

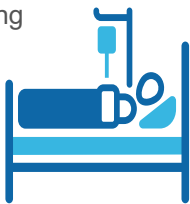
Hospital-Acquired Condition (HAC) Reduction Program

Fiscal Year 2027 Fact Sheet



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?

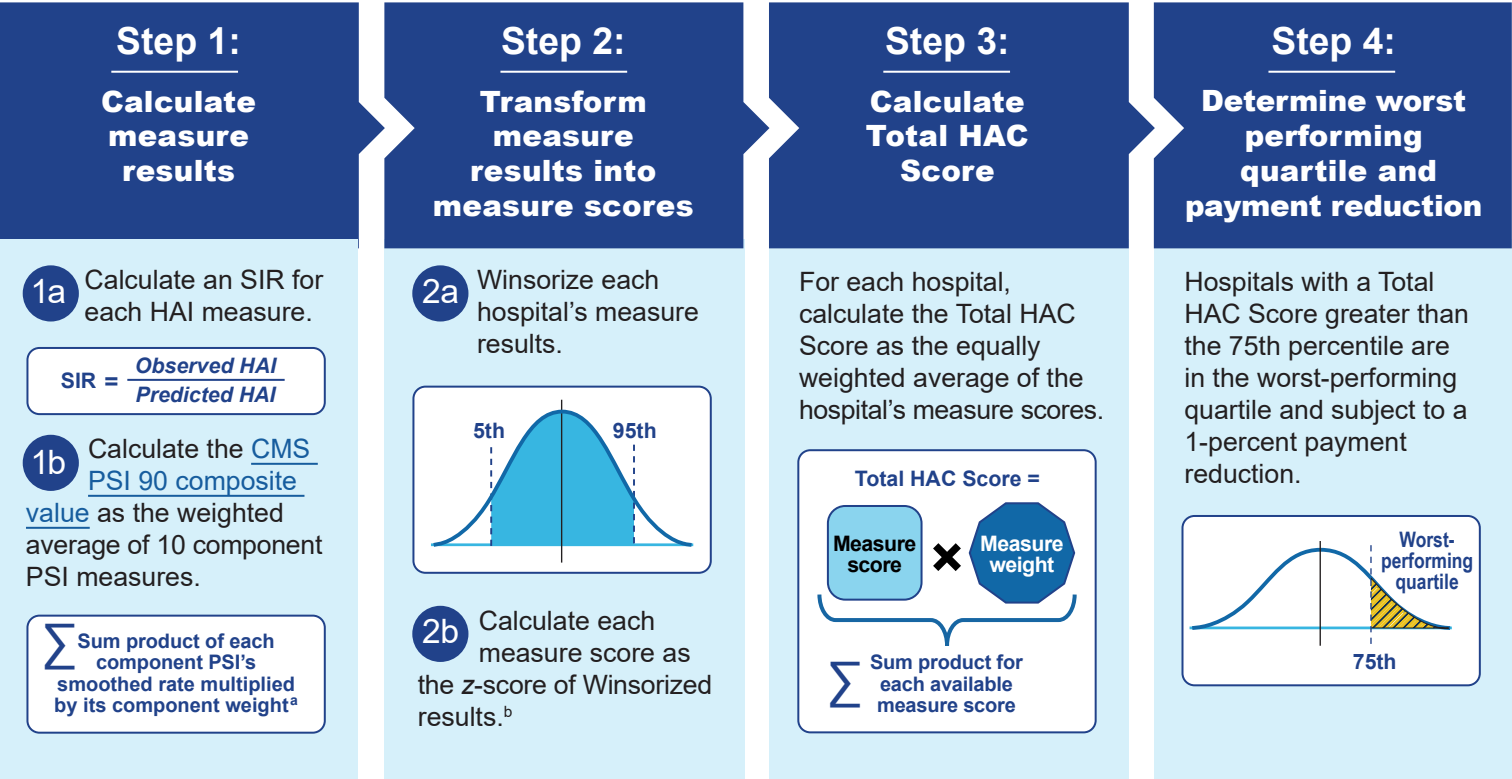
- 1** Claims-based composite measure of patient safety:
 - **CMS PSI 90** (CMS Patient Safety and Adverse Events Composite)
- 5** Centers for Disease Control and Prevention's National Healthcare Safety Network (CDC's NHSN) healthcare-associated infection (HAI) measures:
 - **CLABSI** (Central Line-Associated 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 hospitals' payments?

- CMS evaluates overall hospital performance using Total HAC Scores.
- Hospitals with a Total HAC Score in the worst-performing quartile (that is, above the 75th percentile) receive a 1-percent payment reduction on their overall Medicare fee-for-service payments for a fiscal year's discharges (that is, discharges from October 1 of the year before through September 30 of the program year).

How does CMS determine payment reductions?



Note: CMS includes Maryland hospitals in the measure results determination, measure score calculation, and Total HAC Score calculation (Steps 1-3), but CMS excludes these hospitals when determining the worst-performing quartile in Step 4.

^a The Patient Safety Indicator (PSI) component weight is the product of the component PSI measure's harm weight and volume weight and is assigned to each individual component PSI measure when calculating hospitals' CMS PSI 90 composite value.

^b 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.

For more information about measure score calculations, see the [HAC Reduction Program Scoring Methodology Infographic](#) on the QualityNet website.



What are the fiscal year 2027 HAC Reduction Program performance periods?

- The CMS PSI 90 performance period is July 1, 2023, to June 30, 2025.
- The CDC's NHSN HAI measures' performance period is January 1, 2024, to December 31, 2025.



What changes did CMS make to the fiscal year 2027 HAC Reduction Program?

- CMS made technical updates to the CMS PSI 90 measure, such as removing COVID-19 as a risk adjustment parameter. For more information on the technical updates, please refer to the [PSI Frequently Asked Questions](#) document on the QualityNet website.
- CMS updated the Extraordinary Circumstance Exception (ECE) policy to include extensions of time as a form of relief and modified the ECE request timeframe so that a hospital may request an ECE within 60 calendar days following the extraordinary circumstance.
- CMS expanded the targeting criteria to select hospitals for HAI validation to include any hospital which did not meet the HAI validation requirement and has an approved ECE for one or more quarters of the data validated.

For more information, please refer to the [HAC Reduction Program Frequently Asked Questions](#) document on the QualityNet website.



How can hospitals review their HAC Reduction Program results?

Hospitals can access their Hospital-Specific Report directly from the [Hospital Quality Reporting system](#) at the beginning of the 30-day Scoring Calculations Review and Correction period.

For more information on how to access your hospital's Hospital-Specific Report, please refer to the [HAC Reduction Program Frequently Asked Questions](#) document on the QualityNet website, or this [brief instructional video](#).



How does CMS publicly report HAC Reduction Program results?

For each hospital, CMS will post select information from the fiscal year 2027 HAC Reduction Program on the data catalog on [Data.cms.gov](#) in early 2027.



CMS PSI 90 measure result and measure score



CDC's NHSN HAI measure results and measure scores



Total HAC Score



Payment reduction indicator



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

For more information, visit the [HAC Reduction Program page](#) on the QualityNet website, or the [HAC Reduction Program Page](#) on the CMS website.

For additional questions about CMS' calculations, issues accessing Hospital-Specific Reports, discharge-level data, CMS PSI 90 software, and methodology, please submit inquiries via the [QualityNet Question and Answer Tool](#).