Hospital-Acquired Condition (HAC) Reduction Program





What is the HAC Reduction Program?

- The HAC Reduction Program is a Medicare value-based purchasing program that reduces payments to hospitals based on their performance on measures of hospital-acquired conditions.
- The program supports the long-standing efforts of CMS to provide incentives for hospitals to improve health care quality in the hospital inpatient setting.



Which measures are included?



- Claims-based composite measure of patient safety:
- CMS PSI 90 (Patient Safety and Adverse Events Composite)



- Centers for Disease Control and Prevention National Healthcare Safety Network (CDC NHSN) healthcareassociated infections (HAIs) measures:
- CLABSI (Central Line-Associated Bloodstream Infection)
- CAUTI (Catheter-Associated Urinary Tract Infection)
- **SSI** (Colon and Abdominal Hysterectomy Surgical Site Infection)
- MRSA (Methicillin-resistant Staphylococcus aureus) bacteremia
- CDI (Clostridium difficile Infection)



How does the HAC Reduction Program affect my hospital's payments?

- CMS evaluates overall hospital performance using Total HAC Scores.
- Hospitals with a Total HAC Score in the worst-performing quartile (as in, above the 75th percentile) receive a
 1-percent payment reduction on their overall Medicare fee-for-service payments for a fiscal year's discharges.

How does CMS determine payment reductions?

Step 1:

Calculate measure results

Calculate an SIR for each HAI measure.

SIR = Observed HAI
Predicted HAI

Calculate the CMS PSI 90 composite value as the weighted average of 10 component PSI measures.

Sum product of each component PSI's smoothed rate multiplied by its component weight

Step 2:

Transform measure results into measure scores

Winsorize each

hospital's measure

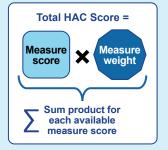


Calculate each measure score as the z-score of Winsorized results.^a

Step 3:

Calculate Total HAC Score

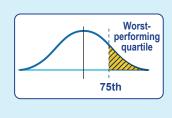
For each hospital, calculate the Total HAC score as the equally weighted average of the hospital's measure scores.



Step 4:

Determine worst performing quartile and payment reduction

Hospitals with a Total HAC Score greater than the 75th percentile are in the worst-performing quartile and subject to a 1% payment reduction.^b



For more information about measure score calculations, see the <u>HAC Reduction Program Scoring Methodology Infographic</u>.

- ^a A Winsorized z-score is equal to the difference between a hospital's Winsorized measure result and the mean of Winsorized measure results calculated across all subsection (d) hospitals, divided by the standard deviation of Winsorized measure results calculated across all subsection (d) hospitals. Negative Winsorized z-scores indicate better performance. Positive Winsorized z-scores indicate worse performance.
- b Maryland hospitals are exempt from payment reductions under the HAC Reduction Program because of an agreement between CMS and Maryland. These hospitals are not included in the 75th percentile distribution.

What changes did CMS make to the FY 2024 HAC Reduction Program?



In response to the COVID-19 public health emergency:

- CMS is excluding Calendar Year 2020 claims data from HAC Reduction Program calculations.
- CMS is excluding Calendar Year 2021 HAI data from HAC Reduction Program calculations.
- CMS finalized a technical update to the CMS PSI 90 measure to include a risk adjustment parameter for COVID-19 diagnoses present on admission.

For more information, please refer to the <u>HAC Reduction Program Frequently Asked Questions</u> on the QualityNet Website.



How can hospitals review their HAC Reduction Program results?

Hospitals can download their Hospital-Specific Report directly from the <u>Hospital Quality Reporting (HQR)</u> system at the beginning of the 30-day Scoring Calculations Review and Correction period.





For each hospital, CMS will post select information from the Fiscal Year 2024 HAC Reduction Program on a CMS-specified website (currently, data.cms.gov/providerdata) in early 2024.



CMS PSI 90 measure result and measure score



CDC NHSN HAI measure results and measure scores



Payment reduction indicator

Total HAC Score



Where can I go for more information about the HAC Reduction Program?

For more information visit the <u>QualityNet Website HAC Reduction Program page</u> or the <u>CMS HAC Reduction Program page</u>.

Submit questions about CMS' calculations, issues accessing Hospital-Specific Reports, discharge-level data, CMS PSI software, and methodology via the <u>QualityNet Question and Answer Tool</u>.