# ESRD QIP Payment Year 2013 Program Details

The Centers for Medicare & Medicaid Services (CMS) administers the End-Stage Renal Disease (ESRD) Quality Incentive Program (QIP) to promote high-quality services by outpatient dialysis facilities treating patients with ESRD. The first of its kind in Medicare, this program changes the way CMS pays for the treatment of ESRD patients by linking a portion of payment directly to facilities' performance on quality care measures. The ESRD QIP will reduce payments to ESRD facilities that do not meet or exceed certain performance standards.

For more information about the program, see http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/ESRDQIP/index.html. If you have questions about the program after reviewing this content, you may reach the CMS ESRD QIP staff by emailing ESRDQIP@cms.hhs.gov.

Please note that this document is an informal reference only, and does not constitute official CMS guidance. Please refer to the implementing regulations.

## ESRD QIP Final Rule Governing Payment Year 2013

The final rule governing the ESRD QIP for Payment Year (PY) 2013, published in the *Federal Register* on November 10, 2011, outlines how CMS will implement the law establishing the program. The rule specifies the following in more detail:

- **Measures selected** – Two measures for assessing the clinical quality of ESRD care
- **Performance period** – Timeframe during which CMS will collect data to evaluate facility performance
- **Methodology** – The process used to score facility performance
- **Payment reduction scale** – Scale used to determine payment reductions for facilities not meeting established performance standards.

The final rule also addresses public comments to the earlier proposed rule and CMS's responses to those comments.

## Measuring Quality

Section 153(c) of the Medicare Improvements for Patients and Providers Act (MIPPA) requires CMS to use certain types of quality measures as part of the ESRD QIP. These include:

- Measures on anemia management that reflect the labeling approved by the Food and Drug Administration (FDA) for administration of erythropoiesis-stimulating agents (ESAs)
- Measures on dialysis adequacy
- Other measures specified by the Secretary of the Department of Health and Human Services (HHS).

### Measures Selected

For the PY 2013 ESRD QIP, CMS identified two measures for evaluating a facility. One measure relates to anemia management and addresses hemoglobin levels; the other measure relates to the success of dialysis treatment in removing waste products from patients' blood (known as the Urea Reduction Ratio [URR]). These measures are not new, as CMS began collecting and publicly reporting this data on the Dialysis Facility Compare (DFC) website prior to enactment of the ESRD QIP legislation.

These two measures examine the percentage of Medicare patients dialyzed at a facility with:

- An average hemoglobin greater than 12 grams per deciliter (g/dL)
- A median URR of 65 percent or more.

For the anemia measure, the smaller the number of patients with hemoglobin outside the range, the better the facility will score. For the URR measure, the larger the number of patients above the threshold, the better the facility will score.

### Measure Retired

Starting in PY 2013, CMS retired the anemia management measure that assessed the number of patients with hemoglobin less than 10 grams per deciliter (g/dL), which had been included as part of PY 2012. CMS made this decision based in part on new FDA regulations regarding labeling and use of ESAs. Instead, facilities are encouraged to use the lowest dose of ESA necessary to minimize the need for blood transfusions. The hemoglobin level necessary to achieve this goal will vary based on individual patient circumstances.

## ESRD QIP Performance Data

Since measures are developed for specific groups of patients, various facility data are used to calculate ESRD QIP scores. Certain data were excluded, as provided in each measure's technical specifications.

Details on individual measure specifications are available at http://www.dialysisreports.org/ESRDMeasures.aspx. Please note that measure specifications are removed from this site once calculations for the applicable payment year have been finalized.

**Claims will be excluded from the anemia management measure calculations for a patient who:**

- Is less than 18 years old as of the start date of the claim
- Is in the first 89 days of ESRD as of the start date of the claim
- Has a reported hemoglobin value (or hematocrit value divided by 3) less than 5 g/dL or greater than 20 g/dL
- Is not treated with ESAs according to the claim (specifically epoetin alpha or darbepoetin alfa)
- Has fewer than 4 months of eligible claims at the facility in the measurement period.

**Claims will be excluded from the dialysis adequacy measure calculations for a patient who:**

- Is less than 18 years old as of the start date of the claim
- Has fewer than 7 dialysis sessions per month (i.e., those with a Healthcare Common Procedure Coding System [HCPCS] modifier = G6)
- Is in the first 182 days of ESRD as of the start date of the claim
- Is on home hemodialysis or peritoneal dialysis according to the claim

- Is on frequent hemodialysis (defined as four or more sessions per week)
- Has fewer than 4 months of eligible claims at a facility in the measurement period.

Not all facilities are eligible for a Total Performance Score in PY 2013. To receive a Total Performance Score, a facility must have a minimum of 11 patients eligible for each measure. Not receiving a Total Performance Score is not an indicator of the quality of care provided by that facility.

# Facility Scoring

### Period of Performance

The period of performance for PY 2013 is calendar year (CY) 2011. This timeframe was selected to allow enough time for CMS to:

1. Ensure that claims used in calculations are complete and accurate
2. Calculate facility performance scores
3. Allow facilities to view their performance scores before public release and obtain additional information if needed.

### Scoring for Individual Measures

CMS first calculates a facility's 2011 performance rate for each measure using the following formula:

Performance Rate = Number of patients meeting that measure

divided by (÷)

Number of patients eligible for that measure

Each performance rate is then converted to a percentage, rounded to the nearest whole percent. For the PY 2013 ESRD QIP, this percent will be compared to two possible performance standards for that measure:

- **The national average in 2009**

  **or**

- **That facility's performance in 2007**

For each measure, the standard that results in the better score for the facility will be applied.

If a facility meets or exceeds the performance standard, it earns a score of 10 points for that measure. For every 1 percent that a facility underperforms with respect to the standard, it loses 2 points. Zero is the lowest number of points a facility can earn on any single measure.

### Calculating a Facility's Total Performance Score

For the PY 2013 ESRD QIP, the two measures contribute equally to the Total Performance Score. The maximum score a facility can receive on each of the two measures is 10 points. A facility's scores on the two measures are added and multiplied by 1.5 to arrive at its Total Performance Score. For PY 2013, the maximum score a facility can receive is 30 points.

# Payment Adjustments

Section 153(c) of MIPPA directs the Secretary of HHS to develop a method to assess the quality of dialysis care provided by facilities and to link this performance to possible payment reductions. To receive full payment, facilities must have a Total Performance Score of 30 on the two measures. Facilities

that fail to score 30 points may receive a payment reduction of up to two percent. This payment reduction will apply to all Medicare payments to that facility in 2013.

### Scale for Payment Reductions

The PY ESRD QIP payment reductions apply to a facility according to the following chart:

| Total Performance Score | Payment Reduction |
|---|---|
| 30 | No reduction |
| 26 to 29 | 1.0% |
| 21 to 25 | 1.5% |
| 0 to 20 | 2.0% |

### Score Preview Period

Facilities had the opportunity to preview their scores and any resulting payment reductions prior to public release. The Preview Period was held from July 15 – August 15, 2012. During this time, facilities were able to ask general clarification questions about how their scores were calculated. In addition, each facility had the opportunity to submit **one** formal inquiry regarding data or scoring-related issues if the facility believed a scoring error had occurred. CMS investigated and provided a detailed response to each formal inquiry.