

Preliminary Staff Recommendations – Quality Based Reimbursement

A. Indicators and Index Construction

1. Utilize current set of 19 process measures covering four domains.
2. Include topped off measures.
3. Adjust thresholds for topped off measures (0.65 for threshold/0.90 for boundary).
4. Establish a mechanism to allow credit to hospitals for topped off measures - unresolved
5. Equal weight of indicators
6. Equal weight for each domain.
7. Utilize new definitions of existing measures – these reflect the current standard of practice.
8. One index established for purposes of scoring but will report on performance for each domain separately.

B. Model and Evaluation Structure

1. Use Opportunity model for scoring.
2. No use of peer grouping at this juncture.
3. Threshold for attainment set at 50th percentile; Benchmark at 95th percentile.
4. Register the “higher of” scores for either Attainment or Improvement points – on a 10 point scale.
5. Scales for calibrating are based on prior year’s experience.

C. Funding Parameters

1. Funding will be revenue neutral for FY 2010 – no new funding.
2. Commission to designate a proportion of the annual update factor to be scaled for quality initiative.
3. Recommend scaling 5-10% of the update factor (including case mix) or about 0.25 – 0.50% of system revenue – magnitude unresolved.
4. Continuous scaling approach preferred.
5. Utilize exchange rate function per VBP initiative nationally for translating scoring into reward/incentive.
6. Concave shape (cubed root function) without high or low restrictions on eligibility or rewards/incentives achieved.
7. Establish a mechanism to adjust for “ups and downs” in performance year to year – unresolved
8. Funding model will account for both attainment and improvement (position on curve reflects the highest position on either scale by process measure).
9. Potential in future years to incorporate additional funding into the system if Maryland as a State can achieve certain benchmarks vs. the U.S. – unresolved.

D. Data Related Issues and Future Activity

1. Must use either a 6 month or 12 month base period in 2008 to calculate improvement. – base period unresolved.
2. Establish a mechanism where the Commission can obtain necessary data directly from hospitals through its own vendor arrangement.
3. Move over time toward use of complete data and away from sampling.
4. Assure public accountability by providing accessibility to data given necessary restrictions on confidentiality.
5. Intent to carefully plan and manage the public release of quality-related scoring information.
6. Establishment of a system for developing new measures, retiring old measures and the recommendation of other adjustments to the data and scoring (Evaluation Work Group).