- Corticosteroids for Inpatient Asthma
 - CAC 3- Home Management Plan of Care (HMPC) Document Given to Patient/Caregiver

- To mitigate the effects of topped off measures better distinguishing hospital performance, and to raise the performance bar, adopt a hybrid of the opportunity and appropriateness models where hospital scores are based 75% on opportunity and 25 % on appropriateness for base CY 2008, measurement CY 2009, and rate year FY 2011.

- Topped off Measures Definition – Based on analysis of the data already completed, change the definition of a topped off measure where the 75th percentile is within 2 standard errors of the 95th percentile, increased from the 90th percentile, for rate year adjustments beginning FY 2011.

- Patient Experience of Care – Based upon the results of analysis of patient experience of care measures data (HCAHPS) relative to other domains of quality measures, and upon proposed modeling of incorporating the patient experience domain in the QBR formula, allow the option of including this domain for future years.