Special Open Door Forum: Hospital Value-Based Purchasing Proposed Rule Overview for Facilities, Providers, and Suppliers

Thursday, February 10, 2011

1: 30 – 3:30 p.m. EST

Agenda

- Introduction – What is the Hospital VBP Program?

- What hospitals are included in this program?

- How will hospitals be evaluated under this program?

- How will payments be calculated?

- What are the logistics of the program?

- What if I have a problem with my evaluation?

- Additional Information

- How can I read and comment on the rule?

- Questions & Answers

Introduction: Proposed Hospital Value-Based Purchasing (VBP) Program

- Required by Congress under Section 1886(o) of the Social Security Act

- Next step in promoting higher quality care for Medicare beneficiaries

- CMS views value-based purchasing as an important driver in revamping how care and services are paid for, moving increasingly toward rewarding better value, outcomes, and innovations instead of volume

- **Note: Details presented here are <u>proposals</u> and are subject to change in the Final Rule. CMS welcomes public comments.**

Legislative Requirements

- **Multiple requirements**
    - ❖ Legislation requires that the FY 2013 Hospital VBP program apply to payments for discharges occurring on or after October 1, 2012
    - ❖ Hospital VBP measures must be included on Hospital Compare website for at least one year and specified under the Hospital IQR program
    - ❖ Secretary must establish and announce the performance standards not later than 60 days prior to the beginning of the performance period for FY involved
    - ❖ Performance Period reliability *(9 months beginning 7/1/11 proposed)*
    - ❖ Regulatory development

- **CMS anticipates issuing a final rule as soon as possible after close of comment period so it has enough time to calculate performance scores, value-based incentive payments, etc.**

- How is "hospital" defined for this program?
  - Hospital VBP Program applies to subsection (d) hospitals

    - ❖ Statutory definition of subsection (d) hospital found in Section 1886(d)(1)(B)

    - ❖ Applies to acute care hospitals in Maryland

- **Exclusions under Section 1886(o)(1)(C)(ii)**
  - Hospitals subject to payment reductions under Hospital IQR
  - Hospitals cited for deficiencies during the performance period that pose immediate jeopardy to the health or safety of patients
 - Hospitals without the minimum number of cases or measures
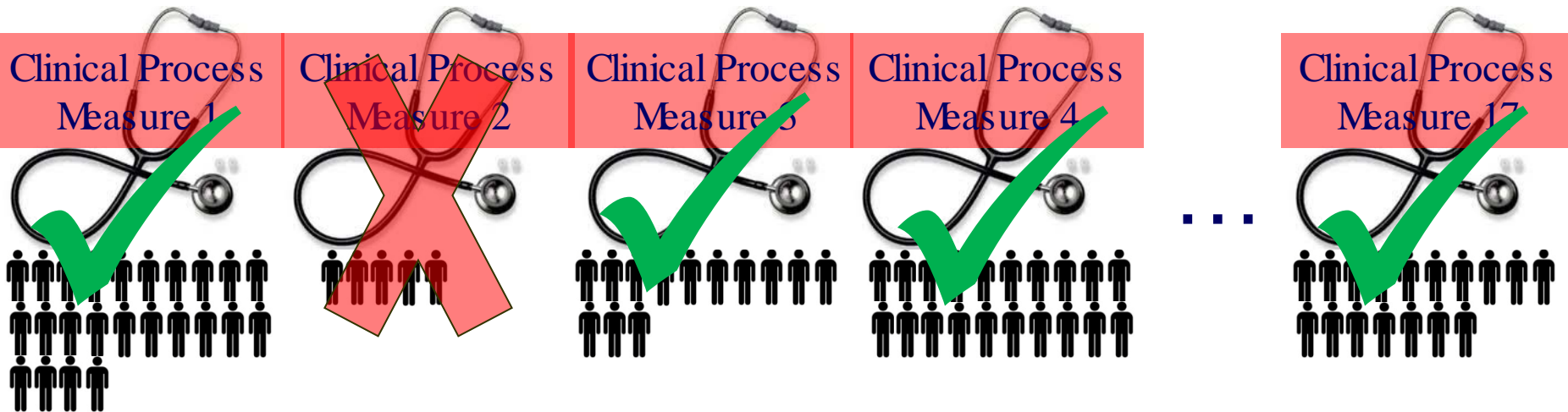
- Hospitals with at least 10 cases for at least 4 applicable measures during the performance period receive a Clinical Process of Care score

- Hospitals with at least 100 Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) surveys during the performance period receive a Patient Experience of Care score

1. AMI-2 Aspirin Prescribed at Discharge
2. AMI-7a Fibrinolytic Therapy Received Within 30 Minutes of Hospital Arrival
3. AMI-8a Primary PCI Received Within 90 Minutes of Hospital Arrival
4. HF-1 Discharge Instructions
5. HF-2Evaluation of LVS Function
6. HF-3 ACEI or ARB for LVSD
7. PN-2 Pneumococcal Vaccination
8. PN-3b Blood Cultures Performed in the Emergency Department Prior to Initial Antibiotic Received in Hospital
9. PN-6 Initial Antibiotic Selection for CAP in Immunocompetent Patient
10. PN-7 Influenza Vaccination
11. SCIP-Inf-1 Prophylactic Antibiotic Received Within One Hour Prior to Surgical Incision
12. SCIP-Inf-2 Prophylactic Antibiotic Selection for Surgical Patients
13. SCIP-Inf-3 Prophylactic Antibiotics Discontinued Within 24 Hours After Surgery End Time
14. SCIP-Inf-4 Cardiac Surgery Patients with Controlled 6AM Postoperative Serum Glucose
15. SCIP-Card-2 Surgery Patients on a Beta Blocker Prior to Arrival That Received a Beta Blocker During the Perioperative Period
16. SCIP-VTE-1Surgery Patients with Recommended Venous Thromboembolism Prophylaxis Ordered
17. SCIP-VTE-2 Surgery Patients Who Received Appropriate Venous Thromboembolism Prophylaxis Within 24 Hours Prior to Surgery to 24 Hrs After Surgery

Clinical Process of Care Measures, 70%

HCAHPS, 30%
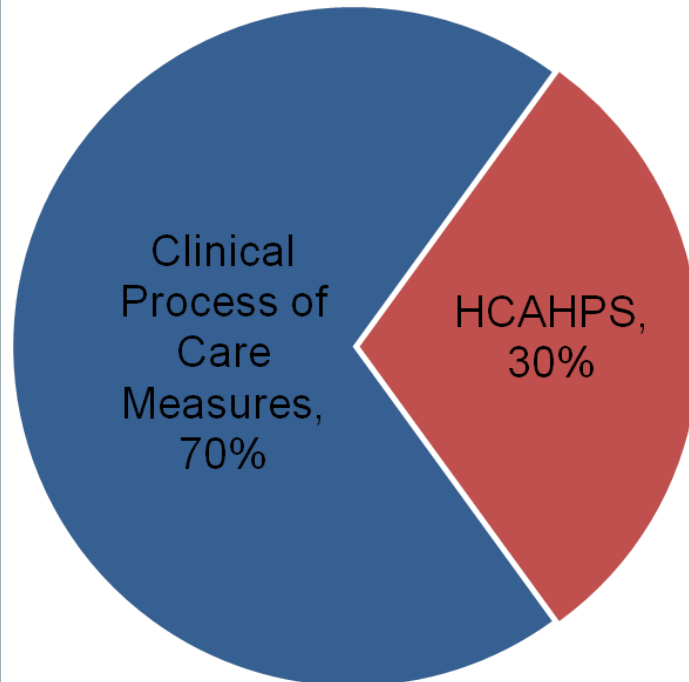
1. Nurse Communication
2. Doctor Communication
3. Hospital Staff Responsiveness
4. Pain Management
5. Medicine Communication
6. Hospital Cleanliness & Quietness
7. Discharge Information
8. Overall Hospital Rating

8

Measures Proposed for FY 2014 Hospital VBP Program (1 of 3)

Proposed Hospital -Acquired Condition Measures:
1. Foreign Object Retained After Surgery
2. Air Embolism
3. Blood Incompatibility
4. Pressure Ulcer Stages III & IV
5. Falls and Trauma: includes Fracture, Dislocation, Intracranial Injury, Crushing Injury, Burn, Electric Shock
6. Vascular Catheter-Associated Infections
7. Catheter-Associated Urinary Tract Infection (UTI)
8. Manifestations of Poor Glycemic Control

Agency for Healthcare Research and Quality (AHRQ) Patient Safety Indicators (PSI), Inpatient Quality Indicators (IQI), and Composite Measures:

1. PSI 06 – Iatrogenic Pneumothorax, adult

2. PSI 11 – Post-Operative Respiratory Failure

3. PSI 12 – Post-Operative Pulmonary Emboli (PE) or Deep Vein Thrombosis (DVT)

4. PSI 14 – Postoperative Wound Dehiscence

5. PSI 15 – Accidental Puncture or Laceration

6. IQI 11 – Abdominal Aortic Aneurysm (AAA) Repair Mortality Rate (with or without volume)

7. IQI 19 – Hip Fracture Mortality Rate

8. Complication/Patient Safety for Selected Indicators (composite)

9. Mortality for Selected Medical Conditions (composite)

Measures Proposed for FY 2014 Hospital VBP Program (3 of 3)

Proposed Mortality Measures:
MORT-30-AMI: Acute Myocardial Infarction (AMI) 30-Day Mortality Rate
MORT-30-HF: Heart Failure (HF) 30-Day Mortality Rate
MORT-30-PN: Pneumonia (PN) 30-Day Mortality Rate

Hospital VBP Measure Proposal Process

- **Proposed Subregulatory Process for Adding/ Retiring Measures**

  - Beginning with the FY 2013 Hospital VBP program, proposed to expedite adding measures beginning FY 2013

  - Under proposal, measures could be added to Hospital VBP if measures have been displayed on Hospital Compare for one year and included in Hospital IQR program

  - Performance periods would begin 1 year after the measure was posted on Hospital Compare

  - Performance period end dates would be proposed through rulemaking

  - CMS will confirm the retirement of measures in rulemaking

Performance Periods

- Hospitals will be scored on their performance on quality measures during the following performance periods:

  - FY 2013:
    - ❖ Uses a 9-month Performance Period from July 1, 2011 to March 31, 2012

  - FY 2014:
    - ❖ Three proposed mortality measures use 18-month Performance Period from July 1, 2011 to December 31, 2012

How Will Hospitals Be Evaluated under the Hospital VBP Program?

- **Summary for Fiscal Year (FY) 2013 Program:**

  - Two domains: Clinical Process of Care (17 measures) and Patient Experience of Care (8 HCAHPS dimensions)

  - Most hospitals given two scores (**Achievement** and **Improvement**) for each measure or dimension, with higher score used

  - Measure scores summed into Clinical Process of Care domain score

  - Dimension scores summed with consistency points into Patient Experience of Care domain score

  - 70% of **Total Performance Score** based on Clinical Process of Care measures

  - 30% of **Total Performance Score** based on Patient Experience of Care measures

How Will Hospitals Be Evaluated under the Hospital VBP Program?
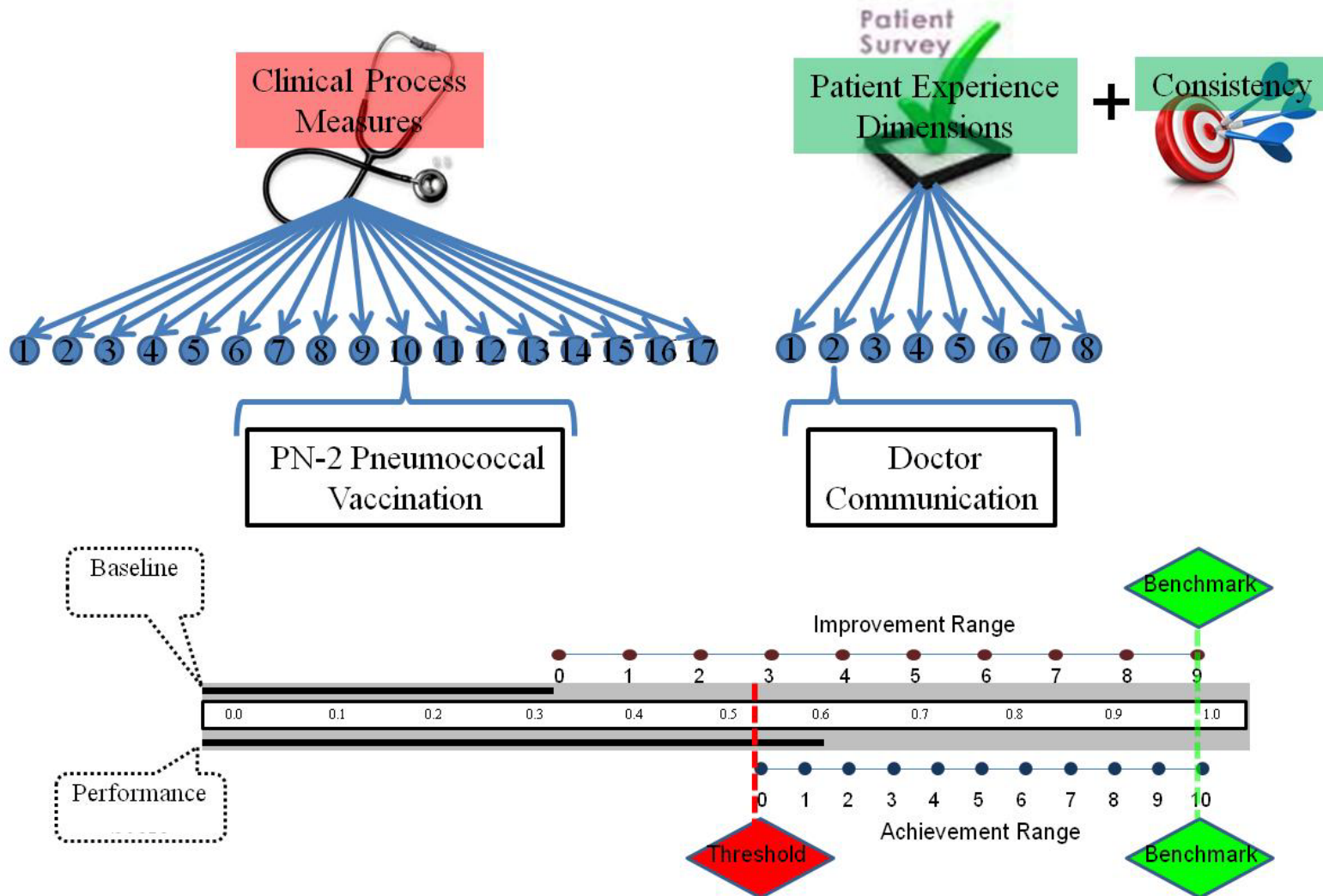
Improvement vs. Achievement
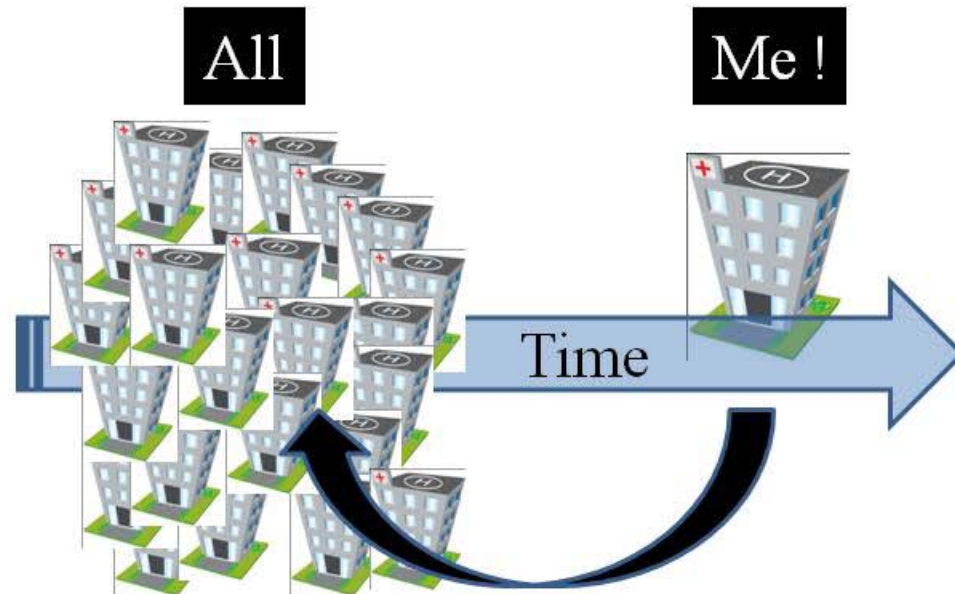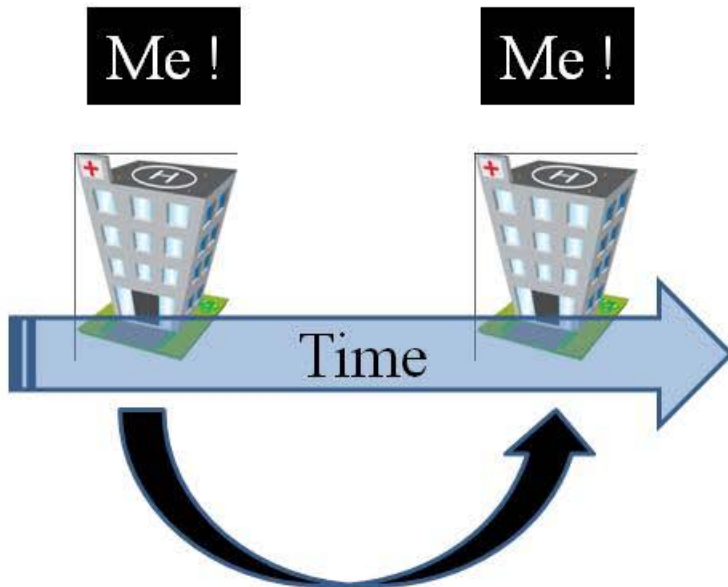
Improvement Scores

- Improvement points are awarded by comparing a hospital's scores during the performance period to that same hospital's scores from the baseline period

- How are improvement points awarded?
  - **Hospital score above benchmark: 10 achievement points, so no need to calculate improvement**
  - **Hospital score ≤ baseline period score: 0 improvement points**
  - **If the hospital's score is between the baseline period score and the benchmark: 0-9 improvement points**

For example:
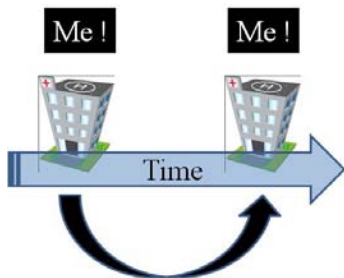
Achievement Scores

- Achievement points are awarded by comparing an individual hospital's scores during the performance period with all hospitals' scores from the baseline period

- How are achievement points awarded?
  - **Hospital score above benchmark: 10 achievement points**
  - **Hospital score < achievement threshold: 0 points**
  - **If the score is equal to or greater than the achievement threshold and less than the benchmark: 1-9 points**

For example:
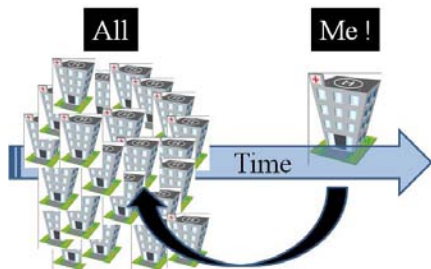
Clinical Process of Care Formulas

- Clinical Process of Care improvement scores:

$$\left[10 * \frac{\left(\text{Hospital performance period score} - \text{Hospital baseline score}\right)}{\left(\text{Benchmark} - \text{Hospital baseline score}\right)}\right] - 0.5$$

  - Hospitals must score higher than their baseline score in order to receive improvement points

- Clinical Process of Care achievement scores:

$$9 * \left[\frac{\left(\text{Hospital's performance period score} - \text{achievement threshold}\right)}{\left(\text{Benchmark} - \text{achievement threshold}\right)}\right] + 0.5$$

How Will CMS Calculate the Clinical Process of Care Domain Score?

- To ensure comparability between hospitals with different numbers of applicable measures, **CMS will normalize the domain scores for Clinical Process of Care.**
  - Each measure is worth up to 10 points
  - Possible points = Number of applicable measures * 10
  - (Scored points / Possible points) * 100 = Clinical Process of Care domain score

	Hospital 1	Hospital 2
Number of Applicable Measures	5	11
Score on Each Measure	9	9
Scored Point / Possible Points	45 / 50	99 / 110
Clinical Process of Care Domain Score	90	90

Measure: PN Pneumococcal Vaccination

Hospital B earns: 10 achievement points for performance exceeding the benchmark

Measure: PN Pneumococcol Vaccination

Hospital L earns: 0 achievement points and 0 improvement points

Hospital L scores 0 points on this measure

Measure: PN Pneumococcal Vaccination

.47
Achievement Threshold

.87
Benchmark

Achievement Range

Hospital I

Score

baseline
.21

Score

.70

performance

1   2   3   4   5   6   7   8   9   10
Achievement Range

1   2   3   4   5   6   7   8   9
Improvement Range
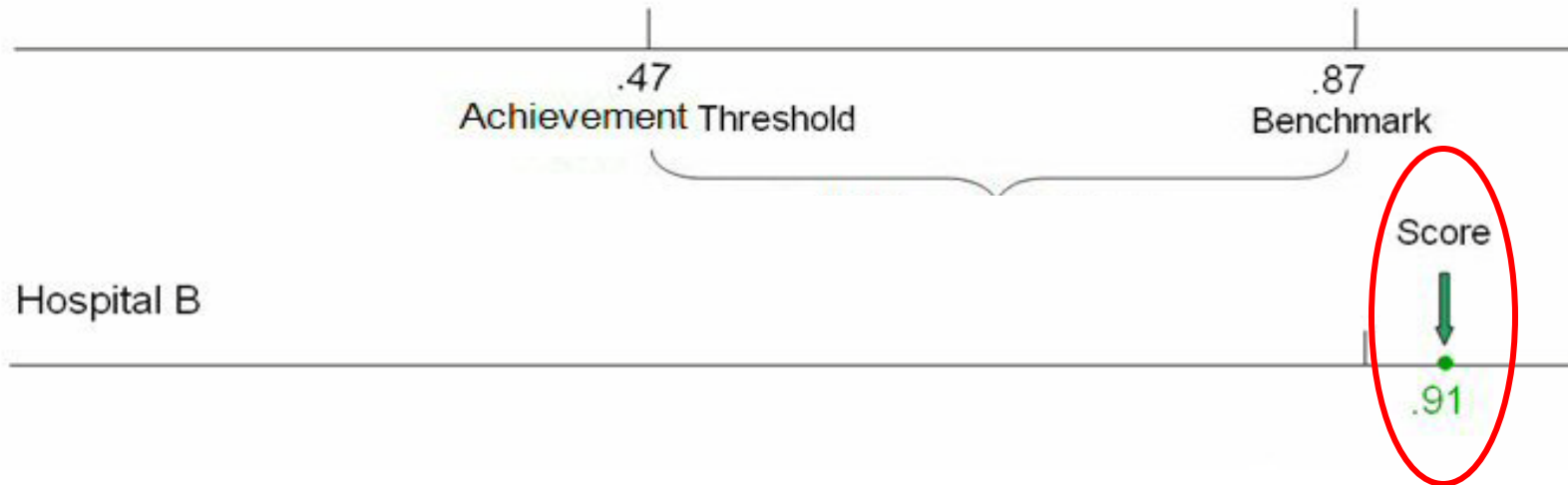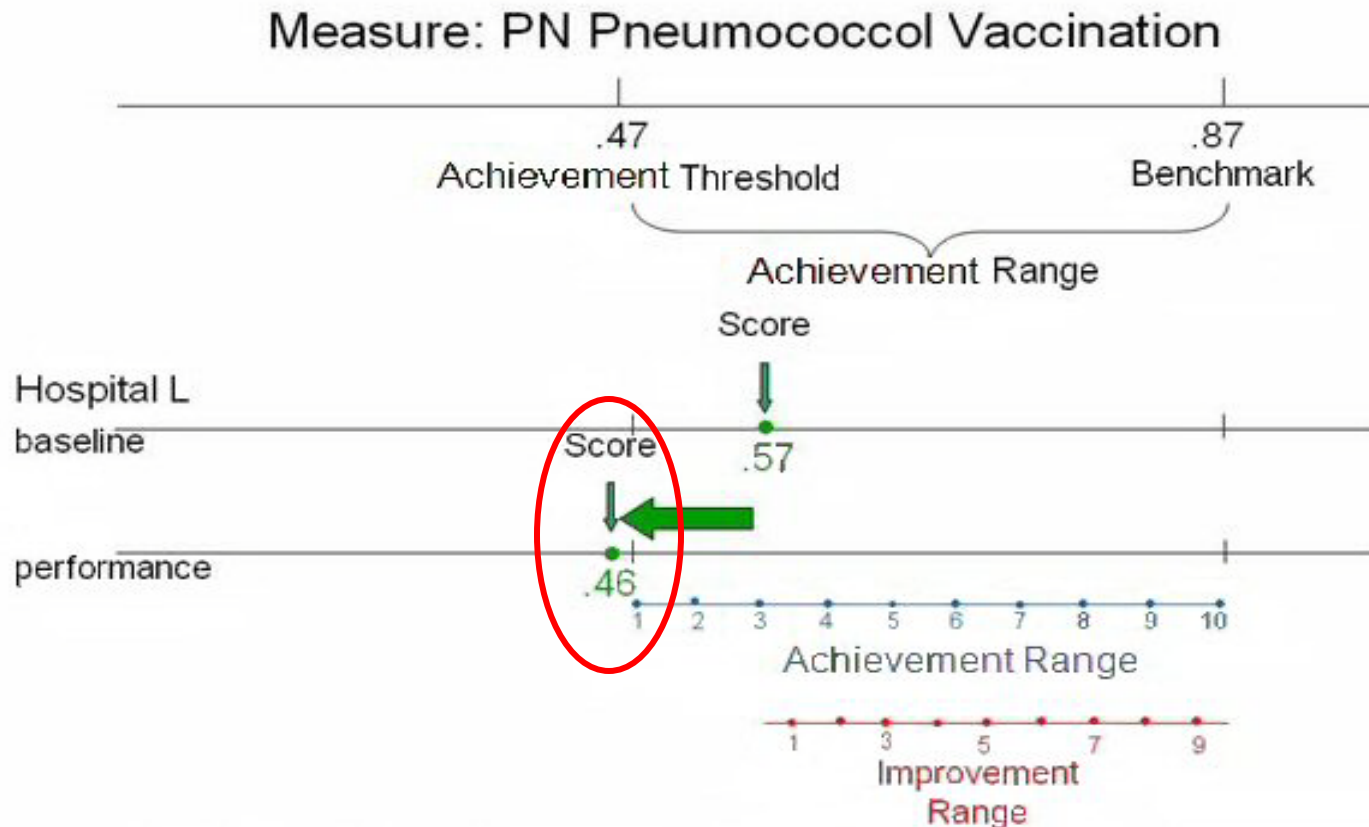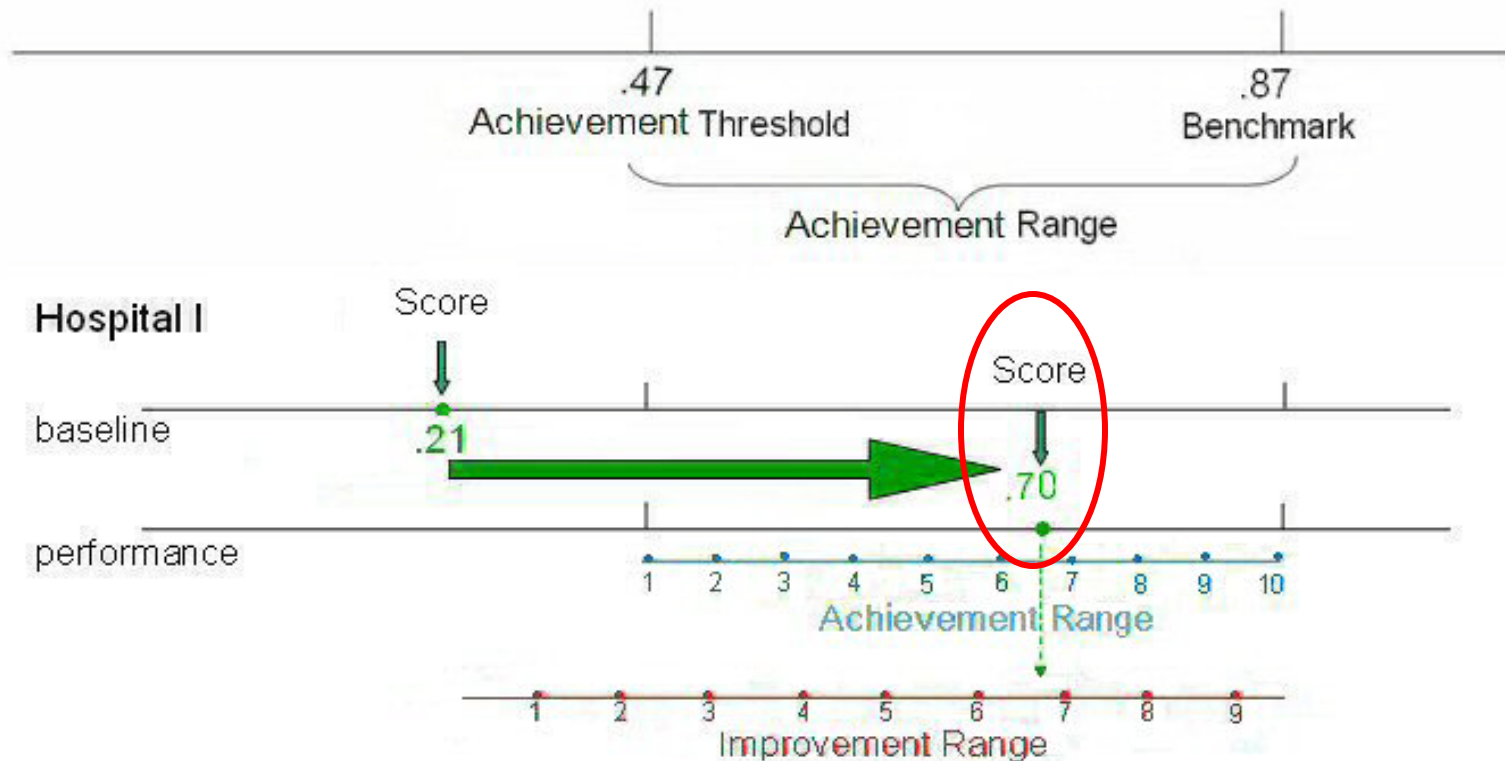
Hospital I earns: 6 achievement points or 7 improvement points

Hospital I scores 7 points on this measure

How Will CMS Calculate the Patient Experience of Care (HCAHPS) Score?

- **Patient Experience of Care Score =**

  (Greater of improvement or achievement scores for each HCAHPS dimension) + Consistency score

- **Up to 20 consistency points possible based on the single lowest of a hospital's 8 HCAHPS dimension scores during the performance period compared to the median baseline performance for that measure.**

  - Consistency points encourage hospitals to meet or exceed the achievement threshold in all HCAHPS dimensions

  - 20 points are awarded if all dimension scores ≥ achievement threshold

  - If any dimension score < achievement threshold, consistency points are awarded in proportion to percentile of the lowest-scoring dimension

Patient Experience of Care Formulas

■ **Patient Experience of Care improvement scores:**

$$\left[10 * \frac{\left(\text{Hospital perf. period score} - \text{Hospital baseline period score}\right)}{\left(\text{Benchmark} - \text{Hospital baseline period score}\right)}\right] - 0.5$$

– Hospitals must score higher than their baseline score in order to receive improvement points

■ **Patient Experience of Care achievement scores:**

$$\left[\frac{\left(\text{Hospital performance period dimension score} - 50\right)}{5}\right] + 0.5$$

HCAHPS Consistency Scores

- **How are HCAHPS consistency points calculated?**

  - **If any dimension score ≤ worst-performing hospital dimension score:**
    - ❖ 0 consistency points

  - **If scores ≥ achievement threshold on all 8 dimensions:**
    - ❖ 20 consistency points

  - **If dimensions < achievement threshold but > worst-performing hospital's score:**
    - ❖ Consistency points are awarded based on percentile of the lowest dimension score:

$$(2 * (lowest\ percentile\ /\ 5)) - 0.5$$

      - Rounded to nearest whole number between 0-20

Dimension: Doctor Communication

50th Baseline Percentile
Achievement Threshold

95th Baseline Percentile
Benchmark

Achievement Range

Hospital B

Score

96th

Hospital B earns: 10 achievement points for performance exceeding the benchmark
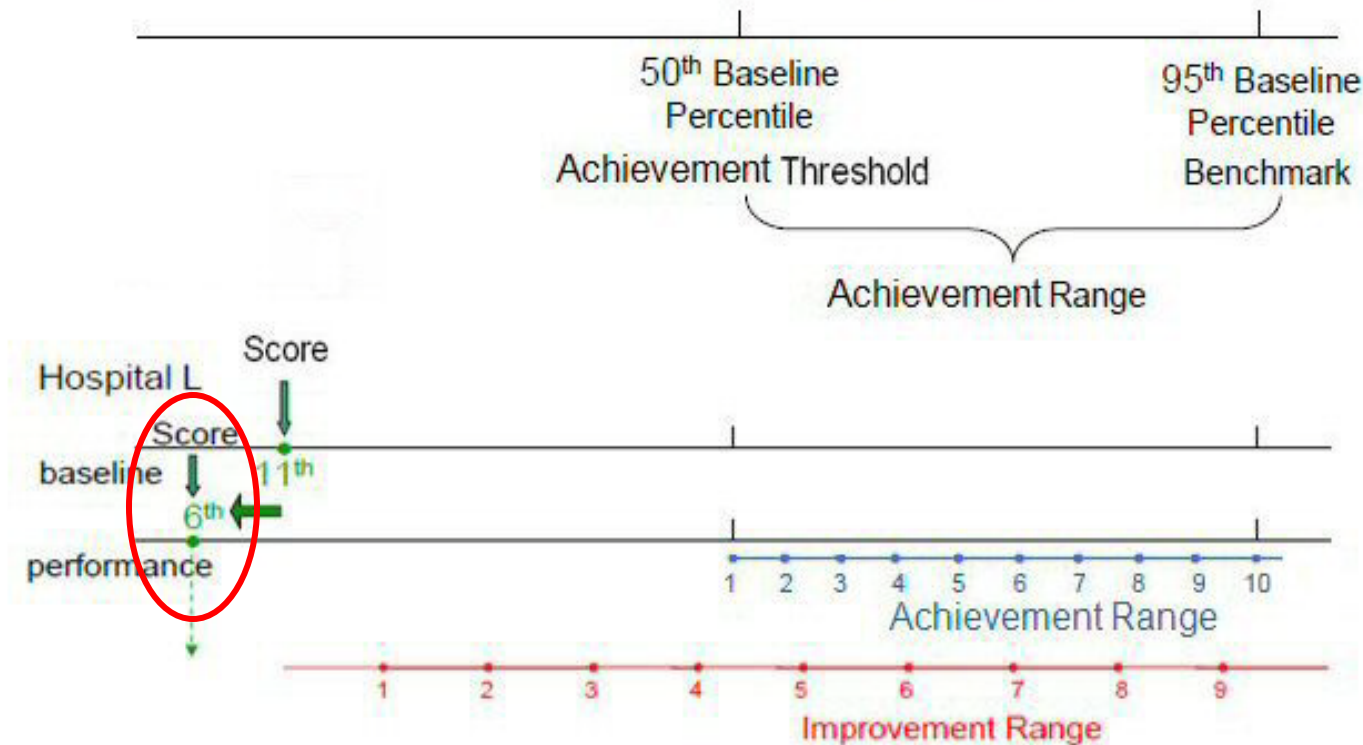
Dimension: Doctor Communication

Hospital L earns: 0 achievement points and 0 improvement points

Hospital L scores 0 points on this measure

Dimension: Doctor Communication
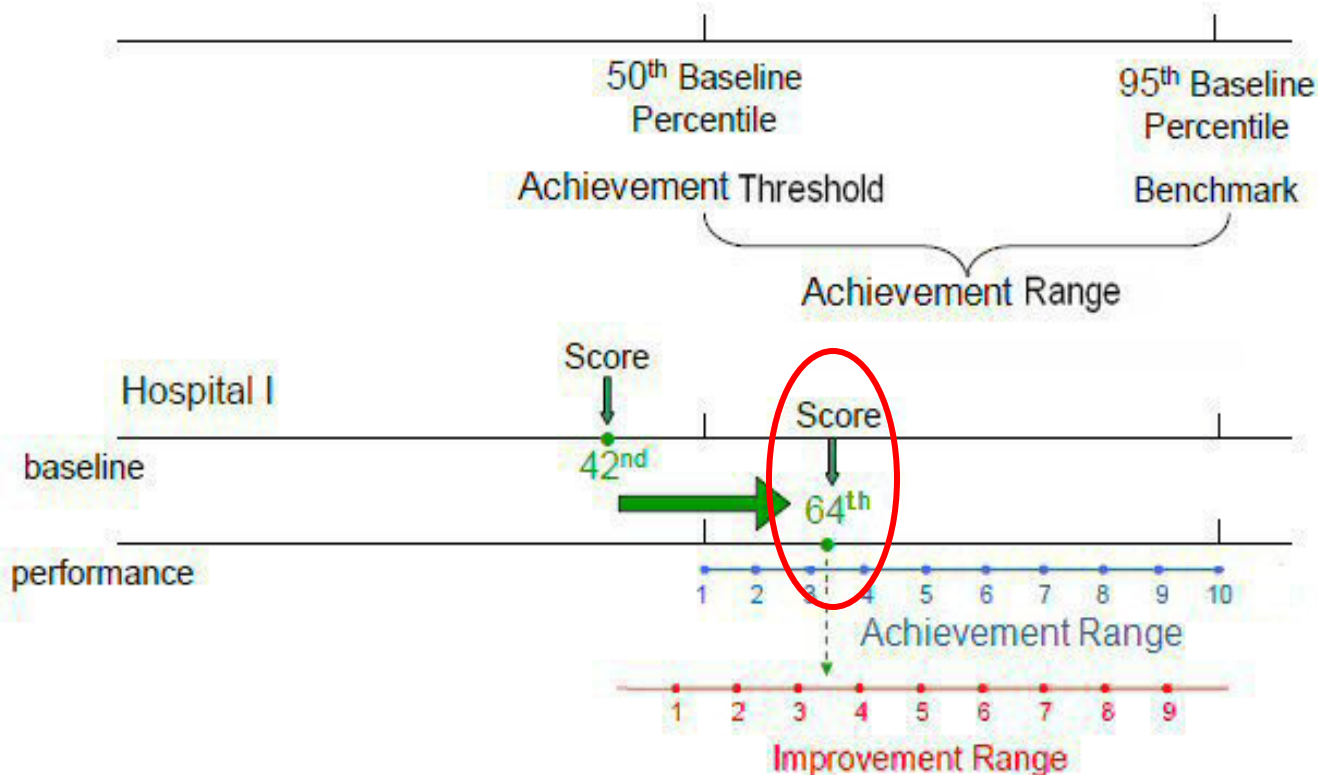
Hospital I earns: 3 achievement points or 4 improvement points

Hospital I scores 4 points on this measure

Total Performance Scores

- Domain points earned are weighted to determine Total Performance Score

  - **CMS considered many factors to develop proposed weighting**

  - **FY 2013 domain weighting:** (Clinical process of care x 70%)

    + (Patient experience of care x 30%)

  - **FY 2014 and beyond:**

    - ❖ New domains could be added

    - ❖ Domain weighting based on changes in measures will be established in future rulemaking

  - **CMS welcomes public comments on the scoring methodology, weighting, and future proposals**

The Exchange Function

- 2007 Report to Congress introduced the Exchange Function to translate the Total Performance Scores into value-based incentive payments

- The law requires that the total amount of value-based incentive payments in aggregate be equal to the amount available for value-based incentive payments, as estimated by the Secretary

- We proposed a linear exchange function to translate Total Performance Scores into value-based incentive payments

FY 2013 Hospital VBP Validation Requirements

- CMS will use the Hospital IQR validation process as outlined in the FY 2011 Inpatient Prospective Payment System (IPPS) Final Rule for FY 2013 Hospital VBP
  - Hospitals submit the same data for Hospital IQR and Hospital VBP
  - No separate medical records requests

- Ensures accuracy of Hospital VBP measure data

Proposed Hospital Notification and Review Procedures

- Notice of a 1% reduction to FY 2013 base operating diagnosis-related group (DRG) payments provided in the FY 2013 IPPS rule

- Notification to hospitals of estimated FY 2013 incentive payments will be made by means of their QualityNet accounts

- Actual incentive payment notification scheduled to occur by November 1, 2012
    - Claims processing adjustments will be completed by January 2013

Proposed Hospital Notification and Review Procedures

- Hospital scores will be published on <u>Hospital Compare</u>:
  - Measure scores
  - Condition-specific scores
  - Domain-specific scores
  - Total performance scores

- Hospitals will have 30 calendar days to review and submit corrections

How Will Appeals of Hospital Scores be Handled?

- CMS will propose appeals process in future rulemaking

- The following topics are <u>not</u> subject to administrative or judicial review:
    - Value-based incentive payment determination
    - Determination of the amount of funding available for incentive payments and payment reduction
    - Establishment of the performance standards and performance period
    - Measures specified in the Hospital IQR program or included in Hospital VBP
    - Methods and calculations for total performance scores
    - Validation methodology used in the Hospital IQR program

- CMS welcomes comments on managing appeals and a reasonable timeline for resolution

Additional Information

- We will monitor and evaluate the impact of the Hospital VBP program on:

  - **Access and quality of care, especially for vulnerable populations**

  - **Patterns of care suggesting particular effects on:**

    - ❖ Percentage of patients receiving appropriate care for measured conditions

    - ❖ Rates of hospital-acquired conditions

  - **Best practices of high-performing hospitals**

  - **Trends in care delivery, access, and quality**

How to Read the Rule

Read and comment on the rule online
at http://www.regulations.gov. Search for "CMS-3239-P."

- CMS welcomes public comments on all aspects of the proposed rule, including:

  - Principles for value-based purchasing
  - Proposed measures
  - Use of structural measures in Hospital VBP
  - Use of AHRQ PSI, IQI, and Nursing Sensitive Care measures for FY 2014 and beyond
  - Subregulatory process for adding or retiring measures
  - Appropriate measures of efficiency
  - Achievement and improvement performance standards
  - Performance score methodology and alternatives

  - Baseline and performance period selection
  - Appropriate domain weighting
  - Participation in Hospital IQR/ Hospital VBP
  - Scoring hospitals without baseline period data
  - Minimum numbers of cases and measures
  - Exchange function choice
  - Appeals process structure and timeline
  - Approaches to monitoring and evaluation
  - Changes to QIO regulations

How to Comment on the Rule (2 of 2)

- Details about submitting comments are in the rule

- There are two ways to submit comments:
  - **Via mail:** See the Rule for mailing addresses
  - **Online:** Click "Submit a Comment" next to the regulation link

- Please include file code "CMS-3239-P" in your comments

Comments are due on Tuesday, March 8, 2011 (by 5:00 p.m. EST via mail and 11:59 p.m. EST online)

Questions?