

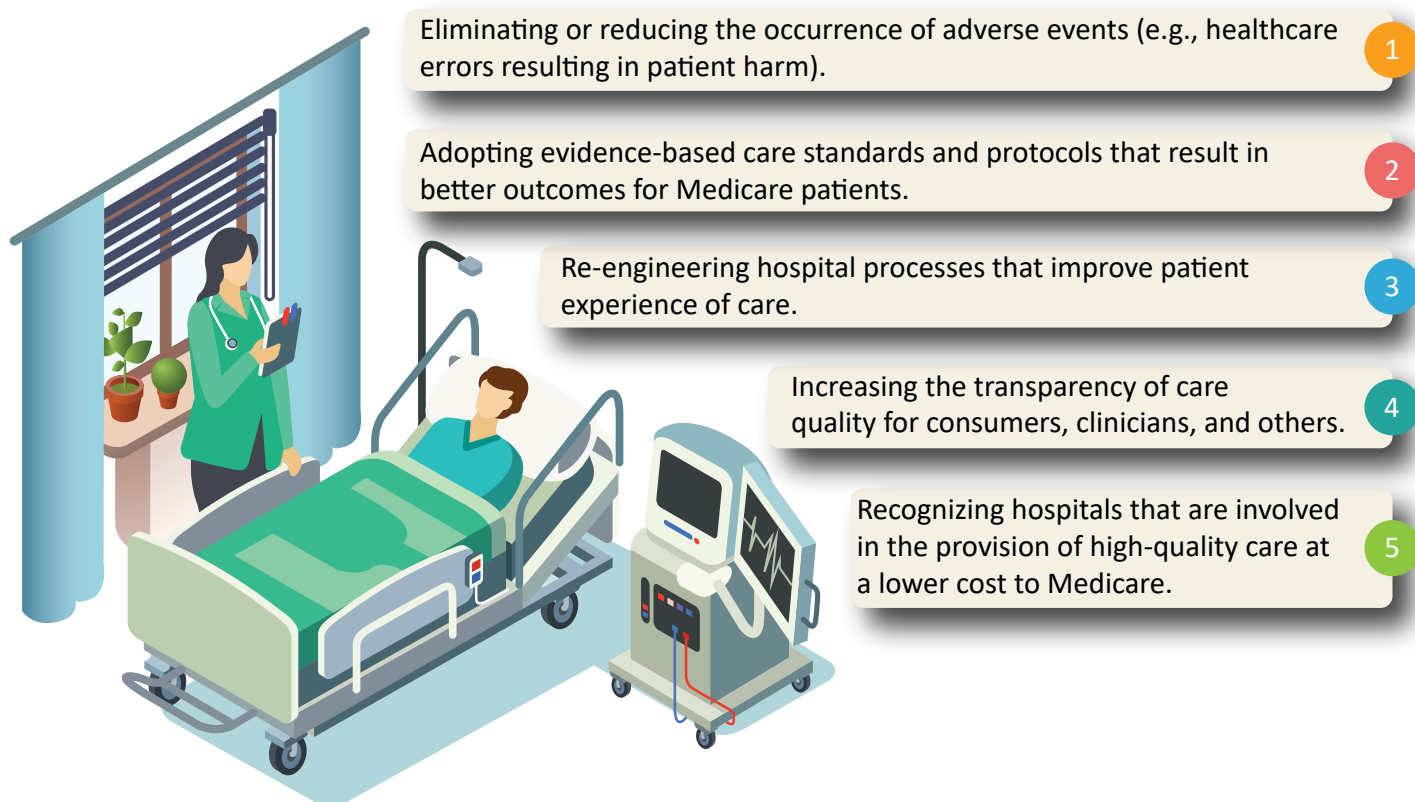
# Program Summary

## Understanding the Fiscal Year 2020 Hospital Value-Based Purchasing Program

### Overview

This program summary highlights the major elements of the fiscal year (FY) 2020 Hospital Value-Based Purchasing (VBP) Program administered by the Centers for Medicare & Medicaid Services (CMS).

The Hospital VBP Program is designed to improve the quality, efficiency, and safety of care that Medicare beneficiaries receive during acute care inpatient stays as well as improve their experience of care during hospital stays by:



### Hospital VBP Program Background

Section 1886(o) of the Social Security Act sets forth the Hospital VBP Program requirements, affecting Medicare fee-for-service payment for inpatient stays at approximately 3,000 hospitals across the country. This program is part of CMS' larger quality strategy to reform how health care is delivered and paid for by rewarding hospitals with incentive payments for the quality of care provided in the inpatient hospital setting.

# Program Summary

## Understanding the Fiscal Year 2020 Hospital Value-Based Purchasing Program

In the Hospital VBP Program, CMS rewards hospitals based on the **quality** of care provided to Medicare patients, not just **quantity** of services provided. Under the Hospital VBP Program, Medicare makes incentive payments to hospitals based on one of the following:

- **Achievement:** How well they perform on each measure compared to other hospitals' performance during a baseline period
- **Improvement:** How much they improve their performance on each measure compared to their performance during a baseline period

### Funding

CMS funds the Hospital VBP Program incentive payments by reducing the base operating Medicare Severity diagnosis-related group (MS-DRG) payment amounts that determine the Medicare payment for each hospital inpatient discharge by 2 percent. The withheld amounts are then redistributed back to hospitals based on their performance under the Hospital VBP Program. CMS estimates \$1.9 billion is available for the FY 2020 value-based incentive payments.

### Payments

Hospital VBP Program payment adjustments are applied to the base operating MS-DRG payment amount for each discharge occurring in the applicable fiscal year on a per claim basis. For example, the FY 2020 Hospital VBP Program adjusts payments for discharges in FY 2020 (October 1, 2019–September 30, 2020). Based on a hospital's Total Performance Score (TPS) in comparison to the TPSs from the other hospitals and estimated funds available, CMS redistributes the available funding. The result of the redistribution could be a net increase in payments (i.e., a hospital gets back its 2 percent reduction, plus additional incentive payments), a net reduction in payments (i.e., a hospital receives incentive payments that are less than the 2 percent reduction, or further reduced), or no change in payments (i.e., a hospital receives incentive payments that are equal to the 2 percent reduction).

### Purpose of the PPSR

The PPSR provides hospitals participating in the Hospital VBP Program with the opportunity to review their TPS and value-based incentive payment adjustment factor that will be applied in FY 2020.

### Performance Measurement

CMS bases hospital performance on an approved set of measures and dimensions grouped into specific quality domains. Domains are assigned weights (percentages) of the TPS.

# Program Summary

## Understanding the Fiscal Year 2020 Hospital Value-Based Purchasing Program

### Domains

A hospital's performance in the FY 2020 Hospital VBP Program is based on its performance in four quality domains: Clinical Outcomes, Person and Community Engagement, Safety, and Efficiency and Cost Reduction.





1. The **Clinical Outcomes Domain** is comprised of three mortality measures and one surgical complication measure that are weighted together at 25 percent of the TPS.
2. The **Person and Community Engagement Domain** is comprised of eight dimensions of the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS®) patient experience survey that are weighted together at 25 percent of the TPS.
3. The **Safety Domain** is comprised of five healthcare-associated infection (HAI) measures and one perinatal care measure that are weighted together at 25 percent of the TPS.
4. The **Efficiency and Cost Reduction Domain** is comprised of one Medicare spending measure that is weighted at 25 percent of the TPS.

CMS determined that a hospital may still receive a TPS if at least three of the four domains received scores. When a hospital receives scores in at least three but fewer than four domains, the TPS will be re-weighted proportionately to the scored domains. The TPS will be scored out of a possible 100 points and the relative weights for the scored domains will remain equivalent.

# Program Summary

## Understanding the Fiscal Year 2020 Hospital Value-Based Purchasing Program

### Measures





| Domain  | Measure ID    | Measure Name   |
|---|---------------|--|
| <br><b>Clinical Outcomes</b>               | MORT-30-AMI   | Acute Myocardial Infarction (AMI) 30-Day Mortality Rate  |
|   | MORT-30-HF    | Heart Failure (HF) 30-Day Mortality Rate   |
|   | MORT-30-PN    | Pneumonia (PN) 30-Day Mortality Rate   |
|   | COMP-HIP-KNEE | Elective Total Hip Arthroplasty (THA) and/or Total Knee Arthroplasty (TKA) Complication Rate                                       |
| <br><b>Person and Community Engagement</b> | HCAHPS        | Communication with Nurses  |
|   | HCAHPS        | Communication with Doctors   |
|   | HCAHPS        | Responsiveness of Hospital Staff   |
|   | HCAHPS        | Communication about Medicines  |
|   | HCAHPS        | Cleanliness and Quietness of Hospital Environment  |
|   | HCAHPS        | Discharge Information  |
|   | HCAHPS        | Care Transition  |
|   | HCAHPS        | Overall Rating of Hospital   |
| <br><b>Safety</b>                        | CLABSI        | Central Line-Associated Bloodstream Infection  |
|   | CAUTI         | Catheter-Associated Urinary Tract Infection  |
|   | CDI           | <i>Clostridium difficile</i> Infection   |
|   | MRSA          | Methicillin-Resistant <i>Staphylococcus aureus</i> Bacteremia  |
|   | SSI           | Surgical Site Infection (SSI): <ul style="list-style-type: none"> <li>• Colon Surgery</li> <li>• Abdominal Hysterectomy</li> </ul> |
|   | PC-01         | Elective Delivery Prior to 39 Completed Weeks Gestation  |
| <br><b>Efficiency and Cost Reduction</b> | MSPB          | Medicare Spending per Beneficiary  |

# Program Summary

## Understanding the Fiscal Year 2020 Hospital Value-Based Purchasing Program

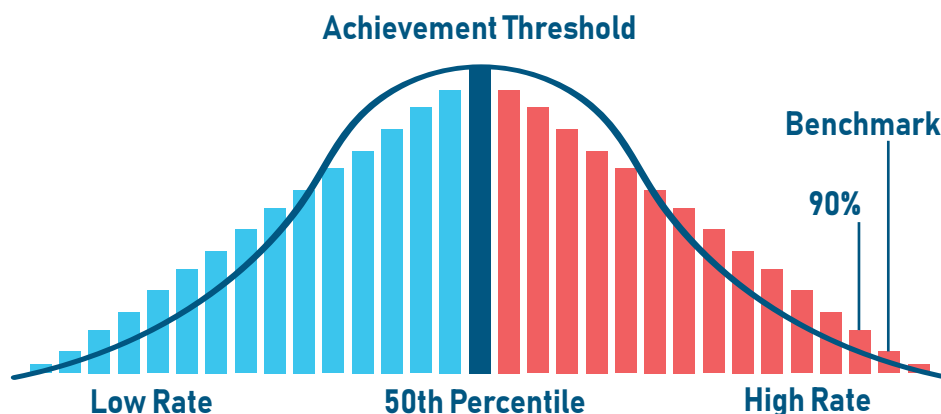
### Baseline and Performance Periods

A Hospital VBP Program *baseline period* is a designated time span when data are captured. The data captured during the baseline period are compared to data captured during a later time period known as the performance period. The data indicate how well a hospital is performing on an established set of quality measures. Data collected during the *performance period* are compared to data collected for each participating hospital during a baseline period as well as to all other eligible hospitals in the Hospital VBP Program during the performance period. CMS uses this comparison to determine achievement and improvement in quality.

| Domain   | Measure                      | Baseline Period             | Performance Period          |
|--|------------------------------|-----------------------------|-----------------------------|
|  <b>Clinical Outcomes</b>               | Mortality Measures           | July 1, 2010–June 30, 2013  | July 1, 2015–June 30, 2018  |
|  | THA/TKA Complication Measure | July 1, 2010–June 30, 2013  | July 1, 2015–June 30, 2018  |
|  <b>Person and Community Engagement</b> | HCAHPS Survey                | January 1–December 31, 2016 | January 1–December 31, 2018 |
|  <b>Safety</b>                          | HAI Measures                 | January 1–December 31, 2016 | January 1–December 31, 2018 |
|  | PC-01                        | January 1–December 31, 2016 | January 1–December 31, 2018 |
|  <b>Efficiency and Cost Reduction</b> | MSPB                         | January 1–December 31, 2016 | January 1–December 31, 2018 |

### Scoring Methodology

CMS assesses each hospital’s performance by comparing its **achievement** and **improvement** scores for each applicable Hospital VBP Program measure. CMS uses an achievement threshold and benchmark to determine how many points to award for the achievement and improvement scores. *QualityNet* has [Domain Weighting Quick Reference Guides](#) available which include the domain, measures, baseline and performance periods, threshold and benchmark rates, and payment adjustment effective dates for each fiscal year on one page.

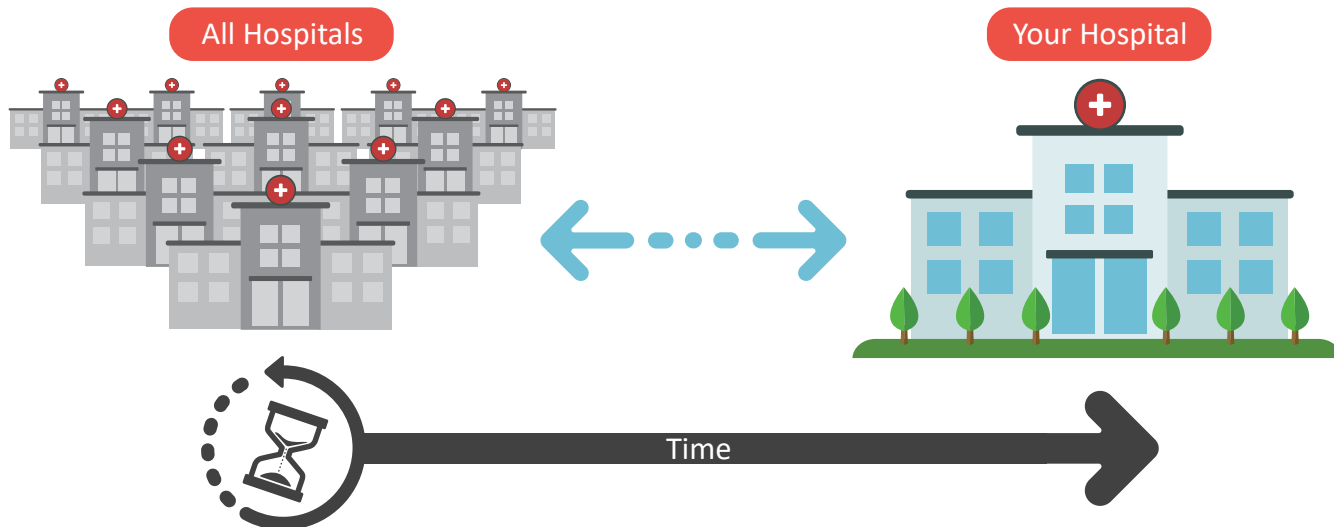


# Program Summary

## Understanding the Fiscal Year 2020 Hospital Value-Based Purchasing Program

**Achievement points** are awarded for each measure by comparing an individual hospital's rates during the performance period to all hospitals' rates from the baseline period:

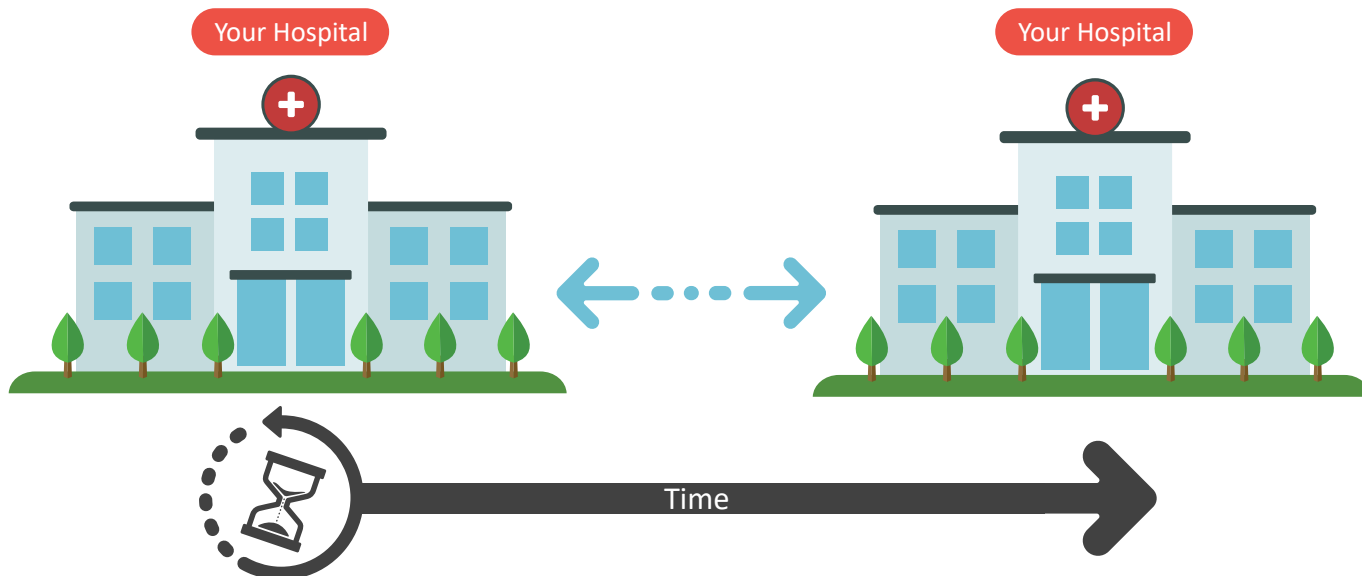
- Hospital rate at or better than the benchmark = 10 achievement points
- Hospital rate worse than the achievement threshold = 0 achievement points
- Hospital rate is equal to or better than the achievement threshold but worse than the benchmark = 1–9 achievement points



**Improvement points** are awarded for each measure by comparing an individual hospital's rates during the performance period to that same individual hospital's rates from the baseline period:

- Hospital rate at or better than the benchmark = 9 improvement points
- Hospital rate at or worse than the baseline period score = 0 improvement points
- Hospital rate is better than the baseline period score but worse than the benchmark = 0–9 improvement points

Hospitals with rates at or better than the benchmark, but not better than their baseline period rate (that is, they have a performance period rate below the baseline period rate), will receive 0 improvement points, as no improvement was actually observed.



# Program Summary

## Understanding the Fiscal Year 2020 Hospital Value-Based Purchasing Program

### Eligibility

The Hospital VBP Program applies to subsection (d) hospitals located in the 50 states and the District of Columbia, as defined in Social Security Act section 1886(d)(1)(B). Subsection (d) hospitals that are determined to be ineligible in FY 2020 based on **one** of the following exclusion criteria will still receive a PPSR:



- The hospital is subject to a payment reduction under the Hospital Inpatient Quality Reporting (IQR) Program.
- The hospital has been cited for three or more deficiencies during the performance period that pose immediate jeopardy to patients' health or safety.
- The hospital is located in the state of Maryland and has received a waiver to participate in the Maryland All-Payer Model.
- The hospital has received an Extraordinary Circumstance Exemption for the Hospital VBP Program from CMS.
- The hospital did not meet the minimum number of measures/dimensions in at least three domains based on the minimum data requirements.

Hospitals excluded from the inpatient prospective payment systems (IPPS)—e.g., psychiatric, rehabilitation, long-term care, children's, and the 11 Prospective Payment System-Exempt cancer hospitals—are not eligible to participate in the Hospital VBP Program and will not receive a PPSR.

**NOTE:** Hospitals that are excluded from the Hospital VBP Program will **not** have their base operating MS-DRG payments reduced by 2 percent nor be eligible for incentive payment adjustments.

### Review and Correction Period

Hospitals may review and request recalculation of the performance scores on each condition, domain, and TPS **within 30 calendar days** of the posting date of the PPSR on *QualityNet*. Neither the review and corrections process nor the appeal process allows hospitals to submit additional corrections related to the underlying data or claims, or add new data or claims, to the data extract used to calculate the measure rates.

# Program Summary

## Understanding the Fiscal Year 2020 Hospital Value-Based Purchasing Program

### Appeal Period

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 calendar days waive eligibility to submit CMS Hospital VBP Program appeals request(s) for the applicable fiscal year. Hospitals must receive an adverse determination from CMS of their review and correction calculation request prior to requesting an appeal.

### Resources

Additional information on the [Review and Corrections and Appeals](#) processes is available on *QualityNet*.

A separate document providing details on [How to Read Your FY 2020 Hospital VBP Percentage Payment Summary Report](#) is available on *QualityNet*. Select the **Hospital Value-Based Purchasing (HVBP)** link from the [Hospitals – Inpatient] tab drop-down list. Then, select the **Resources** link from the left-side navigation pane.

For an in-depth explanation and examples of the scoring methodology, review the [FY 2020 Hospital VBP Program Scoring Quick Reference Guide](#).

### Questions

For further assistance regarding the Hospital VBP Program, contact the Hospital Inpatient Value, Incentives, and Quality Reporting (VIQR) Outreach and Education Support Contractor through the Hospital Inpatient Questions and Answers tool at <https://cms-ip.custhelp.com/>, or by calling, toll-free, (844) 472-4477 or (866) 800-8765, weekdays from 8 a.m. to 8 p.m. ET.

To search for answered questions on the Hospital Inpatient Questions and Answers tool, provide a search word/phrase or select the **Find an Answer** button. Then, select a link under a topic header. New questions can be submitted by using the **Ask a Question** button. This requires a one-time registration.

For technical questions or issues related to accessing the report, contact the *QualityNet* Help Desk at: [qnetsupport@HCQIS.org](mailto:qnetsupport@HCQIS.org).