

REPORTING HOSPITAL QUALITY DATA FOR ANNUAL PAYMENT UPDATE (RHODAPU)

CENTERS FOR MEDICARE & MEDICAID SERVICES
FACT SHEET
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- Section 501(b) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) establishes a financial incentive for certain hospitals to report on the quality of the inpatient care they provide all patients. An eligible “subsection (d)” hospital (currently paid under the prospective payment system (PPS)) that does not submit performance data using the 10 quality measures established by the Secretary of the Department of Health and Human Services as of November 1, 2003, will receive 0.4 percentage point lower update for FY 2005 than a hospital that does submit performance data. This provision applies to the determination of the update for FY 2005, FY 2006 and FY 2007.
- To initiate the process of submitting performance data, a hospital must sign up for QNet Exchange (www.qnetexchange.org). A hospital that is participating in the Hospital Quality Alliance (HQA) (formerly known as the National Voluntary Hospital Reporting Initiative) should already have done this.
- To qualify for the full Medicare Annual Payment Update (APU) for FY 2005, the hospital (or its vendor) had to submit its data through QNet Exchange to the Quality Improvement Organization (QIO) Data Warehouse by July 1, 2004. A hospital that submitted data on some discharges by July 1, 2004 but had not completed its transmission had a grace period to complete its submission. Hospitals that did not register to provide data in order to receive the full FY 2005 APU, but wish to participate in reporting for FY 2006 and FY 2007 are encouraged to register and begin submitting performance data as soon as possible.
- To qualify for the full APU, a hospital must submit data for all 10 measures. For a list of these measures, which are identical to the 10 measures in the “starter set” identified by the Hospital Quality Alliance (HQA), please go to www.cms.hhs.gov/quality/hospital.
 - Data must be submitted to the QIO Data Warehouse either by the hospital using the CMS Abstraction and Reporting Tool (CART 2.0 or its successor versions) or by a vendor authorized by the hospital and using CMS specifications for submission.
 - Data must meet the edits used in CART.
 - Data must be submitted for all four quarters of CY 2004. If a hospital is just joining the initiative, it should submit the most recent available calendar quarter of discharges.
 - Data must be submitted for both Medicare and non-Medicare discharges.

- The number of cases submitted by a hospital must conform to the specifications for the HQA initiative (JCAHO specifications for accredited hospitals and to CMS specifications for non-accredited hospitals) (for more information, please see, www.qnetexchange.org; “HDC”“tab).
- The hospital should contact its state Quality Improvement Organization (QIO) (www.medqic.org) for assistance in meeting reporting requirements and resolving any problems in making submissions or using CART.
- While a hospital does not need to participate in the Hospital Quality Alliance (HQA) initiative in order to report data for the update or in order to receive a full update, CMS continues to strongly support hospital participation in the HQA initiative because of the contribution the initiative has made and will continue to make to development and adoption of a robust and comprehensive set of hospital performance measures.
- CMS expects publish hospital-level measures calculated from data that hospitals submit to meet the annual payment update requirement, beginning November 2004. Patient and physician identifiers will be removed.
- Web posting of data collected from this effort is scheduled quarterly.