



National Provider Call: Hospital Value-Based Purchasing

FY 2013 Actual Percentage Payment Summary Report

Centers for Medicare & Medicaid Services

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Agenda

- **Hospital Value-Based Purchasing (VBP) Program Overview**
- **Fiscal Year (FY) 2013 Hospital VBP Program Timeline**
- **FY 2013 Percentage Payment Summary Report**
 - **Percentage Payment Summary**
 - **Clinical Process of Care Domain Summary**
 - **Patient Experience of Care Domain Summary**
- **Review and Corrections/Appeal Process**
- **Value-Based Incentive Payment**
- **Questions & Answers**

Introduction: Hospital VBP Program

- Required by the Affordable Care Act, which added Section 1886(o) to the Social Security Act
- Quality incentive program built on the Hospital Inpatient Quality Reporting (IQR) measure reporting infrastructure
- Next step in promoting higher quality care for Medicare; pays for care that rewards better value and patient outcomes, instead of just volume of services
- Funded by a 1% reduction from participating hospitals' base operating diagnosis-related group (DRG) payments for FY 2013, increasing to 2% by FY 2017
- Uses measures that have been specified under the Hospital IQR Program and results published on Hospital Compare for at least one year

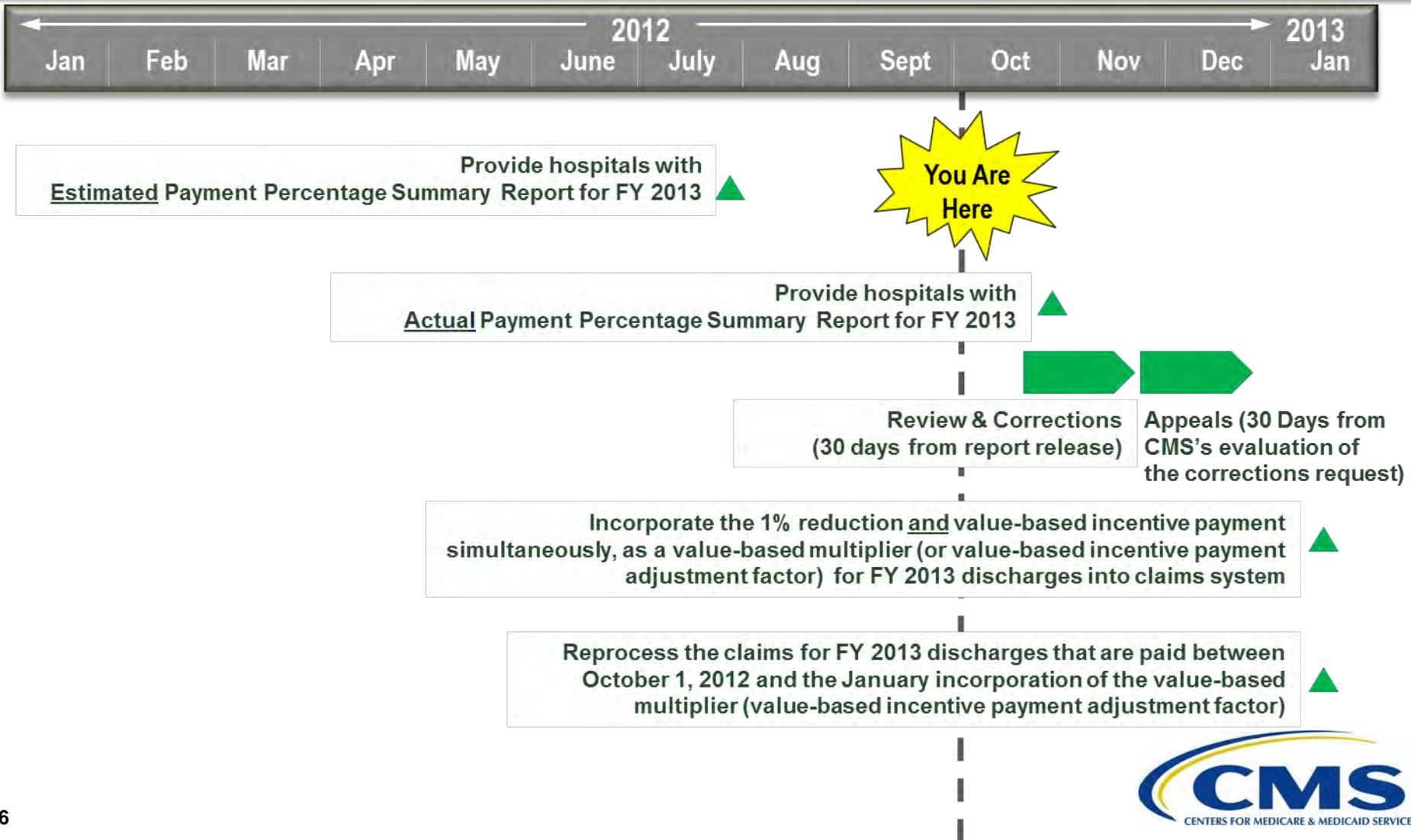
Who is Eligible for the Hospital VBP Program?

- **How is “hospital” defined for this program?**
 - The Hospital VBP Program applies to subsection (d) hospitals:
 - Statutory definition of subsection (d) hospital found in Section 1886(d)(1)(B) of the Social Security Act

Who is Excluded from the Hospital VBP Program?

- **Exclusions under Section 1886(o)(1)(C)(ii):**
 - Hospitals subject to payment reductions under Hospital IQR
 - Hospitals and hospital units excluded from the Inpatient Prospective Payment System (IPPS)
 - 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, measures, or surveys in the performance period for the applicable fiscal year
 - Hospitals that are paid under Section 1814 (b)(3) but have received an exemption from the Secretary of the Department of Health and Human Services (HHS)
 - For example: Maryland received a waiver for the FY 2013 Program Year through this process, but they must re-submit their exemption request annually
- **Hospitals excluded from the Hospital VBP Program will not be subject to the base operating DRG reduction for the applicable fiscal year**

FY 2013 Hospital VBP Program Timeline



Reports in Calendar Year 2012

Report	Purpose	Baseline and Performance Periods for Reports
Dry Run Report (Released late February 2012)	<ul style="list-style-type: none"> • Offered educational opportunity to understand and prepare for the future impact of Hospital VBP • Will not be updated for future years 	<ul style="list-style-type: none"> • April 1, 2008 – December 31, 2008 • April 1, 2010 – December 31, 2010
FY 2013 Estimated Payment Percentage Summary Report (Released July 2012)	<ul style="list-style-type: none"> • Shows a hospital's estimated value-based incentive payment percentage for FY 2013 • Used a different performance period than was published in the Hospital VBP Final Rule • Will not be updated for future years 	<ul style="list-style-type: none"> • July 1, 2009 – March 31, 2010 • April 1, 2011 – December 31, 2011
FY 2013 Actual Payment Percentage Summary Report (Scheduled release: October 2012)	<ul style="list-style-type: none"> • Shows a hospital's value-based incentive payment percentage for each FY 2013 patient discharge • Uses the same performance period published in the Hospital VBP Final Rule • Has true financial impact 	<ul style="list-style-type: none"> • July 1, 2009 – March 31, 2010 • July 1, 2011 – March 31, 2012

FY 2013 Actual Percentage Payment Summary Report

A hospital's FY 2013 Percentage Payment Summary Report is divided into three sections:

- **Percentage Payment Summary**
 - Total Performance Score
 - Clinical Process of Care domain score
 - Patient Experience of Care domain score
 - Value-based incentive payment percentage
- **Clinical Process of Care Domain Summary**
 - Details on the 12 Clinical Process of Care measures
- **Patient Experience of Care Domain Summary**
 - Details on the 8 Patient Experience of Care dimensions

FY 2013 Percentage Payment Summary

Report Run Date: 09/06/2012

Hospital Value Based Purchasing - Value Based Percentage Payment Summary Report

Actual Percentage Summary Report

Provider: 990801

Reporting Period: Fiscal Year 2013

Data as of¹: 08/29/2012

Baseline Time Period: 07/01/2009 - 03/31/2010

Performance Time Period: 07/01/2011 - 03/31/2012

Total Performance Score

Facility	State	National
71.00000000000000	59.112233445566	55.464544434241

Shows a facility's **Total Performance Score (TPS)**, the average TPS in its state, and the average TPS across the nation

Scores

Domain	HCAHPS Base Score	Consistency Score	Unweighted Domain Score	Weighting	Weighted Domain Score
Clinical Process of Care	NA	NA	74.00000000000000	70%	51.80000000000000
Patient Experience of Care	49	15	64.00000000000000	30%	19.20000000000000

Actual Value Based Percentage Payment Summary - Fiscal Year 2013

Base operating DRG payment amount reduction ²	Percent of base operating DRG payment amount earned back ³	Net change in base operating DRG payment amount ⁴	Value-based multiplier ⁵
1.00000000000000%	1.42000000000000%	+0.42000000000000%	1.00420000000000

Shows a hospital's **unweighted** and **weighted** scores for the Clinical Process of Care Domain and Patient Experience of Care Domain

Summarizes the change to a hospital's base operating DRG payments for FY 2013 based on that facility's TPS

Note: Facility TPS, State TPS, National TPS, Domain Scores, and Value-Based Percentage Payment Summary are simulated numbers provided for illustrative purposes only.



FY 2013 Clinical Process of Care Domain Summary (1 of 2)

Clinical Process of Care Measures	FY 2013 Baseline Period Totals			FY 2013 Performance Period Totals		
	Numerator	Denominator	Baseline Rate	Numerator	Denominator	Performance Rate
Acute Myocardial Infarction (AMI)	--	--	--	--	--	--
AMI-7a - Fibrinolytic Therapy Received Within 30 Minutes of Hospital Arrival						
AMI-8a - Primary PCI Received Within 90 Minutes of Hospital Arrival						57
Healthcare-Associated Infections (HAI)						
SCIP-Inf-1 - Prophylactic Antibiotic Received within One Hour of Surgical Incision						90
SCIP-Inf-2 - Prophylactic Antibiotic Selection for Surgical Patients	747	754	0.9907	732	735	0.9959
SCIP-Inf-3 - Prophylactic Antibiotics Discontinued Within 24 Hours After Surgery End Time	197	224	0.8795	248	257	0.9650
SCIP-Inf-4 - Cardiac Surgery Patients With Controlled 6 A.M. Postoperative Blood Glucose	103	105	0.9810	124	125	0.9920
Heart Failure (HF)	--	--	--	--	--	--
HF-1 - Discharge Instructions	38	38	1.0000	18	18	1.0000
Pneumonia (PN)	--	--	--	--	--	--
PN-3b - Blood Cultures Performed in the Emergency Department Prior to Initial Antibiotic Received in Hospital	16	18	0.8889	6	7	N/A
PN-6 - Initial Antibiotic Selection for CAP Immunocompetent Patient	73	76	0.9605	72	76	0.9474
Surgical Care Improvement Project (SCIP)	--	--	--	--	--	--
SCIP-Card-2 - Surgery Patients on Beta-Blocker Therapy Prior to Arrival Who Received a Beta-Blocker During the Perioperative Period	188	235	0.8000	311	315	0.9873
SCIP-VTE-1 - Surgery Patients with Recommended Venous Thromboembolism Prophylaxis Ordered	224	235	0.9532	222	229	0.9694
SCIP-VTE-2 - Surgery Patients Who Received Appropriate Venous Thromboembolism Prophylaxis Within 24 Hours Prior to Surgery to 24 Hours After Surgery	84	86	0.9767	297	300	0.9900

Shows a hospital's baseline and performance rates for FY 2013, as well as the numerators and denominators used to calculate these rates

FY 2013 Clinical Process of Care Domain Summary (2 of 2)

Clinical Process of Care Measures	HVBP Metrics					Condition/ Procedure Score
	Benchmark	Achievement Threshold	Improvement Points	Achievement Points	Measure Score	
Acute Myocardial Infarction (AMI)	--	--	--	--	--	6
AMI-7a - Fibrinolytic Therapy Received Within 30 Minutes of Hospital Arrival	0.9191	0.6548	N/A	N/A	N/A	--
AMI-8a - Primary PCI Received Within 90 Minutes of Hospital Arrival						
Healthcare-Associated Infections (HAI)						
SCIP-Inf-1 - Prophylactic Antibiotic Received within One Hour of Surgical Incision						
SCIP-Inf-2 - Prophylactic Antibiotic Selection for Surgical Patients						
SCIP-Inf-3 - Prophylactic Antibiotics Discontinued Within 24 Hours After Surgery End Time						
SCIP-Inf-4 - Cardiac Surgery Patients With Controlled 6 A.M. Postoperative Blood Glucose						
Heart Failure (HF)	--	--	--	--	--	10
HF-1 - Discharge Instructions	1.0000	0.9077	0	10	10	--
Pneumonia (PN)	--	--	--	--	--	3
PN-3b - Blood Cultures Performed in the Emergency Department Prior to Initial Antibiotic Received in Hospital	1.0000	0.9643	N/A	NA	N/A	--
PN-6 - Initial Antibiotic Selection for CAP Immunocompetent Patient	0.9958	0.9277	0	3	3	--
Surgical Care Improvement Project (SCIP)	--	--	--	--	--	21
SCIP-Card-2 - Surgery Patients on Beta-Blocker Therapy Prior to Arrival Who Received a Beta-Blocker During the Perioperative Period	1.0000	0.9399	9	8	9	--
SCIP-VTE-1 - Surgery Patients with Recommended Venous Thromboembolism Prophylaxis Ordered	1.0000	0.9500	3	4	4	--
SCIP-VTE-2 - Surgery Patients Who Received Appropriate Venous Thromboembolism Prophylaxis Within 24 Hours Prior to Surgery to 24 Hours After Surgery	0.9985	0.9307	6	8	8	--

Shows the benchmark and threshold for each measure, along with a hospital's achievement points, improvement points, and measure scores, which are based on the greater of achievement or improvement points. Displays the condition/procedure scores as well.

Eligible Clinical Process of Care Measures: 10 out of 12
 Unweighted Normalized Clinical Process of Care Domain Score: 74.000000000000
 Weighted Clinical Process of Care Domain Score¹: 51.800000000000



FY 2013 Clinical Process of Care Domain

Example: Acute Myocardial Infarction

Clinical Process of Care Measures	HVBP Metrics					
	Benchmark	Achievement Threshold	Improvement Points	Achievement Points	Measure Score	Condition/ Procedure Score
Acute Myocardial Infarction (AMI)	--	--	--	--	--	6
AMI-7a - Fibrinolytic Therapy Received Within 30 Minutes of Hospital Arrival	0.9191	0.6548	N/A	N/A	N/A	--
AMI-8a - Primary PCI Received Within 90 Minutes of Hospital Arrival	1.0000	0.9186	0	6	6	--

- **Acute Myocardial Infarction Procedure Score = 6**
 - **AMI-7a:** No points are awarded for that measure
 - **AMI-8a:** 6 points are awarded for that measure

FY 2013 Clinical Process of Care Domain

Example: AMI-8a

Clinical Process of Care Measures	FY 2013 Baseline Period Totals			FY 2013 Performance Period Totals		
	Numerator	Denominator	Baseline Rate	Numerator	Denominator	Performance Rate
Acute Myocardial Infarction (AMI)	--	--	--	--	--	--
AMI-8a - Primary PCI Received Within 90 Minutes of Hospital Arrival	26	26	1.0000	29	30	0.9667

Clinical Process of Care Measures	HVPB Metrics					
	Benchmark	Achievement Threshold	Improvement Points	Achievement Points	Measure Score	Condition/ Procedure Score
Acute Myocardial Infarction (AMI)	--	--	--	--	--	6
AMI-8a - Primary PCI Received Within 90 Minutes of Hospital Arrival	1.0000	0.9186	0	6	6	--

- Improvement Points: 0 points are awarded**
 since this hospital's Performance Rate (0.9667) is less than this hospital's Baseline Rate (1.0000).
 The points awarded are calculated using a formula defined in the Hospital VBP Final Rule.
- Achievement Points: 6 points are awarded**
 since this hospital's Performance Rate (0.9667) is more than the Achievement Threshold (0.9186).
 The points awarded are calculated using a formula defined in the Hospital VBP Final Rule.
- Measure Score: 6 points are awarded for AMI-8a**
 since this is the greater of improvement or achievement points.

FY 2013 Clinical Process of Care Domain

Example: AMI-7a

Clinical Process of Care Measures	FY 2013 Baseline Period Totals			FY 2013 Performance Period Totals		
	Numerator	Denominator	Baseline Rate	Numerator	Denominator	Performance Rate
Acute Myocardial Infarction (AMI)	--	--	--	--	--	--
AMI-7a - Fibrinolytic Therapy Received Within 30 Minutes of Hospital Arrival	2	2	N/A	N/A	N/A	N/A

Clinical Process of Care Measures	HVBP Metrics					
	Benchmark	Achievement Threshold	Improvement Points	Achievement Points	Measure Score	Condition/ Procedure Score
Acute Myocardial Infarction (AMI)	--	--	--	--	--	6
AMI-7a - Fibrinolytic Therapy Received Within 30 Minutes of Hospital Arrival	0.9191	0.6548	N/A	N/A	N/A	--

- **Improvement Points:** “N/A” is shown since this hospital has no Baseline Rate and Performance Rate. This hospital did not meet the minimum case requirements during the baseline period, and it did not submit data during the performance period.
- **Achievement Points:** “N/A” is shown since this hospital has no Performance Rate. The Numerator and Denominator used to calculate the performance rate is “N/A,” indicating that no data was submitted for this performance period.
- **Measure Score:** “N/A” is shown since this hospital was not awarded achievement or improvement points.
- **Condition/Procedure:** 6 points are awarded for Acute Myocardial Infarction since this is the sum of the measure scores for AMI-7 and AMI-8.

FY 2013 Clinical Process of Care Domain Summary Totals

Clinical Process of Care Measures	HVPB Metrics					
	Benchmark	Achievement Threshold	Improvement Points	Achievement Points	Measure Score	Condition/ Procedure Score
Acute Myocardial Infarction (AMI)	--	--	--	--	--	6
AMI-7a - Fibrinolytic Therapy Received Within 30 Minutes of Hospital Arrival	0.9191	0.6548	N/A	N/A	N/A	--
AMI-8a - Primary PCI Received Within 90 Minutes of Hospital Arrival	1.0000	0.9186	0	6	6	--
Healthcare-Associated Infections (HAI)	--	--	--	--	--	34
SCIP-Inf-1 - Prophylactic Antibiotic Received within One Hour of Surgical Incision	0.9998	0.9735	10	10	10	--
SCIP-Inf-2 - Prophylactic Antibiotic Selection for Surgical Patients	1.0000	0.9766	5	8	8	--
SCIP-Inf-3 - Prophylactic Antibiotics Discontinued Within 24 Hours After Surgery End Time	0.9968	0.9507	7	3	7	--
SCIP-Inf-4 - Cardiac Surgery Patients With Controlled 6 A.M. Postoperative Blood Glucose	0.9963	0.9428	7	9	9	--
Heart Failure (HF)	--	--	--	--	--	10
HF-1 - Discharge Instructions	1.0000	0.9077	0	10	10	--
Pneumonia (PN)	--	--	--	--	--	3
PN-3b - Blood Cultures Performed in the Emergency Department Prior to Initial Antibiotic Received in Hospital		0.9643	N/A	NA	N/A	--
PN-6 - Initial Antibiotic Selection		0.9277	0	3	3	--
Surgical Care		--	--	--	--	21
SCIP-Card Beta-Block		0.9399	9	8	9	--
SCIP-VTE-Ordered		0.9500	3	4	4	--
SCIP-VTE-2 - Surgery Patients Who Received Appropriate Venous Thromboembolism Prophylaxis Within 24 Hours Prior to Surgery to 24 Hours After Surgery	0.9985	0.9307	6	8	8	--

Shows the number of measures used to compute a hospital's Clinical Process of Care domain score, along with the **unweighted** and **weighted** Clinical Process of Care Domain scores

Eligible Clinical Process of Care Measures: 10 out of 12
 Unweighted Normalized Clinical Process of Care Domain Score: 74.000000000000
 Weighted Clinical Process of Care Domain Score¹: 51.800000000000



FY 2013 Patient Experience of Care Domain Summary (1 of 2)

Patient Experience of Care Dimensions	Baseline Rate	Performance Rate	Floor	Benchmark	Achievement Threshold	Improvement Points	Achievement Points	Dimension Score
Communication with Nurses	86.17%	83.53%	38.98%	84.70%	75.18%	0	8	8
Communication with Doctors	85.36%	85.05%					6	6
<i>Responsiveness of Hospital Staff²</i>	51.09%	54.62%					0	1
Pain Management	68.63%	75.55%					7	7
Communication about Medicines	65.16%	68.88%					8	8
Cleanliness and Quietness of Hospital Environment	65.78%	74.59%	36.88%	77.64%	62.80%	7	8	8
Discharge Information	87.88%	84.82%	50.47%	89.09%	81.93%	0	4	4
Overall Rating of Hospital	74.77%	78.56%	29.32%	82.52%	66.02%	4	7	7

Shows details of the eight Patient Experience of Care dimensions along with a hospital's dimension scores, which are based on the greater of improvement or achievement points

HCAHPS Base Score: 49
HCAHPS Consistency Score: 15
Unweighted Patient Experience of Care Domain Score: 64.000000000000

Weighted Patient Experience of Care Domain Score¹: 19.2000000000000

Performance Period HCAHPS Surveys Completed: 810

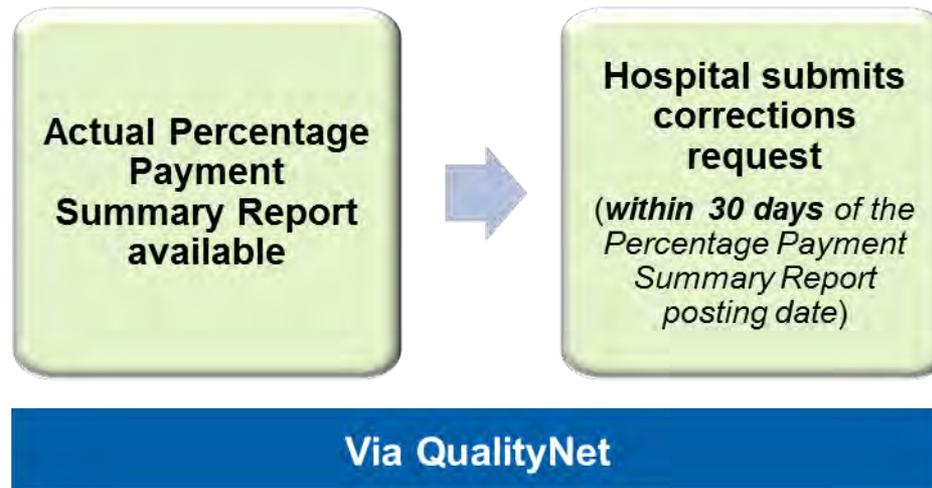
FY 2013 Patient Experience of Care Domain Summary Totals

Patient Experience of Care Dimensions	Baseline Rate	Performance Rate	Floor	Benchmark	Achievement Threshold	Improvement Points	Achievement Points	Dimension Score
Communication with Nurses	86.17%	83.53%	38.98%	84.70%	75.18%	0	8	8
Communication with Doctors	85.36%	85.05%	51.51%	88.95%	79.42%	0	6	6
<i>Responsiveness of Hospital Staff²</i>	51.09%	54.62%	30.25%	77.69%	61.82%	1	0	1
Pain Management	68.63%	75.55%	34.76%	77.90%	68.75%	7	7	7
Communication about Medicines	65.16%	68.88%	29.27%	70.42%	59.28%	7	8	8
Cleanliness and Quietness of Hospital Environment	65.78%	74.59%	36.88%	77.64%	62.80%	7	8	8
Discharge Information	87.88%	84.82%	50.47%	89.09%	81.93%	0	4	4
Overall Rating of Hospital	74.77%	78.56%	29.32%	82.52%	66.02%	4	7	7

HCAHPS Base Score:	49
HCAHPS Consistency Score:	15
Unweighted Patient Experience of Care Domain Score:	64.000000000000
Weighted Patient Experience of Care Domain Score ¹ :	19.200000000000
Performance Period HCAHPS Surveys Completed:	810

Shows a hospital's base score and consistency score used to calculate the **unweighted** and **weighted** Patient Experience of domain score, along with the total completed HCAHPS surveys for the performance period

Review & Corrections Process: Condition-Specific, Domain-Specific, and Total Performance Score



- **Review and Corrections Process:**

- Designed to allow corrections to condition-specific, domain-specific, and total performance scores that will be made available on the Hospital Compare website
- A prerequisite to pursuing any appeal

Required Review and Corrections Request Information

- Date of Review and Corrections Request
- Hospital's CMS Certification Number (CCN)
- Hospital name
- CEO and QualityNet System Administrator contact information, including:
 - Name
 - Email address
 - Telephone number
 - Physical mailing address
- Corrections Type (e.g., condition-specific, domain-specific, TPS)
- Reason(s) for correction
- Supporting document attachments, as necessary

**Hospital Value-Based Purchasing Program (VBP)
Review and Corrections Request Form**

Hospitals may review and request recalculation of their hospital's performance scores on each condition, domain, and Total Performance Score (TPS) within 30 calendar days of the posting date of the Value-Based Percentage Payment Summary Report on QualityNet (the date this Report is posted to QualityNet = Day 1). Fields marked with an asterisk (*) are required.

Submit the completed form via My QualityNet and upload to the HVPB Feedback Global Exchange Group.

Note: Hospitals can only request an appeal after first requesting a review and corrections of their performance scores. Hospitals that do not submit this formal request within 30 days of report posting on My QualityNet will waive eligibility to submit CMS Hospital VBP appeals request(s) for the applicable fiscal year (77 FR 53580-53581).

Date:
*Date of Review and Corrections Request (MMDD/YYYY): _____

Hospital Contact Information:
*CMS Certification Number (CCN): _____
*Hospital Name: _____

Hospital CEO Contact Information:
*CEO Last Name: _____
*CEO First Name: _____
*CEO E-Mail Address: _____
*CEO Address Line 1: _____
(Must include physical street address): _____
CEO Address Line 2: _____
*CEO City: _____
*CEO State: _____ *CEO Zip Code: _____
*CEO Telephone Number: _____ ext. _____

Appeals Process



- **Appeals Process:**

- Allows hospitals to seek corrections for errors that may have been introduced during the TPS calculations that may affect a hospital's payment
- Extends to hospitals' Total Performance Score and its performance assessment with respect to performance standards, not directly to incentive payments
- Requires that hospitals must first submit a corrections request prior to submitting an appeal

Basis for Appeals

If CMS denies a hospital's corrections request under the review and corrections process, a hospital may appeal based on the following nine scenarios:

1. Whether the achievement / improvement points were calculated correctly
2. Whether CMS properly used the higher of achievement / improvement for each measure / dimension score
3. Whether CMS correctly calculated the domain scores, including the normalization calculation for the Clinical domain
4. Whether CMS used the proper lowest dimension score for calculations of the Patient Experience of Care consistency points
5. Whether CMS calculated the Patient Experience of Care consistency points correctly
6. Whether the correct domain scores were used to calculate the TPS
7. Whether each domain was weighted properly
8. Whether the weighted domain scores were properly summed to arrive at the TPS
9. Whether a hospital's open / closed status (including mergers and acquisitions) is properly specified in CMS's systems

Required Appeal Request Information

- Date of Appeal Request
- Date of Review and Corrections Request
- Date of Review and Corrections decision from CMS
- Hospital's CMS Certification Number (CCN)
- Hospital name
- CEO and QualityNet System Administrator contact information, including:
 - Name
 - Email address
 - Telephone number
 - Physical mailing address
- Basis for requesting an appeal
- Reason(s) for an appeal
- Supporting document attachments, as necessary

**Hospital Value-Based Purchasing Program (VBP)
Appeal Request Form**

Hospitals may appeal the calculation of their performance assessment with respect to the performance standards, as well as their Total Performance Score (TPS). Hospitals may submit an appeal within 30 calendar days of receipt of CMS' review and corrections decision. Fields marked with an asterisk (*) are required. Submit the completed form via My QualityNet and upload to the HVBP Feedback Global Exchange Group.

Note: Hospitals must receive an adverse determination from CMS of their review and corrections calculation request prior to requesting an appeal (77 FR 53581-53582).

Dates:

*Date of Appeal Request (MM/DD/YYYY): _____

*Date of Review and Corrections Request (MM/DD/YYYY): _____

*Date of Review and Corrections Decision from CMS (MM/DD/YYYY): _____

Hospital Contact Information:

*CMS Certification Number (CCN): _____

*Hospital Name: _____

Hospital CEO Contact Information:

*CEO Last Name: _____

*CEO First Name: _____

*CEO E-Mail Address: _____

*CEO Address Line 1: _____

(Must include physical street address): _____

CEO Address Line 2: _____

*CEO City: _____

*CEO State: _____ *CEO Zip Code: _____

Review and Corrections Request/ Appeal Request Forms

- **Where to find the “Review and Corrections Request” and “Appeal Request” forms:**

- On the QualityNet website: www.qualitynet.org select the “Hospital – Inpatient” box at the top of the page and choose the Hospital Value-Based Purchasing (VBP) link. From the Hospital VBP page, select Fiscal Year 2013 and then choose Review and Corrections/Appeals.

OR

- Enter the URL:
<https://www.qualitynet.org/dcs/ContentServer?c=Page&pagename=QnetPublic%2FPage%2FQnetTier4&cid=1228772479558>

- **Where to submit completed forms:**

- Submit the completed form via *My QualityNet* and upload to the Hospital VBP Feedback Global Exchange Group

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Hospital Value-Based Purchasing Program
Review and Corrections Request Form

Hospitals may review and request resolution of their hospital's performance scores on each condition, corner, and Total Performance Score (TPS) within 30 calendar days of the posting date of the Value-Based Purchasing (VBP) Payment Summary Report on QualityNet. The date the Report is posted is QualityNet-Only 1. All items on the Review and Corrections Request Form must be completed before submitting. Submit the completed form via My QualityNet and upload to the VBP Feedback Global Exchange Group.

Note: Hospitals can only request an appeal after first requesting a review and correction of their performance scores. Hospitals that do not submit this formal request within 30 days of report posting on My QualityNet will lose eligibility to submit CMS Hospital VBP appeals requests for the applicable fiscal year (XX FY XXXX).

Date: _____

Date of Review and Correction Request (MM/DD/YYYY): _____

Hospital Contact Information:
CMS Certification Number: _____
Hospital: _____

Hospital CEO contact information:
*CEO Last Name: _____
*CEO First Name: _____
*CEO E-Mail Address: _____
*CEO Address Line 1: _____
*CEO Address Line 2: _____
*CEO City: _____ *CEO Zip Code: _____
*CEO State: _____ *CEO Telephone Number: _____ ext. _____

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Hospital Value-Based Purchasing Program
Appeal Request Form

Hospitals may appeal the calculation of their performance assessment with respect to the performance standards, as well as the Total Performance Score (TPS). Hospitals have 30 calendar days after the 30th day of the review and correction period to submit an appeal. Completed appeal request forms must be submitted via My QualityNet and uploaded to the VBP Feedback Global Exchange Group.

Note: Hospitals must receive an adverse determination from CMS of their review and correction calculation request prior to requesting an appeal (XX FY XXXX).

* Indicates required field

Date: _____

* Date of Appeal Request (MM/DD/YYYY): _____

* Date of Review and Correction Request (MM/DD/YYYY): _____

Hospital Contact Information:
*CMS Certification Number (CCN): _____

Hospital CEO contact information:
*CEO Last Name: _____
*CEO First Name: _____
*CEO E-Mail Address: _____
*CEO Address Line 1: _____
*CEO Address Line 2: _____
*CEO City: _____ *CEO Zip Code: _____
*CEO State: _____ *CEO Telephone Number: _____ ext. _____

Performance Information Posting on the Hospital Compare Website

- **Hospitals' performance information will be posted, including:**
 - Measure rates
 - Condition-specific scores
 - Domain-specific scores
 - Total Performance Scores (TPS)
- **CMS anticipates posting hospital performance information on the Hospital Compare website in April 2013**
- **Incentive adjustment postings on Hospital Compare will be addressed in future rulemaking**

How is the Total Performance Score Converted to a Value-Based Multiplier (or Value-Based Incentive Payment Adjustment Factor)?

These six steps are used to convert a Hospital's Total Performance Score (TPS) into a value-based multiplier:

1. Estimate each hospital's total annual base operating DRG payment amount using Medicare inpatient claims data
2. Calculate the total annual estimated base operating DRG payment amount reduction across all eligible hospitals
3. Calculate the linear exchange function slope
4. Calculate each hospital's value-based incentive payment percentage (also known as percent of base operating DRG earned back)
5. Compute the net percentage change in the hospital's base operating DRG payment amount for each Medicare discharge
6. Compute the value-based multiplier (also known as the value-based incentive payment adjustment factor)

TPS to Value-Based Multiplier: Step 1

1. Estimate each hospital's total annual base operating DRG payment amount using Medicare inpatient claims data

- This amount is estimated using the Medicare Provider Analysis and Review (MedPAR) file for the first two steps of the value-based multiplier calculation
- An inflation factor is added to express the amount in FY 2013 dollars

TPS to Value-Based Multiplier: Step 2

2. Calculate the total annual estimated base operating DRG payment reduction amount across all eligible hospitals

- Statute requires that the total amount available for value-based incentive payments to all hospitals must be equal to the amount of the base-operating DRG payment reduction, as estimated by the HHS Secretary
- This amount is estimated by:
 - a. Multiplying each hospital's total annual base operating DRG payment amount from Step #1 by the applicable percent reduction (1.0 percent for FY 2013), then
 - b. Summing that 1.0 percent of base operating DRG payment amounts across all hospitals to determine the total annual base operating DRG payment amount reduction

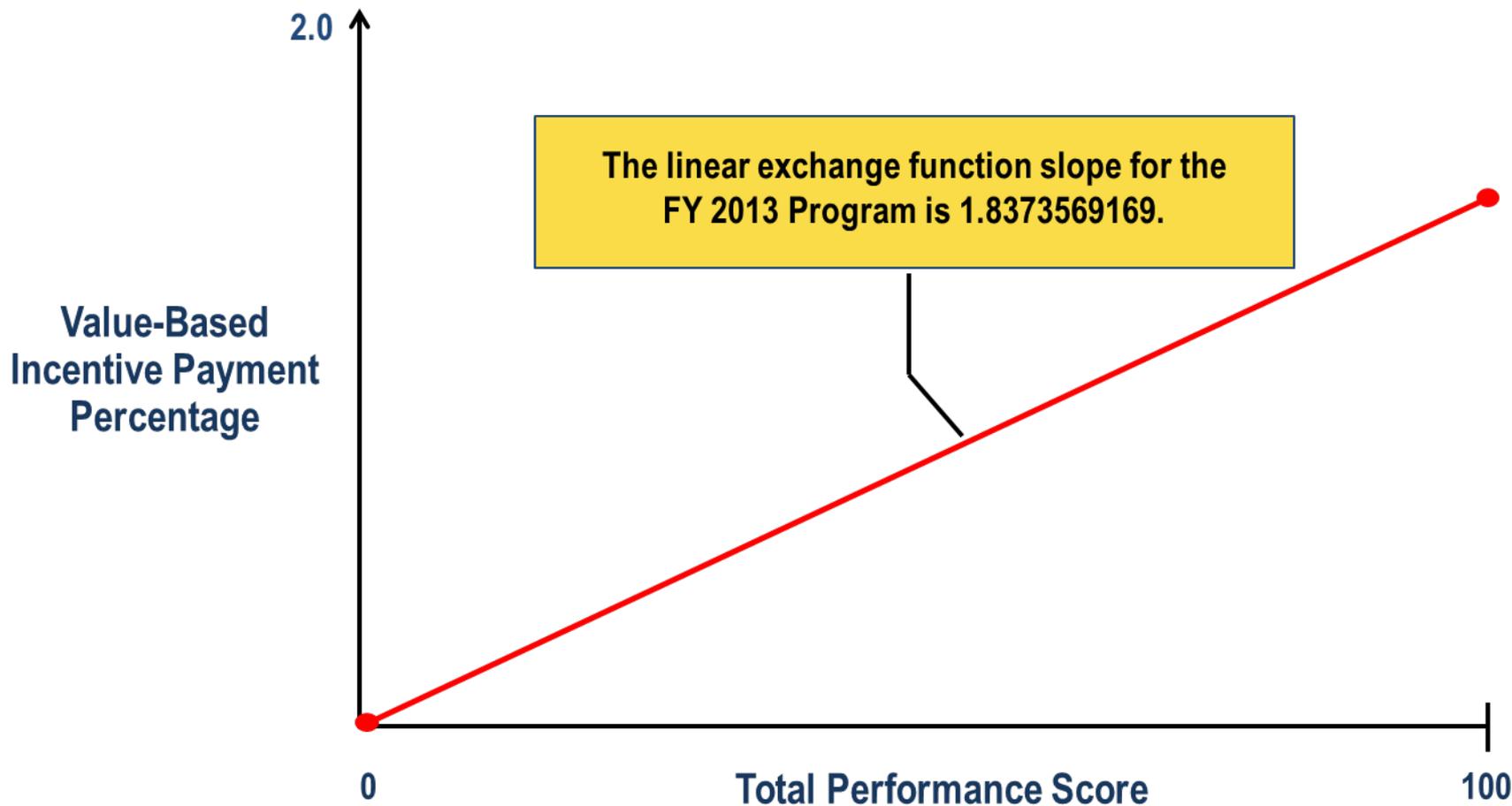
TPS to Value-Based Multiplier: Step 3

3. Calculate the linear exchange function slope

- Statute requires that value-based incentive payments be based on hospitals' Total Performance Scores (TPS)
- CMS will use a linear exchange function to distribute the available amount of value-based incentive payments to hospitals, based on hospitals' Total Performance Scores
- Steps to calculate the linear exchange function slope:
 - 3a.** Convert the Total Performance Score into a ratio by dividing by 100
 - 3b.** Multiply each hospital's estimated total base operating DRG amount reduction (step 2a) by the hospital's Total Performance Score expressed as a decimal from step 3a
 - 3c.** Sum the result of Step 3b across all hospitals
 - 3d.** Divide the Total Annual Estimated Base Operating DRG Payment Amount Reduction (Step 2b) by the result of Step 3c

TPS to Value-Based Multiplier: Step 3

FY 2013 Program Linear Exchange Function Slope



TPS to Value-Based Multiplier: Step 4

4. Calculate each hospital's Value-Based Incentive Payment Percentage

- Defined as the percentage of the base operating DRG payment amount for each Medicare discharge that a hospital has earned, with respect to a fiscal year, based on its total performance score (TPS) for that fiscal year
- Hospital's Value-Based Incentive Payment Percentage formula:

$$= \text{Applicable \% Reduction} \times \left(\frac{TPS}{100} \right) \times \text{linear exchange function slope}$$

- Value-Based Incentive Payment Percentage can be multiplied by the base operating DRG payment amount to calculate the Value-Based Incentive Payment Amount
- The sum of all Value-Based Incentive Payment Amounts across all hospitals is equal, by statute, to the total amount available for value-based incentive payments to all hospitals (or the total amount of base operating DRG payment amount reductions across all hospitals in that fiscal year), as estimated by the HHS Secretary

TPS to Value-Based Multiplier: Step 5

5. Compute the Net Percentage Change in the hospital's base operating DRG payment amount for each Medicare discharge

- Calculated as an interim step, in order to calculate the value-based multiplier (value-based incentive payment adjustment factor)

- The Net Percentage Change formula:

$$= \text{Hospital's Value-Based Incentive Payment \%} \\ - \text{Applicable \% Payment Reduction}$$

TPS to Value-Based Multiplier: Step 6

6. Compute the Value-Based Multiplier

- The number that CMS would multiply by the base operating DRG payment amount for each Medicare discharge in the fiscal year
- Represents the total effect of the applicable percent reduction and the value-based incentive payment percentage on the base operating DRG payment amount
- May be greater than, equal to, or less than 1
- Value-Based Multiplier formula:
$$= 1 + \textit{Net \% Change in Base Operating DRG Payment Amount}$$

Example: Value-Based Multiplier Calculation

Report Run Date: 09/06/2012

Hospital Value Based Purchasing - Value Based Percentage Payment Summary Report Actual Percentage Summary Report Provider: 990801 Reporting Period: Fiscal Year 2013

Data as of¹: 08/29/2012

Baseline Time Period: 07/01/2009 - 03/31/2010

Performance Time Period: 07/01/2011 - 03/31/2012

Total Performance Score

Facility	State	National
71.0000000000000	59.112233445566	55.464544434241

Scores

Domain	HCAHPS Base Score	Consistency Score	Unweighted Domain Score	Weighting	Weighted Domain Score
Clinical Process of Care	NA	NA	74.0000000000000	70%	51.8000000000000
Patient Experience of Care	49	15	64.0000000000000	30%	19.2000000000000

Actual Value Based Percentage
Payment Summary - Fiscal Year 2013

Base operating DRG payment amount reduction ²	Percent of base operating DRG payment amount earned back ³	Net change in base operating DRG payment amount ⁴	Value-based multiplier ⁵
1.000000000000%	1.420000000000%	+0.420000000000%	1.004200000000

Facility Total Performance Score Converted to a Value-Based Multiplier Example

Note: Facility TPS, State TPS, National TPS, Domain Scores, and Value-Based Percentage Payment Summary are simulated numbers provided for illustrative purposes only.



Example: Value-Based Multiplier Calculation

Step 1

Step 1. Estimate each hospital's total annual base operating DRG payment amount

Add Estimated Base Operating DRG Payment Amount
for Each Medicare Discharge in the Fiscal Year
(calculated using the most recently available MedPAR files)

Example Result

Hospital's estimated total annual base operating DRG
payment amount = \$1,000,000 *(for example)*

Example: Value-Based Multiplier Calculation

Step 2

Step 2. Calculate the total annual estimated base operating DRG payment amount reduction across all eligible hospitals

2a. Example Hospital Base Operating DRG Payment Amount × Applicable Percent Reduction for Program Year

$$\text{\$1,000,000} \times 1.0\% \text{ (for FY13)} = \text{\$10,000}$$

2b. Sum across all hospitals: Sum [Base Operating DRG Payment Amount × 1.0% (for FY13)]

Example Result

**Hospital's Estimated FY13 Base Operating DRG
Payment Amount Reduction = \$10,000**

**Total Annual Estimated Base Operating DRG
Payment Amount Reduction Across All Hospitals
= \$1 billion**

(Assumed given in example)



Example: Value-Based Multiplier Calculation

Step 3

Step 3. Calculate the Linear Exchange Function Slope

$$\text{Linear Exchange Function Slope} = \frac{\sum_i \text{DRG payment amount reduction}_i}{\sum_i \left(\text{DRG payment amount reduction}_i \times \frac{\text{TPS}_i}{100} \right)}$$
$$\frac{\$1 \text{ billion (amount given in a previous slide)}}{\$500 \text{ million (amount assumed for this example)}} = 2$$

Example Result

Linear Exchange Function Slope = 2.0

Example: Value-Based Multiplier Calculation

Step 4

Step 4. Calculate each hospital's Value-Based Incentive Payment Percentage

Applicable Percent Reduction for Program Year \times Hospital's TPS/100 \times Linear Exchange Function Slope

$$0.01 \text{ (for FY13)} \times 71/100 \text{ (for this example hospital)} \times 2.0 = 0.0142, \text{ or } 1.42\%$$

Note: This hospital's TPS = 71. TPS is expressed as a decimal (71/100 = 0.71).

Result for This Example Hospital:

**0.0142 or 1.42% Value-based Incentive
Payment Percentage**

Example: Value-Based Multiplier Calculation

Step 5

Step 5. Compute the net percentage change in the hospital's base operating DRG payment amount for each discharge

Hospital's Value-based Incentive Payment Percentage –
Applicable Percent Payment Reduction

$$1.42\% - 1.00\% = 0.42\%$$

Result for this Example Hospital:

0.42% Net Change in Base Operating DRG Payment Amount

OR

0.42% × \$1,000,000 = \$4,200 FY13 Estimated Net Change

Example: Value-Based Multiplier Calculation

Step 6

Step 6. Compute the hospital's Value-Based Multiplier

1.0 + Net Percentage Change in Base Operating DRG Payment Amount

$$1.0 + 0.42/100 = 1.0042$$

Result for this Example Hospital:

1.0042 FY13 Estimated Value-Based Multiplier

Example: Value-Based Multiplier Calculation Summary

Example Summary

Value-Based Multiplier	Result
<p>The hospital's FY 2013 base operating DRG payment amount for each discharge will be multiplied by 1.0042 under the Hospital VBP Program. This is a 0.42% increase.</p>	<p>This hospital's estimated annual base operating DRG payment amount of \$1,000,000 would be increased to \$1,004,200—an estimated \$4,200 total increase for the fiscal year. The actual payment in the fiscal year will depend on the hospital's discharges during the fiscal year.</p>

Base Operating DRG Payment Reduction and Value-Based Incentive Payment Adjustment

FY 2013



▲ Provide hospitals with Actual Payment Percentage Summary Report for FY 2013

- ▲ Incorporate the 1% reduction and value-based incentive payment simultaneously, as a value-based multiplier (or value-based incentive payment adjustment factor) for FY 2013 discharges into claims system
- ▲ Reprocess the claims for FY 2013 discharges that are paid between October 1, 2012 and the January incorporation of the value-based multiplier (value-based incentive payment adjustment factor)

Apply the value-based multiplier (value-based incentive payment adjustment factor) on a claim-by-claim basis for FY 2013 discharges going forward



Future Years



- ▲ Incorporate the value-based multiplier (value-based incentive payment adjustment factor) into the claims system at the beginning of each fiscal year, in October



Where to Find Answers to Questions

- **Technical questions or issues related to accessing the report**
 - Contact the QualityNet Help Desk at the following email address: qnetsupport@sdps.org or call (866) 288-8912
- **More information on your FY 2013 Percentage Payment Summary Report**
 - See the “How to Read Your Report” guide and fact sheet located on the Hospital VBP section of the QualityNet website: <http://www.qualitynet.org> by selecting the “Hospital – Inpatient” box at the top of the page and choosing the Hospital Value-Based Purchasing (VBP) link
- **Frequently Asked Questions (FAQs) related to Hospital VBP**
 - Find FAQs using the Hospital-Inpatient Questions and Answers tool available on the QualityNet website: <http://www.qualitynet.org> by selecting the Hospitals – Inpatient link in the Questions & Answers box on the right-hand column
- **Ask questions related to Hospital VBP**
 - Submit questions using the Hospital-Inpatient Questions and Answers tool available on the QualityNet website: <http://www.qualitynet.org> by selecting the Hospitals – Inpatient link in the Questions & Answers box on the right-hand column

Questions about the FY 2013 Actual Payment Percentage Summary Report?

- www.cms.gov/Hospital-Value-Based-Purchasing

The post-call materials for this call will be posted at <http://www.cms.gov/Outreach-and-Education/Outreach/NPC/National-Provider-Calls-and-Events.html>, in the “Downloads” section.

The post-call materials will be accessible for downloading within three weeks of the call.

Evaluate Your Experience with Today's National Provider Call

- To ensure that the National Provider Call (NPC) Program continues to be responsive to your needs, we are providing an opportunity for you to evaluate your experience with today's NPC. Evaluations are anonymous and strictly voluntary.
- To complete the evaluation, visit <http://npc.blhtech.com/> and select the title for today's call from the menu.
- All registrants will also receive a reminder email within two business days of the call. Please disregard this email if you have already completed the evaluation.
- We appreciate your feedback!

