Performance Measurement Workgroup

10/28/2015

HSCRC
Health Services Cost Review Commission

Guiding Principles For Performance-Based Payment Programs

- Program must improve care for all patients, regardless of payer (Stake holder buy-in)
- 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 (Stake holder buy-in)
- Predetermined performance targets and financial impact (transparency, sustainability)
- Hospital ability to track progress (transparency, and infrastructure)
- Encourage cooperation and sharing of best practices

Maryland Quality Based Reimbursement Program Recent Results

- Changes in performance on the QBR (and VBP) measures used for FY 2016 performance for Maryland versus the United States (October 2013 through September 2014) reveal that Maryland is:
  - Similar to the nation on the clinical process of care measures
  - Better than the nation on the 30-day condition-specific mortality measures.
  - Better than the nation on the CLABSI measure;
  - Worse than the nation for CAUTI and SSI infection measures- we are aligning with Medicare
  - With exception of the "Discharge Information", lagged behind on HCAHPS measures.
  - Improving from the base period on inpatient all cause mortality rates
- Final QBR payment scaling for FY 2016 rate year is provided in Appendix II.

Maryland Quality Based Reimbursement Program Commission Approved Changes for Rate Year 2018

- Continue to allocate 2 percent of hospital-approved inpatient revenue for QBR performance in FY 2018 to be finalized by the Aggregate Revenue "at risk" recommendation.
- Adjust measurement domain weights to include: 50 percent for Patient Experience/Care Transition, 35 percent for Safety, and 15 percent for Clinical Care.

	Clinical Care	**Patient experience of Care/ Care Coordination**	Safety	Efficiency
QBR FY 2017	15% (1 measure- mortality) 5% (clinical process measures)	45% (8 measures- HCAHPS)	35% (3 infection measures, PSI)	Potentially Avoidable Utilization (PAU)
Final QBR FY 2018	15% (1 measure- mortality)	50% (9 measures- HCAHPS + CTM)	35% (7 measures- Infection, PSI, PC -01)	PAU
CMS VBP FY 2018	25% (3 measures- condition specific mortality	25% (9 measures- HCAHPS + CTM)	25% (7 measures- Infection, PSI, PC -01)	25%

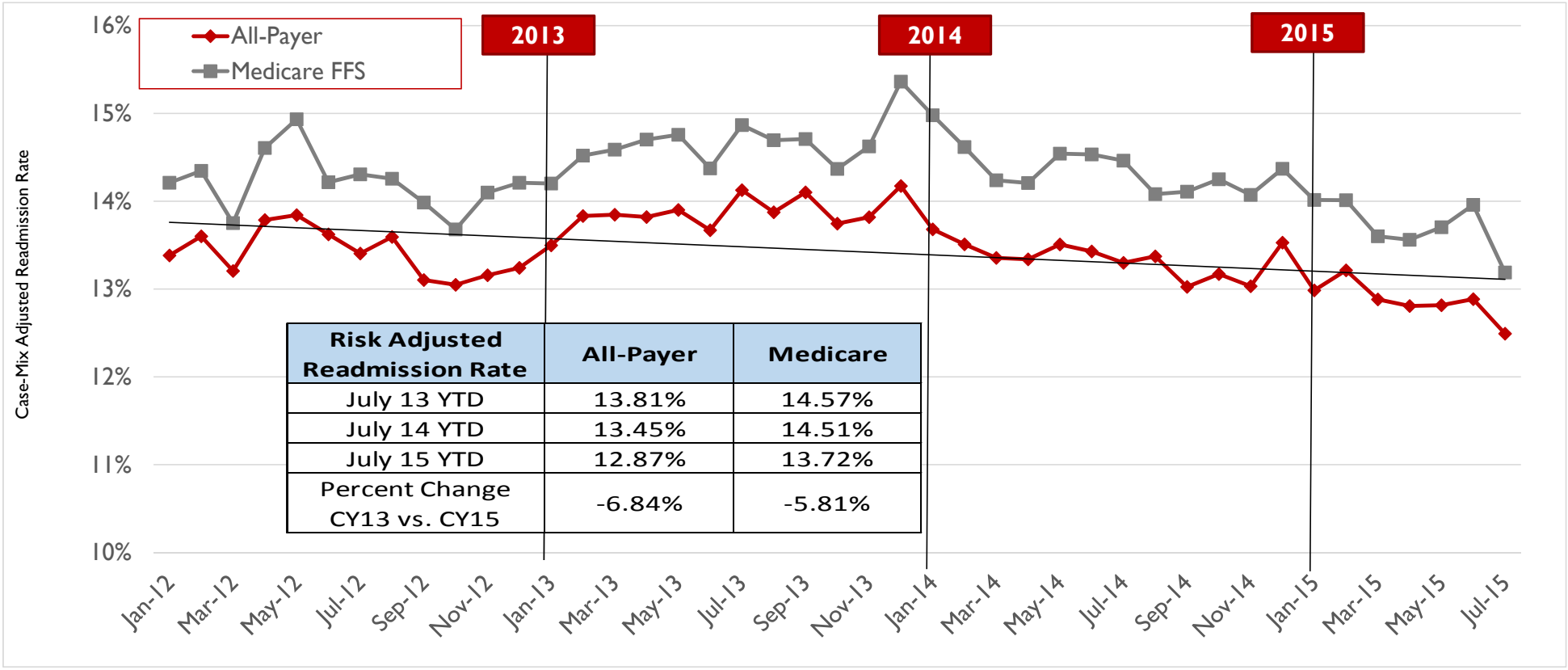
RY2018 QBR Update Considerations

- Finalize percent of revenue at risk
- Finalize preset scale for rewards and penalties

Readmission Reduction Incentive Program

- Incentive program designed to support the waiver goal of reducing Medicare readmissions, but applied to all-payers.
- Case-Mix Adjusted 30-Day, All-Hospital, All Cause Readmission Rate
- RY 2017: 9.3% minimum improvement target (CY 2013 compared to CY2015), scaled penalties up to 2% and rewards up to 1%.
- Planned admissions, newborns, same-day transfers, deaths, and rehab discharges are excluded.
- Continue to assess the impact of observation stays, admission reductions, SES/D and all payer and Medicare readmission trends and make adjustments to the rewards or penalties if necessary.

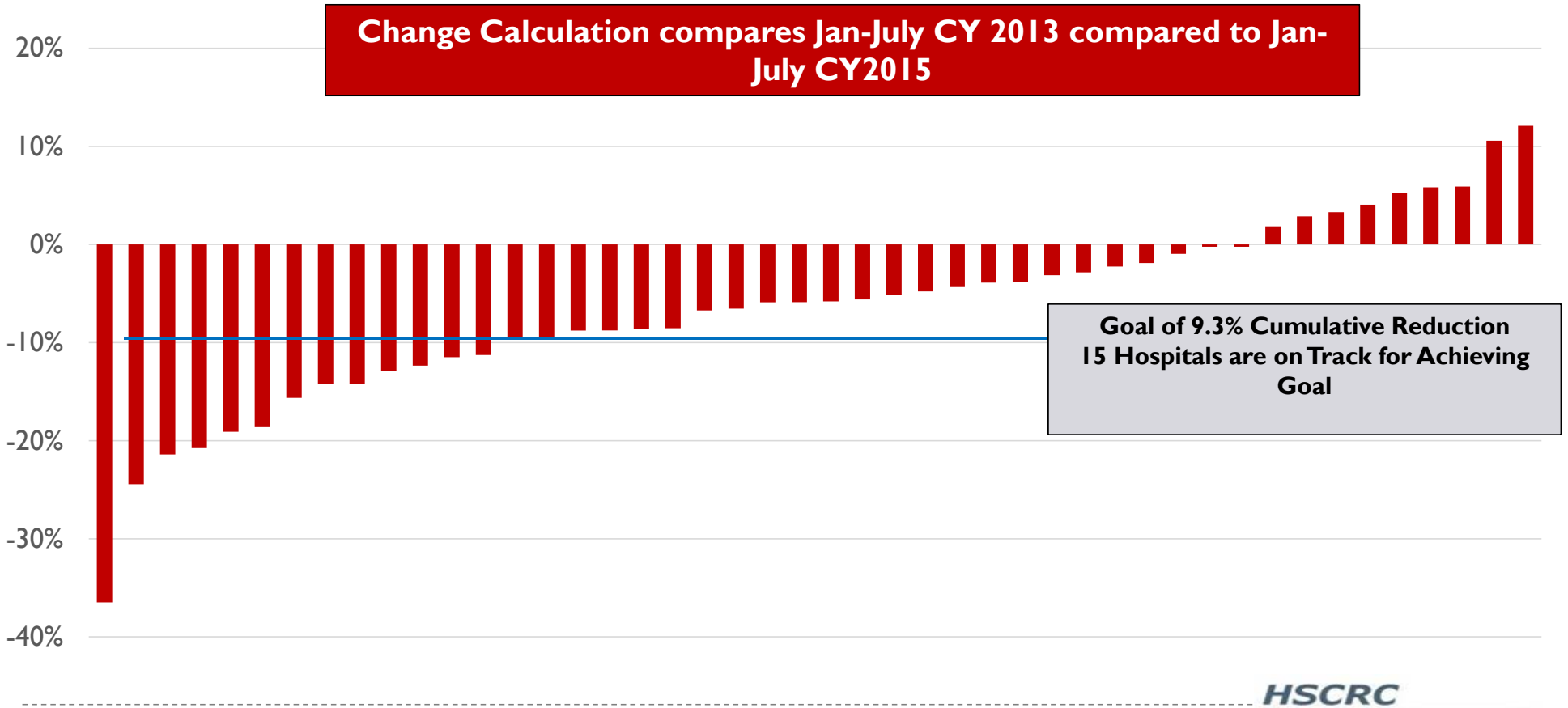
Monthly Risk-Adjusted Readmission Rates



Risk Adjusted Readmission Rate	All-Payer	Medicare
July 13 YTD	13.81%	14.57%
July 14 YTD	13.45%	14.51%
July 15 YTD	12.87%	13.72%
Percent Change CY13 vs. CY15	-6.84%	-5.81%

Note: Based on final data for January 2012 – June 2015, and preliminary data through August 2015.

Change in All-Payer Risk-Adjusted Readmission Rates by Hospital



Note: Based on final data for January 2012 – June 2015, and preliminary data through August 2015.

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RY2018 RRIP Update Considerations

- Potential measure updates (e.g., planned admissions, transfer logic)
- Incorporating attainment levels to the program
- Medicare vs. Non-Medicare readmission rates
- Incorporation of Socio-economic and other factors to the program
- Statewide and hospital-specific target
- Payment adjustment structure and amounts (Scaling)

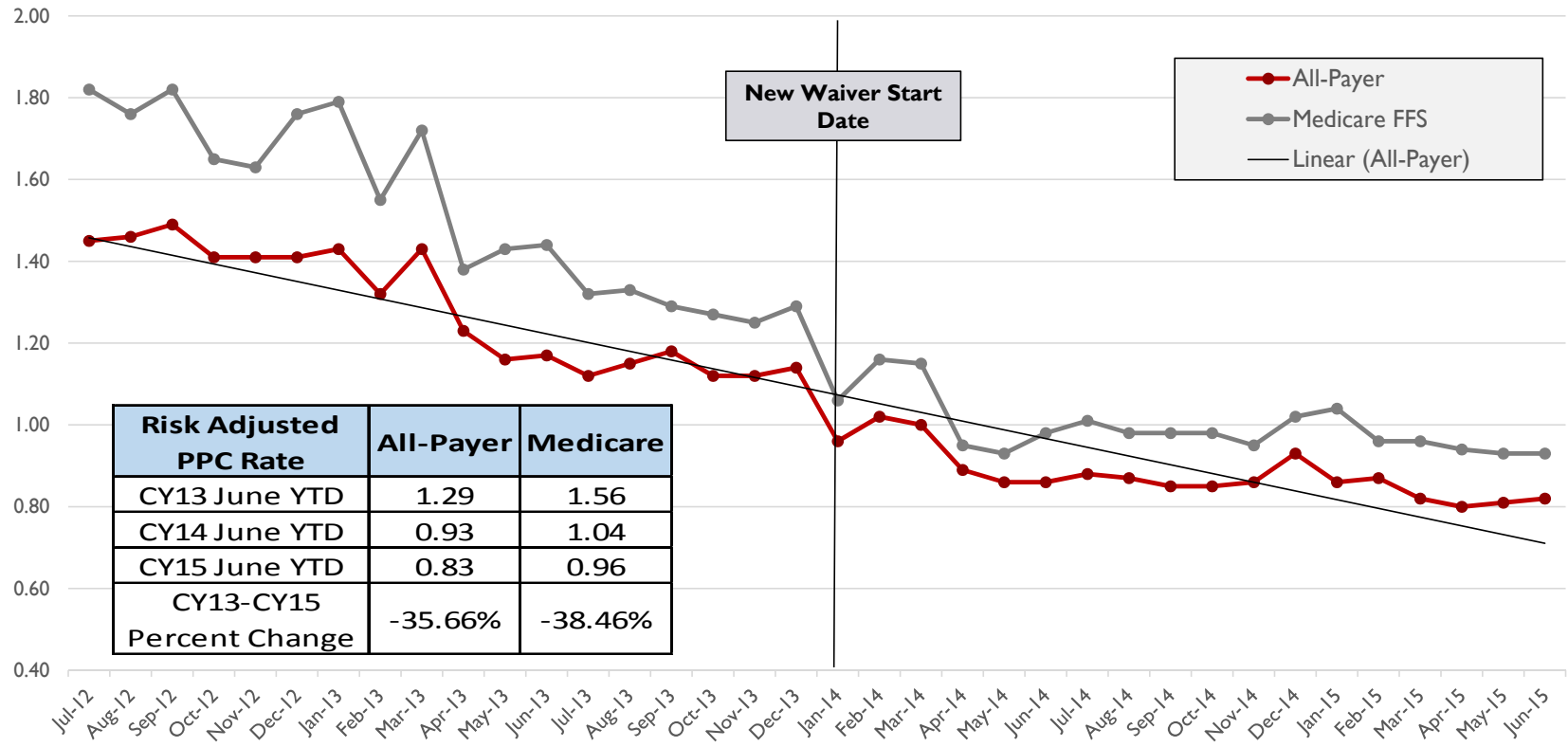
MHAC Overview

- Uses Potentially Preventable Complications (PPCs) tool developed by 3M.
- PPCs are defined as harmful events (accidental laceration during a procedure) or negative outcomes (hospital acquired pneumonia) that may result from the process of care and treatment rather than from a natural progression of underlying disease.
- Links hospital payment to hospital performance by comparing the observed number of PPCs to the expected number of PPCs.

FY2014 Audits

- 9 Hospitals Audited for ICD coding accuracy and POA quality
- Independent auditor reviews 230 cases (115 coding audit, 115 POA quality)
- Specific cases selected POA quality review (e.g., cases at-risk but not having one of the PPCs with largest reduction, cases that changed from having a PPC to not having PPC in final data)
- 8 out of 9 hospitals met 95% target for POA accuracy across POA quality and coding accuracy. POA quality audits identified higher rate of POA issues (5 hospitals with POA issues around 5-7%), however not systematically assigning POA of Y in cases with issues
- Hospitals and POA quality criteria updated for FY 2015 audits

Monthly Risk-Adjusted PPC Rates

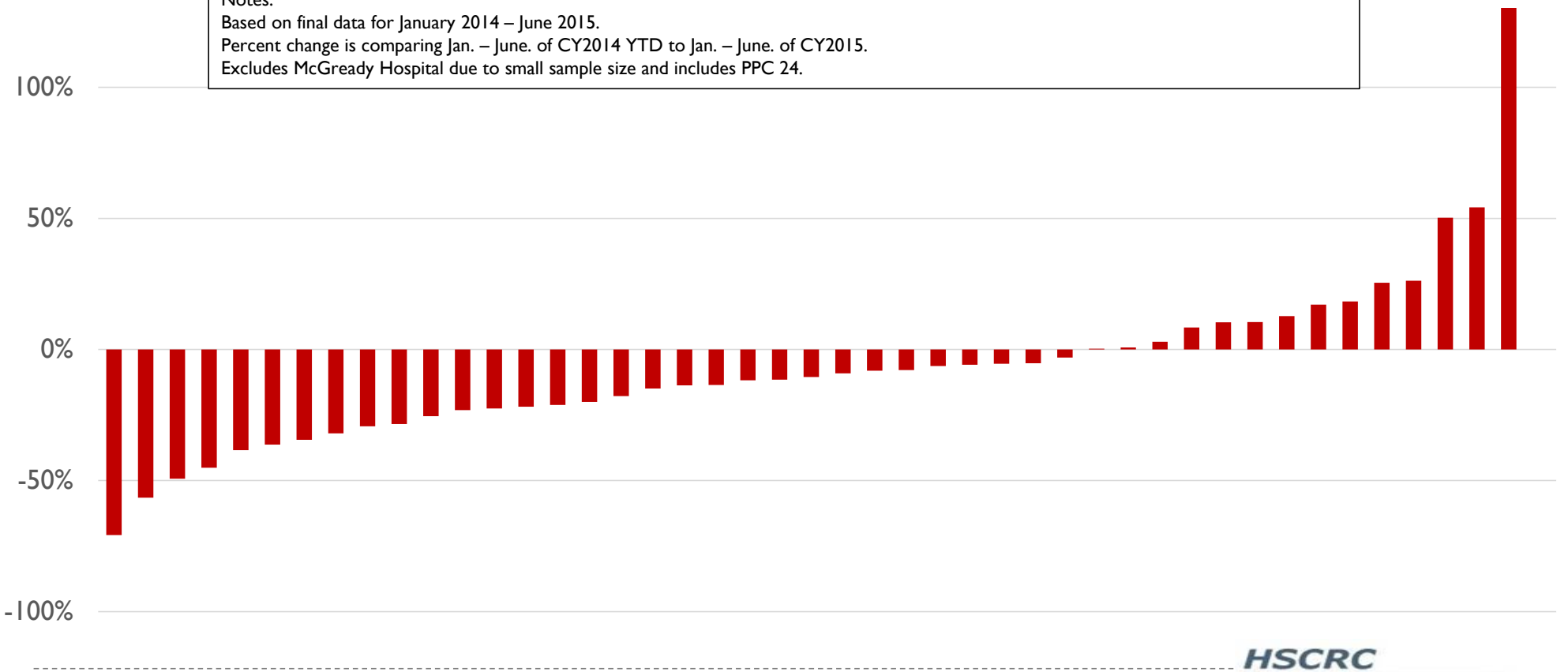


Risk Adjusted PPC Rate	All-Payer	Medicare
CY13 June YTD	1.29	1.56
CY14 June YTD	0.93	1.04
CY15 June YTD	0.83	0.96
CY13-CY15 Percent Change	-35.66%	-38.46%

Note: Reported as of 9/30/2015, based on final data through June 2015. Includes PPC24.

Change in All-Payer Risk-Adjusted PPC Rates YTD by Hospital

Notes:
Based on final data for January 2014 – June 2015.
Percent change is comparing Jan. – June. of CY2014 YTD to Jan. – June. of CY2015.
Excludes McGready Hospital due to small sample size and includes PPC 24.



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RY2018 MHAC Update Considerations

- Statistical Validity and Reliability Analysis
- Evaluation of tier groups
- Statewide target
- Maximum at risk determination
- Monitoring of ICD-10 Impact

Potentially Avoidable Utilization Measure

- Expanding the definition to other areas (9 Months)
  - Nursing home admissions
  - High risk patient utilization
  - Sepsis admissions
  - Avoidable Emergency Department Visits
- Risk adjusted measure of PAUs (18 months)