Rate Year 2019 Quality Programs

July 14, 2017
Covered in this Presentation

- Introduction
  - Maryland All-Payer Model
  - Performance Based Payment Programs Overview

- Rate Year 2019 Approved Program Updates:
  - MHAC Program
  - QBR Program
  - RRIP Program
Covered in this Presentation

- RY 2018 PAU Savings
- RY 2019 Maximum Guardrail under Maryland Hospital Performance-Based Programs
- CRISP Reports to Track Hospital Progress
- HSCRC Resources
- Q and A
Webinar Housekeeping
Maryland All-Payer Model Overview
Unique New Model: Maryland’s All-Payer Model

- Maryland is implementing an All-Payer Model for hospital payment
  - Approved by Center for Medicare & Medicaid Services (CMS) effective January 1, 2014 for 5 years
  - Modernizes Maryland’s Medicare waiver and unique all-payer hospital rate system

Key provisions of the new Model:
- Hospital per capita revenue growth ceiling of 3.58% per year, with savings of at least $330 million to Medicare over 5 years
- Patient and population centered-measures to promote care improvement
- Payment transformation to global and population based for hospital services
- Proposal covering all health spending, to include at least Medicare patients, due at the end of Year 3 for 2019 and beyond
Stakeholder Input Structure

MHCC

Maryland Dept of Health

Advisory Council

Consumer Standing Advisory Committee

HSCRC Commissioners & Staff

HSCRC Functions/Activities

Partnership Activities
Multi-Agency & Stakeholder Work Groups

Primary Care Council

Duals Care Delivery

Total Cost of Care

Payment Models

Performance Measurement

Ad Hoc Subgroup (e.g., Behav Hlth, Mortality)

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Ad Hoc Subgroup (e.g., Behav Hlth, Mortality)
HSCRC Performance-based Payment Programs Overview
HSCRC Performance Measurement Workgroup

- Comprises **broad stakeholder group** of hospital, payer, quality measurement, e-health quality, academic, consumer, and government agency experts and representatives
- Meets **monthly** with in-person and virtual participation
  - Meetings are **public** and materials are publicly available
- Reviews and recommends **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 condition** management
  - Build **care coordination** performance measures
  - Broaden focus to **patient-centered population health**
  - Align to the extent possible with **CMS Star Rating approach**
  - Incorporate **new measures** as available, such as Emergency Department, Outpatient, 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
Performance Based Payment Programs: Maryland and CMS National

Maryland

- Quality Based Reimbursement (QBR)
- Potentially Avoidable Utilization (PAU) Savings
- Readmission Reduction Incentive Program (RRIP)
- Maryland Hospital Acquired Conditions (MHAC)

CMS National

- Value Based Purchasing
- Hospital Readmissions Reduction Program
- Hospital Acquired Condition Reduction

HSCRC
Health Services Cost Review Commission
## RY 2019 Quality Program Timelines

### Quality Programs that Impact Rate Year 2019

| Calendar Year | CY15-Q1 | CY15-Q2 | CY15-Q3 | CY16-Q1 | CY16-Q2 | CY16-Q3 | CY16-Q4 | CY17-Q1 | CY17-Q2 | CY17-Q3 | CY17-Q4 | CY18-Q1 | CY18-Q2 | CY18-Q3 | CY18-Q4 | CY19-Q1 | CY19-Q2 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| MHAC: Better of Attainment or Improvement | MHAC Base Period | | | | | | | | MHAC Better of Attainment or Improvement Performance | Rate Year Impacted by MHAC Results | |
| QBR | QBR PC-01, HCAHPS, NHSN Safety Base Period | | | | | | | | | | | | | | | | |
| | Maryland Mortality Base Period | | | | | | | | | | | | | | | | |
| | QBR PC-01, HCAHPS, NHSN Safety Performance Period | | | | | | | | | | | | | | | | |
| | QBR Maryland Mortality, Performance Period | | | | | | | | | | | | | | | | |
| RRIP Incentive | RRIP Base Period | | | | | | | | | | | | | | | | |
| | RRIP Performance Period | | | | | | | | | | | | | | | | |
| | Rate Year Impacted by RRIP | | | | | | | | | | | | | | | | |
Rate Year (RY) 2019 Quality Program Updates
RY 2019 Maryland Hospital Acquired Conditions (MHAC) Program
MHAC Program

- Uses Potentially Preventable Complication (PPCs) measures developed by 3M Health Information Systems.
- PPCs are post-admission (in-hospital) complications that may result from hospital care and treatment, rather 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 2019

- Base Period = October 2015 – September 2016 (ICD-10)
  - Used for normative values for case-mix adjustment
- Performance Period = CY2017
- 3M PPC Grouper Version 34

**UPDATE:** HSCRC has made a policy decision to remove four PPCs* retrospectively from the RY19 payment program and will rerun base period and performance period data after October 2017 release of a revised Version 34**

*Removed PPCs are: PPC 55 and 56 Obstetric Hemorrhage With and Without Transfusion (Combo), PPC 62 (Delivery w/Complication), PPC 39 Reopening surgical site
**Revised release of V34 will correct clinical logic issues for PPCs 31, 40, 66)
MHAC Methodology
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 B of RY19 MHAC Memo for details on how to calculate expected numbers

Normative values for calculating expected numbers are included in MHAC Excel workbook.
RY 2019 PPCs

- Total 43 individual PPCs and two PPC combos included in payment program
  - 6 PPCs included in Two Combo PPCs
  - Hospitals scored on up to 45 PPC/PPC combos
- Seven PPCs (2, 15, 20, 29, 33, 36, 66) with lower reliability moved to a monitoring-only status and will not be scored for payment purposes.

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. Hospitals that do not meet the criteria below for any PPC are excluded from payment program.
- The following exclusions are applied:
  - For the state, cases will be removed if:
    - APR-DRG SOI cell has less than 2 total cases in base year
    - Palliative care cases
    - Cases with more than 6 PPCs
  - 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
- List of hospital specific excluded PPCs is included in MHAC Excel workbook.
  - (Applied to base period and performance period)
  - (Applied to base period only)
PPC Scoring: Benchmarks and Thresholds

- A threshold and benchmark value for each PPC/PPC combo is calculated based upon the base period data
  - Used to convert O/E ratio for each measure to a score
  - Threshold = weighted mean of all O/E ratios (O/E = 1)
  - Benchmark = weighted mean of the O/E ratios for top performing hospitals that account for a minimum 25% of statewide discharges
- For serious reportable events, the threshold and benchmark are 0 (PPC 30, 31, 32, 45, and 46).

Thresholds and Benchmarks are included in MHAC Excel workbook.
MHAC Score: Attainment Score

PPC 6 Aspiration Pneumonia – Attainment Score

Threshold
(Base Year State Average)
O/E = 1

Benchmark
(Top Performance)
O/E = 0.5082

Hospital = 0.82
*Calculates to an attainment score of 4*
MHAC Score: Better of Attainment or Improvement

PPC 6 Aspiration Pneumonia – Improvement Score

Threshold (Base Year State Average)
O/E = 1

Benchmark (Top Performance)
O/E = 0.5082

Hospital Base Line = 2.09

Hospital Performance = 1.30

Calculates to improvement score of 4
Attainment score of 0
PPC Tiers

- PPCs are in tiers that are weighted differently to put more emphasis on the “target” PPCs.
- **New RY 2019:** PPC 21 (c. Diff) and PPC 65 (Urinary Tract Infection without Catheter) have been moved to tier 2.

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

<table>
<thead>
<tr>
<th>Tier</th>
<th>Weighting</th>
<th># of PPCs/Combos</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>100%</td>
<td>17</td>
</tr>
<tr>
<td>2</td>
<td>50%</td>
<td>28</td>
</tr>
</tbody>
</table>
Calculation of Overall MHAC Score

- The final score is calculated across all PPCs included for each hospital
  - Scores range from 0 to 1 (or 0% to 100%)
  - Scores are then used to calculate revenue adjustments

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

- No statewide improvement goal
- Modify scaling methodology to be a single payment scale, ranging from 0% to 100%, with a revenue neutral zone between 45% and 55%.
- Set the maximum penalty at 2% and the maximum reward at 1%.

<table>
<thead>
<tr>
<th>Final MHAC Score</th>
<th>Revenue Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>-2.00%</td>
</tr>
<tr>
<td>0.05</td>
<td>-1.78%</td>
</tr>
<tr>
<td>0.10</td>
<td>-1.56%</td>
</tr>
<tr>
<td>0.15</td>
<td>-1.33%</td>
</tr>
<tr>
<td>0.20</td>
<td>-1.11%</td>
</tr>
<tr>
<td>0.25</td>
<td>-0.89%</td>
</tr>
<tr>
<td>0.30</td>
<td>-0.67%</td>
</tr>
<tr>
<td>0.35</td>
<td>-0.44%</td>
</tr>
<tr>
<td>0.40</td>
<td>-0.22%</td>
</tr>
<tr>
<td>0.45</td>
<td>0.00%</td>
</tr>
<tr>
<td>0.50</td>
<td>0.00%</td>
</tr>
<tr>
<td>0.55</td>
<td>0.00%</td>
</tr>
<tr>
<td>0.60</td>
<td>0.11%</td>
</tr>
<tr>
<td>0.65</td>
<td>0.22%</td>
</tr>
<tr>
<td>0.70</td>
<td>0.33%</td>
</tr>
<tr>
<td>0.75</td>
<td>0.44%</td>
</tr>
<tr>
<td>0.80</td>
<td>0.56%</td>
</tr>
<tr>
<td>0.85</td>
<td>0.67%</td>
</tr>
<tr>
<td>0.90</td>
<td>0.78%</td>
</tr>
<tr>
<td>0.95</td>
<td>0.89%</td>
</tr>
<tr>
<td><strong>1.00</strong></td>
<td><strong>1.00%</strong></td>
</tr>
</tbody>
</table>

Penalty threshold: 0.45
Reward Threshold: 0.55
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% case benchmark for POA quality may be required to do a 2nd independent audit or may be subject to financial penalties
RY 2019 Measurement Methodology Recap

- RY 2019 MHAC scoring methodology has not changed significantly from the RY 2018 policy.

  Changes include:

  - Removal of PPCs 12, 39, 55, 56, 57, 58, 62
  - Moved PPCs 36 and 66 to monitoring only status
  - Moved PPCs 21 and 35 to Tier 2
  - Hospitals that do not meet the >10 at-risk or >1 expected criteria for any PPC are excluded from payment program (applies to McCready only).
  - No statewide improvement goal
  - Payment scale is single full range scale (0-100%) with a revenue neutral zone between 45-55%
Monthly Case-Mix Adjusted PPC Rates

Note: Based on final MHAC Program data for January 2012 – December 2016

<table>
<thead>
<tr>
<th>Case-Mix Adjusted PPC Rate</th>
<th>All-Payer</th>
<th>Medicare FFS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY 2013</td>
<td>1.24</td>
<td>1.44</td>
</tr>
<tr>
<td>CY 2014</td>
<td>0.94</td>
<td>1.05</td>
</tr>
<tr>
<td>CY 2015</td>
<td>0.82</td>
<td>0.94</td>
</tr>
<tr>
<td>CY 2016</td>
<td>0.70</td>
<td>0.78</td>
</tr>
</tbody>
</table>

CY16 over CY13 % Change: -43.33% - 45.43%
Rate Year (RY) 2019 Quality Based Reimbursement (QBR) Program
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.
QBR RY 2019 Overview

MEASURES

› Person and Community Engagement (PCE)/ HCAHPS
  › **NEW:** Removed Pain Management Question

› Clinical care: Mortality (Inpatient all-cause)
  › **NEW:** Included hybrid mortality measure, with Palliative Care (PC) excluded for attainment and PC included for improvement
  › **SUSPENDED for QBR:** THA/TKA Complications measure (data currently suppressed)

› Safety:
  › Central-Line Blood Stream Infections
  › Catheter-Related Urinary Tract Infections
  › Surgical Site Infections: Colon and Hysterectomy
  › MRSA, c.Diff, PC-01
  › **SUSPENDED for QBR:** AHRQ Patient Safety Indicator-90 (pending risk-adjustment)

› Monitoring for RY 2019:
  › ED Wait Times Measures (ED-1b, ED-2b, OP-18, OP-20)
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.

When possible, CMS rules for minimum measure requirements are used 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 base period data, attainment only scores will be used to measure performance on those measures.

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 the data in the Hospital Compare Preview Reports as soon as it is available from CMS.
QBR Methodology: Measure Inclusion Rules and Data Sources

<table>
<thead>
<tr>
<th>DOMAIN</th>
<th>Clinical Care- Mortality</th>
<th>Person and Community Engagement</th>
<th>Safety</th>
</tr>
</thead>
</table>
| Minimum Numbers for Inclusion       | - **No minimum threshold** for Hospitals | - At least **100 surveys** for applicable period | - At least **three measures** needed to calculate hospital score  
                                           - **Statewide: 20 cases for APR-DRG cell** to be included |  
                                           - **Each NHSN measure requires at least one predicted infection** during the applicable period |
| Data Source                         | HSCRC Case-Mix Data      | HCAHPS surveys reported to CMS Hospital Compare | CDC- NHSN data reported to CMS Hospital Compare |

**DOMAIN**
- Clinical Care- Mortality
- Person and Community Engagement
- Safety

**Clinical Care- Mortality**
- No minimum threshold for Hospitals
- Statewide: **20 cases for APR-DRG cell** to be included

**Person and Community Engagement**
- At least **100 surveys** for applicable period

**Safety**
- 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 Hospital Compare
QBR Scoring: 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.
Maryland Mortality Measure

- Maryland measures **inpatient** mortality, risk-adjusted for:
  - 3M risk of mortality (ROM)
  - Sex and age
  - Transfers from another acute hospital within MD

- Measure exclusions provided in calculation sheet.
  - Subset of APR-DRGs account for 80% of all mortalities. Specific high mortality APR-DRGs and very low mortality APR-DRGs are removed.
  - Historically excluded cases with palliative care diagnosis (see next slide)
MD Mortality Measure: Palliative Care

- RY 2019 approved recommendation requires inclusion of palliative care discharges in the mortality measure with risk-adjustment.
  - Addresses concern regarding improvement being driven partially by increases in palliative care
  - Inclusion of palliative care status as risk-adjustment variable ensures hospitals with higher palliative care are not unduly penalized
- Based on hospital and other stakeholder feedback, an interim approach was developed for RY 2019 where two risk-adjusted mortality rates are used to assess performance:
  - For attainment, Palliative Care (PC) discharges excluded
  - For improvement, PC discharges included and adjusted for in the regression model
  - Both mortality rates calculated for same set of APR-DRGs
## RY 2019 QBR Timeline

<table>
<thead>
<tr>
<th>Rate Year (Maryland Fiscal Year)</th>
<th>FY15-Q3</th>
<th>FY15-Q4</th>
<th>FY16-Q1</th>
<th>FY16-Q2</th>
<th>FY16-Q3</th>
<th>FY16-Q4</th>
<th>FY17-Q1</th>
<th>FY17-Q2</th>
<th>FY17-Q3</th>
<th>FY17-Q4</th>
<th>FY18-Q1</th>
<th>FY18-Q2</th>
<th>FY18-Q3</th>
<th>FY18-Q4</th>
<th>FY19-Q1</th>
<th>FY19-Q2</th>
<th>FY19-Q3</th>
<th>FY19-Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calendar Year</td>
<td>CY15-Q1</td>
<td>CY15-Q2</td>
<td>CY15-Q3</td>
<td>CY15-Q4</td>
<td>CY16-Q1</td>
<td>CY16-Q2</td>
<td>CY16-Q3</td>
<td>CY16-Q4</td>
<td>CY17-Q1</td>
<td>CY17-Q2</td>
<td>CY17-Q3</td>
<td>CY17-Q4</td>
<td>CY18-Q1</td>
<td>CY18-Q2</td>
<td>CY18-Q3</td>
<td>CY18-Q4</td>
<td>CY19-Q1</td>
<td>CY19-Q2</td>
</tr>
</tbody>
</table>

### Quality Programs that Impact Rate Year 2019

<table>
<thead>
<tr>
<th>QBR</th>
<th>Federal Standards</th>
<th>Maryland Mortality Base Period</th>
<th>Rate Year Impacted by QBR Results (Results expected to impact GBRs in January 2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td>QBR PC-01, HCAHPS, NHSN Safety Base Period</td>
<td>Maryland Mortality Base Period</td>
<td>QBR PC-01, HCAHPS, NHSN Safety Performance Period</td>
<td>QBR Maryland Mortality, Performance Period</td>
</tr>
</tbody>
</table>
QBR Methodology: Scaling Rewards and Penalties

A *preset scale* (established using full range of QBR potential scores) is used to determine hospital rewards and penalties; hospitals that score below the *target of 0.45* will receive a penalty; and those that score above will receive a reward.

Maximum rewards are increased to 2.00%.

<table>
<thead>
<tr>
<th>Scores less than or equal to</th>
<th>Final QBR Score</th>
<th>Below/Above State Quality Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td></td>
<td>-2.00%</td>
</tr>
<tr>
<td>0.15</td>
<td></td>
<td>-1.33%</td>
</tr>
<tr>
<td>0.30</td>
<td></td>
<td>-0.67%</td>
</tr>
<tr>
<td>0.40</td>
<td></td>
<td>-0.22%</td>
</tr>
<tr>
<td>Penalty/Reward cut-point</td>
<td>0.45</td>
<td>0.00%</td>
</tr>
<tr>
<td>0.50</td>
<td></td>
<td>0.29%</td>
</tr>
<tr>
<td>0.55</td>
<td></td>
<td>0.57%</td>
</tr>
<tr>
<td>0.60</td>
<td></td>
<td>0.86%</td>
</tr>
<tr>
<td>0.70</td>
<td></td>
<td>1.43%</td>
</tr>
<tr>
<td>Scores greater than or equal to</td>
<td>0.80</td>
<td>2.00%</td>
</tr>
</tbody>
</table>

Penalty/Reward cut-point: 0.45
QBR RY 2019 Approved Updates Recap

Measure Changes

- **Removed** – HCAHPS Pain Management Measure
- **Modified** - Hybrid Mortality measure (PC excluded for attainment; included for improvement)
- **Monitoring/Suspended** –
  - PSI-90; THA/TKA Complications; ED Wait Times

Measure Domain Weighting – remains at RY 2018 levels: 50% for PCE/HCAHPS, 35% for Safety, and 15% for Clinical Care.

QBR Scaling and Revenue at-risk

- **Updated preset scale** to 0.00 - 0.80, with cut point at 0.45. Hospitals who score lower than 0.45 will receive a penalty, hospitals who score greater than 0.45 will receive a reward.
- As HSCRC has raised performance expectations, we have also **raised potential rewards to 2%**
RY 2019 Readmission Reduction Incentive Program (RRIP)
Readmission Reduction Incentive Program

- Payment program supports the waiver goal of reducing inpatient Medicare readmissions to national level, but applied to all-payers.

- The RRIP was approved in 2014 and began to impact hospital revenue starting in RY 2016.
Performance Metric

- Case-Mix Adjusted Inpatient Readmission Rate
  - 30-Day
  - All-Payer
  - All-Cause
  - All-Hospital (both intra- and inter- hospital)
  - Chronic Beds included

- 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 RY19
Data Sources and Timeframe

- Inpatient abstract/case mix data with CRISP Unique Identifier (EID).
- Base period is CY 2016 and Performance period is CY 2017, run using version 34 of the APR grouper (ICD-10 compatible).
- RY19 Improvement will be added to final RY18 improvement to produce Modified Cumulative Improvement Rate.

Measurement Timeframe:

**Example CY2016 Base Period:**

<table>
<thead>
<tr>
<th>Discharge Date</th>
<th>+ 30 Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1(^{st}) 2016 – December 31(^{st}) 2016</td>
<td></td>
</tr>
</tbody>
</table>

**Example January 2017:**

<table>
<thead>
<tr>
<th></th>
<th>+ 30 Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1(^{st}) 2017 – January 31(^{st}) 2017</td>
<td></td>
</tr>
</tbody>
</table>

Readmissions Only
Case-Mix Adjustment

- Hospital performance is measured using the Observed (O) unplanned readmissions / Expected (E) unplanned readmission ratio and multiplying by the statewide base period readmission rate.

- Expected number of unplanned readmissions for each hospital are calculated using the discharge APR-DRG and severity of illness (SOI).
Measuring the Better of Attainment or Improvement

- The RRIP continues to measure the better of attainment or improvement due to concerns that hospitals with low readmission rates may have 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.

<table>
<thead>
<tr>
<th>Rate Year</th>
<th>Performance Year</th>
<th>Improvement Target</th>
<th>Attainment Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>RY 2017</td>
<td>CY 2015</td>
<td>9.30%</td>
<td>12.09%</td>
</tr>
<tr>
<td>RY 2018</td>
<td>CY 2016</td>
<td>9.50%</td>
<td>11.85%</td>
</tr>
<tr>
<td>RY 2019</td>
<td>CY 2017</td>
<td>14.50%</td>
<td>10.83%</td>
</tr>
</tbody>
</table>
Improvement Scaling

- Improvement compares CY17 case-mix adjusted inpatient readmission rates to CY16 case-mix adjusted inpatient readmission rates, and adds this improvement to RY 2018 CY13-CY16 improvement.

- Improvement Target for CY17 = 14.5% decrease

- Adjustments range from 1% reward to 2% penalty, scaled for performance.
  - Hospitals with readmission rate reductions of 25% or higher will receive 1% reward
  - Hospitals with readmission rate increases of 6.5% will receive 2% penalty
  - Hospitals with readmission rate changes between 25% reduction and 6.5% increase will receive scaled adjustments between 1% reward and 2% penalty

<table>
<thead>
<tr>
<th>All Payer Readmission Rate Change CY13-CY17</th>
<th>RRIP % Inpatient Revenue Payment Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>C</td>
</tr>
<tr>
<td>LOWER</td>
<td>1.0%</td>
</tr>
<tr>
<td>-25.0%</td>
<td>1.0%</td>
</tr>
<tr>
<td>-19.8%</td>
<td>0.5%</td>
</tr>
<tr>
<td><strong>-14.5%</strong></td>
<td><strong>0.0%</strong></td>
</tr>
<tr>
<td>-9.2%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>-4.0%</td>
<td>-1.0%</td>
</tr>
<tr>
<td>1.3%</td>
<td>-1.5%</td>
</tr>
<tr>
<td>6.5%</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Higher</td>
<td></td>
</tr>
</tbody>
</table>
Attainment Scaling

- Attainment scaling compares CY17 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 CY17 = 10.83%
- Adjustments range from 1% reward to 2% penalty, scaled for performance.
  - Hospitals with readmission rates of 9.83% or less will receive 1% reward
  - Hospitals with readmission rates of 12.83% or greater will receive 2% penalty
  - Hospitals with readmission rates between 9.83% and 12.83% will receive scaled adjustment between 1% reward and 2% penalty

<table>
<thead>
<tr>
<th>All Payer Readmission Rate CY17</th>
<th>RRIP % Inpatient Revenue Payment Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>C</td>
</tr>
<tr>
<td>LOWER</td>
<td>1.0%</td>
</tr>
<tr>
<td>9.83%</td>
<td>1.0%</td>
</tr>
<tr>
<td>10.33%</td>
<td>0.5%</td>
</tr>
<tr>
<td>10.83%</td>
<td>0.0%</td>
</tr>
<tr>
<td>11.33%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>11.83%</td>
<td>-1.0%</td>
</tr>
<tr>
<td>12.33%</td>
<td>-1.5%</td>
</tr>
<tr>
<td>12.83%</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Higher</td>
<td>-2.0%</td>
</tr>
</tbody>
</table>
Examples: RRIP Scoring

<table>
<thead>
<tr>
<th>RY 2018 % Change</th>
<th>RY19 CY16 Case-Mix Adjusted Readmission Rate</th>
<th>CY17 Case-Mix Adjusted Readmission Rate</th>
<th>Out of State Ratio*</th>
</tr>
</thead>
<tbody>
<tr>
<td>-7.63%</td>
<td>11.09%</td>
<td>10.70%</td>
<td>1.26</td>
</tr>
<tr>
<td>-9.81%</td>
<td>9.71%</td>
<td>10.15%</td>
<td>1.06</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Improvement Benchmark</th>
<th>RY19 % Change in Case-Mix Adjusted Rate CY16</th>
<th>CY17 Modified Cumulative Improvement Readmission Rate</th>
<th>Difference From Improvement Benchmark</th>
<th>RY19 Improvement scaling</th>
<th>Attainment Benchmark</th>
<th>CY17 Case Mix Adjusted Rate with Out of State Adjustment</th>
<th>Difference from Attainment Benchmark</th>
<th>RY19 Attainment scaling</th>
<th>RY19 Better of Attainment/Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>-14.50%</td>
<td>-3.52%</td>
<td>-11.15%</td>
<td>3.35%</td>
<td>-0.32%</td>
<td>10.83%</td>
<td>13.43%</td>
<td>2.60%</td>
<td>-2.00%</td>
<td>-0.32%</td>
</tr>
<tr>
<td>-14.50%</td>
<td>4.53%</td>
<td>-5.28%</td>
<td>9.22%</td>
<td>-0.88%</td>
<td>10.83%</td>
<td>10.77%</td>
<td>-0.06%</td>
<td>0.06%</td>
<td>0.06%</td>
</tr>
</tbody>
</table>

*Out of State Ratio
RY 2019 RRIP Methodology Recap

- Readmissions **measure** is same as RY 2018 measure.
  - Chronic beds now treated as acute beds
- Readmissions **targets** updated:
  - RY 2018 improvement added to RY 2019 improvement for **Modified Cumulative Improvement Rate**
  - New **Targets** and **Scaling** to meet Medicare Waiver Test
    - **Improvement** – 14.50% Improvement; max 1% reward at 25% improvement
    - **Attainment** – 10.83% Attainment target; max 1% reward at 9.83% rate
Monthly Case-Mix Adjusted Readmission Rates

Note: Based on final data for January 2012 – December 2016
RY 2018 Potentially Avoidable Utilization (PAU) Savings Policy
Potentially Avoidable Utilization (PAU)

**Definition:** “Hospital care that is unplanned and can be prevented through improved care coordination, effective primary care and improved population health.”

- Potentially Avoidable Admissions
- Readmissions / Revisits

**Components of PAU**

HSCRC Calculates Percent of Revenue Attributable to PAU
RY 2018 PAU Savings Revenue Reduction

- No measurement changes in RY 2018
- The RY 2018 statewide PAU savings adjustment was set at 1.45 percent of statewide total permanent revenue, which is a 0.20 percent net reduction in RY 2018.
  - All hospitals contribute to the statewide PAU savings, however, each hospital’s reduction is proportional to their percent PAU revenue.
    - % PAU revenue $\times$ required reduction in PAUs to achieve the statewide savings (1.45%)
- 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).
RY 19 PAU Measure Considerations

- Potentially expanding PAU definition for RY19 to capture utilization of high needs patients that could be avoided through better care coordination
  - Consider extending readmission timeframe to capture greater proportion of high needs patients (moving from 30 day readmissions window to 60 or 90 days)
- Exploring PAU risk adjustment to better account for differences between hospital populations.
RY 2019 Maximum Guardrail under Maryland Hospital Performance-Based Programs
Final Recommendation for RY 2019

- Continue to set the maximum penalty guardrail at 3.5 percent of total hospital revenue.
- The quality adjustments are applied to inpatient revenue centers, similar to the approach used by CMS.

<table>
<thead>
<tr>
<th>RY 2019 Quality Program Revenue Adjustments</th>
<th>Max Penalty</th>
<th>Max Reward</th>
</tr>
</thead>
<tbody>
<tr>
<td>MHAC</td>
<td>-2.0%</td>
<td>1.0%</td>
</tr>
<tr>
<td>RRIP</td>
<td>-2.0%</td>
<td>1.0%</td>
</tr>
<tr>
<td>QBR</td>
<td>-2.0%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>
CRISP 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” https://reports.crisphealth.org

- New portal released this week!

- The following quality 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 Workbook (monthly)
  - PAU Report (monthly)--including a new detailed summary report on specific PQIs by hospital
Reporting Timeline

- Timeline is dependent on timely data submission
- Per HSCRC policy, incomplete preliminary data may be processed, however final data will not be processed until all hospitals submit.

Preliminary Data Processing Timeline

1. **Case Mix Data Submission**
   - Around 15th of Month

2. **Case Mix Data Grouped and Sent to CRISP**

3. **CRISP assigns EIDs and Readmission Flags**

4. **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)
  - Access will be granted to all hospital reports (i.e., not program specific)

- 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 interactive Tableau reports; the static reports and Tableau reports are now available through single sign-on at https://reports.crisphealth.org
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 HSCRC with creating annotated SAS code and technical documentation (user guides) for MHAC, RRIP, QBR/Mortality, and PAU.
  - MHAC available; QBR/Mortality, RRIP & PAU under development
HSCRC Resources

- **New Website**
  - HSCRC is proud to announce our much-anticipated updated website!
  - Please check the Quality Program pages for most recent policies, memos, calculation sheets, etc.
  - [http://hscrc.maryland.gov/Pages/quality.aspx](http://hscrc.maryland.gov/Pages/quality.aspx)

- **HSCRC Contact List –**
  - Requests to receive HSCRC Quality announcements can be made to: hscrc.quality@maryland.gov
  - If you are not on the e-mail distribution list, please refer to our Quality Pages for most recent announcements.
Acknowledgments

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

- Please type your Question into the Questions Bar or raise your hand to be unmuted.

- Additional or unanswered questions can be emailed to the HSCRC Quality mailbox: hscrc.quality@maryland.gov

- Thank you again for your participation!