maryland
health services
cost review commission

To: Hospital CFOs

Cc: Case Mix Liaisons, Hospital Quality Contacts

From: Alyson Schuster, Ph.D., Deputy Director Quality Methodologies

Date: September 21, 2020

Re: Updates on Quality Reporting and Revenue Adjustments under COVID-19 Public Health Emergency

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On 8/25/2020 CMS published an Interim Final Rule[1] announcing policy and regulatory revisions in response to the COVID-19 Public Health Emergency (PHE), including updates to the CMS extraordinary circumstances exemptions (ECE) granted for each of the CMS quality programs. This memorandum summarizes HSCRC's current understanding of the CMS updates to quality data reporting requirements and data use changes as well as the potential impacts on Maryland quality programs.

Below is a summary of CMS reporting and data use changes, potential impacts on Maryland quality programs, and next steps:

1. The CMS 3/22/2020 announcement stated "no data reflecting services provided January 1, 2020 through June 30, 2020 will be used in CMS's calculations for the Medicare quality reporting and value-based purchasing programs"; CMS guidance further stated that hospitals' October-December 2019 data submissions are optional[2]. However, the 3/22/2020 announcement said that if Healthcare-associated Infections (HAI) or Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) data were submitted for any of those quarters, CMS would use that data for quality programs. The 8/25/2020 Interim Final Rule changed the ECE policy for the HRRP, VBP and HAC Reduction programs, indicating that all optionally reported data for the first or second quarters of CY 2020 would be excluded from their

[1] https://www.federalregister.gov/documents/2020/09/02/2020-19150/medicare-and-medicaid-programs-clinical-laboratory-improvement-amendments-clia-and-patient

[2] https://www.cms.gov/newsroom/press-releases/cms-announces-relief-clinicians-providers-hospitals-and-facilities-participating-quality-reporting

calculation of performance, and that only Oct-Dec 2019 data would be scored if it was submitted.

CMS' rationale for this change to policy is that they want to encourage data submission for monitoring, but the optionally reported 2020 data may not accurately assess performance. Further, CMS notes there may be reporting bias (i.e., only high performers and/or better resourced hospitals would choose to submit data) or issues with assessing hospitals that have differences in COVID incidence rates and hospitalizations across the country.

- **HSCRC Response:** To align with this update, the HSCRC will survey hospitals on whether Oct-Dec 2019 HAI and HCAHPS data were submitted to determine whether there are sufficient data for QBR program. Furthermore, HSCRC agrees with CMS on not using any of the optionally submitted data for the first and second quarters of 2020. This confirms that even if submitted, the HSCRC will not use HAI or HCAHPS data from Jan-Jun 2020 for the RY 2022 QBR program (and future years base periods). The HSCRC still encourages hospitals to submit the data so that it can be compared to later periods with COVID, and to learn more about quality monitoring during a PHE. As a reminder, claims-based measures (e.g., readmissions and mortality) are also excluded for Jan-June 2020 per earlier communications.

2. In the 8/25/20 Interim Final Rule, CMS notes that if, as a result of a decision to grant a new nationwide ECE without request or a decision to grant a substantial number of individual ECE requests, they do not have enough data to reliably compare national performance on measures, they may propose to not score facilities, hospitals, or SNFs based on such limited data or make the associated payment adjustments for the affected program year.

    - **HSCRC Response:** Maryland must make decisions regarding RY 2022 revenue adjustments ahead of CMS due to fiscal year differences. Furthermore, Maryland programs differ from national programs in that we only have annual performance periods and we do not relatively rank hospitals. Last, at this time Maryland does not have a formal mechanism for individual hospitals to request an extraordinary exemption as can be done by national hospitals.

      CMMI has indicated that they expect Maryland to achieve the aggregate at-risk test and believe that revenue adjustments are needed for each program. However, CMMI will collaborate with us on developing solutions, and if no feasible solution exists, may require modifications to the TCOC model contract to waive quality revenue adjustments. If the hospital revenue adjustments are waived for national programs, HSCRC staff believes Maryland could make the same decision without a contract modification but would need CMMI approval.

Staff anticipates bringing changes to the RY 2022 (and RY 2023 if feasible) quality programs to account for COVID PHE to the February 2021 Commission meeting at the earliest. This timeframe will ensure we have at least one quarter final data (Jul-Sept 2020) to analyze and inform potential decisions, but additional data may be needed to finalize decisions. See Figure 1 for COVID PHE concerns and potential options for modifying the quality programs. Staff will work in conjunction with stakeholders in the Performance Measurement Work Group and with Commissioners to determine the most acceptable path forward.

If you have any questions or concerns, please contact the quality team at hscrc.quality@maryland.gov. We appreciate everyone's understanding, and especially, everyone's unwavering commitment to quality care during these difficult times.

Figure 1. RY 2022 COVID PHE Data Concerns and Options

COVID Data Concerns	Options
Only 6 months of data for CY 2020: 1. Is 6-months data reliable? 2. What about seasonality?	• Use 6-months data, adjust base as needed for seasonality concerns • Merge 2019 and 2020 data together to create 12 month performance period • Use 2019 data or revenue adjustments
Clinical concerns over inclusion of COVID patients (e.g., assignment of respiratory failure as an in-hospital complication)	• Remove COVID patients from some or all measures of quality
Case-mix adjustment concerns: 1. Inclusion of COVID patients when not in normative values 2. Impacts on other DRG/SOI of COVID PHE	• Remove COVID patients from some or all measures of quality • Use 2019 data or revenue adjustments