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 proposals 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
Who is Eligible for the Hospital VBP Program? (3 of 3)

- 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.
Proposed FY 2013 Domains and Measures/Dimensions

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-2 Evaluation 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-1 Surgery 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
### Proposed Hospital-Acquired Condition Measures:

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Foreign Object Retained After Surgery</td>
</tr>
<tr>
<td>2.</td>
<td>Air Embolism</td>
</tr>
<tr>
<td>3.</td>
<td>Blood Incompatibility</td>
</tr>
<tr>
<td>4.</td>
<td>Pressure Ulcer Stages III &amp; IV</td>
</tr>
<tr>
<td>5.</td>
<td>Falls and Trauma: includes Fracture, Dislocation, Intracranial Injury, Crushing Injury, Burn, Electric Shock</td>
</tr>
<tr>
<td>6.</td>
<td>Vascular Catheter-Associated Infections</td>
</tr>
<tr>
<td>7.</td>
<td>Catheter-Associated Urinary Tract Infection (UTI)</td>
</tr>
<tr>
<td>8.</td>
<td>Manifestations of Poor Glycemic Control</td>
</tr>
</tbody>
</table>
## Proposed Hospital VBP Measures for FY 2014

(2 of 3)

| 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) |
**Proposed Mortality Measures:**

<table>
<thead>
<tr>
<th>Measure</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MORT-30-AMI</td>
<td>Acute Myocardial Infarction (AMI) 30-Day Mortality Rate</td>
</tr>
<tr>
<td>MORT-30-HF</td>
<td>Heart Failure (HF) 30-Day Mortality Rate</td>
</tr>
<tr>
<td>MORT-30-PN</td>
<td>Pneumonia (PN) 30-Day Mortality Rate</td>
</tr>
</tbody>
</table>
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
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?

Clinical Process Measures

Patient Experience Dimensions + Consistency

PN-2 Pneumococcal Vaccination

Doctor Communication

Baseline

Performance

Improvement Range

Achievement Range

Threshold

Benchmark
How Will Hospitals Be Evaluated?

**Improvement vs. Achievement**

**Improvement:**
My hospital’s current performance compared to my baseline period performance

**Achievement:**
My hospital’s current performance compared to all hospitals’ baseline period performance
How Will Hospitals Be Evaluated?

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 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:

![Diagram showing the calculation of achievement points](image)
Clinical Process of Care Formulas

- Clinical Process of Care improvement scores:

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

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

- Clinical Process of Care achievement scores:

\[
9 \times \left[ \frac{\text{Hospital's performance period score} - \text{achievement threshold}}{\text{Benchmark} - \text{achievement threshold}} \right] + 0.5
\]
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
- \(\frac{\text{Scored points}}{\text{Possible points}} \times 100 = \text{Clinical Process of Care domain score}\)

<table>
<thead>
<tr>
<th></th>
<th>Hospital 1</th>
<th>Hospital 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Applicable Measures</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td>Score on Each Measure</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Scored Point / Possible Points</td>
<td>45 / 50</td>
<td>99 / 110</td>
</tr>
<tr>
<td>Clinical Process of Care Domain Score</td>
<td>90</td>
<td>90</td>
</tr>
</tbody>
</table>
Hospital B earns: 10 achievement points for performance exceeding the benchmark
Clinical Process Scoring Example #2: Hospital L

Hospital L earns: 0 achievement points and 0 improvement points

Hospital L scores 0 points on this measure
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
How Will Hospitals Be Evaluated?

**Patient Experience of Care Formulas**

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

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

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

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

  \[
  \left[ \frac{(\text{Hospital performance period dimension score} - 50)}{5} \right] + 0.5
  \]
How will hospitals be evaluated?

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:
    \[ (2 \times \left( \frac{\text{lowest percentile}}{5} \right)) - 0.5 \]
    - Rounded to nearest whole number between 0-20
Hospital B earns: 10 achievement points for performance exceeding the benchmark
Patient Experience Scoring Example #2: Hospital L

Hospital L earns: 0 achievement points and 0 improvement points

Hospital L scores 0 points on this measure
Patient Experience Scoring Example #3: Hospital I

Hospital I earns: 3 achievement points or 4 improvement points

Hospital I scores 4 points on this measure
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
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
Hospital scores will be published on Hospital Compare:
  - 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 not 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.
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](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?