Hospital Value-Based Purchasing (VBP) Program

Support Contractor

Fiscal Year (FY) 2017 HAC Reduction Program, Hospital VBP Program, and HRRP: *Hospital Compare* Data Update

Questions & Answers

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Support Contractor

Question 1: **Hospitals will have their payments reduced to 99 percent of what would otherwise be paid for such discharges?**

HAC Reduction Program requires the Secretary of the Department of Health and Human Services to adjust payments to applicable hospitals that rank in the worst-performing quartile of all subsection (d) hospitals with respect to risk-adjusted HAC quality measures. As stated in ACA Section 3008, these hospitals will have their payments reduced to 99 percent of what would otherwise be paid for such discharges.

Question 2: **When I click on that link, it says, "Error: Page Not Found."**

The link for the HAC Reduction Program resources is https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/HAC-Reduction-Program.html.

The FY 17 payment penalty file will be placed here on Monday December 19, along with the *Hospital Compare* release.

Question 3: **How often does *Hospital Compare* data get updated? Twice a year? Quarterly? Thanks!**

Hospital Compare data is updated quarterly. However, the HVBP, HAC Reduction Program, and HRRP data is update annually in December.

Question 4: **For the HRRP, what is the report name that we can use to validate our readmissions; and what is the process to refute a readmission on the preliminary list?**

We would ask that you send questions regarding the hospital-specific report (HSR) and the review and corrections process to the *QualityNet* Help Desk at qnetsupport@hcqis.org.

Question 5: **Slide 38. Why might hospitals be assigned additional readmissions?**

To explain, hospitals used in the two programs vary in the following ways:

The HRRP includes subsection (d) hospitals, as well as, hospitals in Maryland participating in the Maryland All-Payer Model. By contrast, the Hospital IQR Program measure results are calculated using a more expansive group of hospitals, including critical access hospitals (CAHs), cancer hospitals, and hospitals located in the US territories, which are not subsection (d) hospitals.

The HRRP only identifies admissions and readmissions at applicable hospitals [including subsection (d) and Maryland hospitals] in the measure calculation. Hospitalizations that occur at non-subsection (d) and Maryland hospitals are not included as eligible index admissions, or considered as readmissions under the HRRP.

Most hospitals will have similar results, or possibly a lower number of readmissions (or unadjusted readmission rate), in the HRRP compared to their results in the Hospital IQR Program. However, some hospitals may have a slightly higher number of readmissions (or unadjusted readmission rate) due to the difference in the applicable hospitals described above. Under very specific circumstances, HRRP-applicable hospitals may be assigned index admissions that were not assigned in the Hospital IQR Program. Therefore, some HRRP-applicable hospitals may see a small increase in the number of eligible admissions, readmissions, and/or their unadjusted readmission rate as presented in the HRRP.

For example, suppose that a patient was discharged from a CAH on January 10, readmitted for unplanned care at a subsection (d) hospital on January 15, and readmitted again to the same subsection (d) hospital on January 26. In the Hospital IQR Program, the readmission measures assign this index admission to the patient cohort at the CAH, and the patient is considered readmitted since he/she had one or more unplanned readmission(s) during the 30-day post-discharge time period.

Furthermore, in the Hospital IQR Program, neither readmission at the subsection (d) hospital is considered an index admission because the measures do not allow an admission to be both an index admission and a readmission within the same measure.

However, under the HRRP, the initial admission to the CAH is not included in the calculations, since it occurred at a non-applicable hospital. With the removal of the initial CAH admission, the first admission to the subsection (d) hospital on January 15 is eligible to be considered an index admission, and the second hospitalization on January 26 is considered the readmission.

As a result, the number of index admissions and readmissions attributed to the subsection (d) hospital in this example increased by one under the HRRP.

Question 6: **Slide 11. SI-90 modified baseline and performance dates; what are they?**

The FY 2018 Hospital VBP Program performance period was shortened to end by September 30, 2015. The full performance period for FY 2018 is July 1, 2014 to September 30, 2015. To view all of the baseline and performance periods, you may reference *QualityNet* at https://www.qualitynet.org/dcs/ContentServer?c=Page&pagename=QnetPublic%2FPage%2FQnetTier3&cid=1228772237410.

Question 7: **Is the HAC penalty applied per discharge?**

Yes, it is per discharge.

Question 8: **When will a presentation for Federal FY 2019 HAC Reduction Program be available?**

FY 2018 Vendors Workgroup call is scheduled in January 2017.

Question 9: **I missed when the date is that the *Hospital Compare* will be updated. And will that include the new star ratings, as well?**

Hospital Compare will be refreshed with new data on Monday, December 19, 2016. The *Hospital Compare* star ratings will also be refreshed. We will not be covering star ratings in this webinar, so for any additional questions that you may have regarding the star ratings, please contact cmsstarratings@lantanagroup.com.

Question 10: **Were final hospital-specific reports (HSRs) for the HAC Reduction Program sent out through *QualityNet*? The last report we received was a preliminary report that had been sent in August.**

Revised HAC Reduction Program HSRs were sent out in September due to an error with *Clostridium difficile* infection (CDI) data risk adjustment. You can re-request your HSR through the *QualityNet* Help Desk.

Question 11: **Would you repeat what is going to be refreshed on Monday? I did not fully understand.**

The *Hospital Compare* website will refresh the data from the Hospital VBP Program, HAC Reduction Program, and HRRP to the FY 2017 program year from FY 2016, which is currently displayed.

Question 12: **I was thinking this presentation might include information about changes to the Hospital VBP Program for FY 2019 (beginning January 2017 data collection). Is there going to be a presentation soon that will cover this information?**

Yes, we are anticipating a webinar will be presented on the FY 2019 Hospital VBP Program early next year, most likely in February. Keep an eye out for an announcement in the ListServes and on qualityreportingcenter.com for updates.

Question 13: **Where do you find the benchmarks and thresholds for HVBP for FY 2018 and FY 2019?**

The benchmark and achievement threshold values for FY 2018 can be found on your hospital's baseline measures report for FY 2018, available in the *QualityNet Secure Portal*. If you don't have access to that report, you can also use the quick reference guide found on the Hospital Value-Based Purchasing Program Resources page on *QualityNet* located at https://www.qualitynet.org/dcs/BlobServer?blobkey=id&blobnocache=true&blobwhere=1228890609113&blobheader=multipart%2Foctet-stream&blobheadername1=Content-Disposition&blobheadervalue1=attachment%3Bfilename%3DFY18_VBPdomainWeightng_082916.pdf&blobcol=urldata&blobtable=MungoBlobs.

Answer from presentation transcript:

So the easiest place to find your benchmark and achievement threshold for HVBP in FY 2018 is by accessing your hospital baseline measures report that is available in the *QualityNet Secure Portal* for download. That will give you your hospital's baseline period rates. It will also give you your, I guess, every hospital's benchmark, achievement threshold, and floor, when applicable, and that is only applicable in the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Survey dimension.

Another place that you can find the benchmarks and achievements threshold is out on *QualityNet*, in the Hospital Value-Based Purchasing Resource[s] page. There is a couple of domain-weighting quick reference guides. Right now we have them available for FY 2017 and FY 2018. We should have FY 2019 out there soon. But these quick reference guides contain each of the measures that are included in the program, the domain weights, the time periods, and also those performance standards that you'd be looking for.

Also the most official place that you can go and get those performance standards at, is in the IPPS final rule. Each of those final rules contains the performance standards for the upcoming periods. So if you are looking for FY 2018, most of those performance standards were published in the FY 2016 IPPS final rule. Now, there are some exceptions; the claims-based measures were generally published prior to FY 2016, but they should have been also republished in the FY 2016 rule. So I'd go out and check out those IPPS final rules, if you are having problems finding those performance standards.

I'd also like to make a note that the performance standards can be technically updated, such as the AHRQ PSI-90 composite. If and when CMS does issue a technical update, you can find those on the *QualityNet* website. Normally, they are announced in a *QualityNet* news article.

Question 14: **What was the time frame for FY 2017 again?**

The FY 2017 program will adjust payments from October 1, 2016 through September 30, 2017. The baseline and performance periods are listed on slide 11 of this slide deck, which can be downloaded at www.qualityreportingcenter.com.

Question 15: **Per slide 30, it is stated that the HAC FY 2017 data is available on the CMS website. But when I go into the FY 2017 IPPS link and click on the FY 2017 Final Rule and Correction Notice Tables, there is not a file (normally Table 17) that lists all of the hospitals' final penalty for HAC. When will this file be updated?**

That will be also available on Monday, December 19; it will be posted there on the CMS website.

Question 16: **I missed when the dates of the *Hospital Compare* site will be updated.**

That is also going to be occurring Monday, December 19. And, what we covered in today's webinar, the data from the Hospital VBP Program, the HAC Reduction Program, and HRRP will all be updated with the FY 2017 program data.

Question 17: **Slide 12. Can you please repeat the differences between VBP and IQR as related to CAUTIs/CLABSIs? Thanks!**

In FY 2017, the Hospital VBP Program utilized ICU-only locations in the data periods (performance CY 2015; baseline CY 2013); whereas, the Hospital IQR Program for the same performance period (CY 2015) started reporting on *Hospital Compare* using expanded locations (ICU plus select wards). Also, all of the HAI measures in Hospital VBP (CLABSI, CAUTI, SSI, MRSA Bacteremia, and CDI) utilized the old baseline to calculate the standardized infection ratio (SIR). CMS will be refreshing the *Hospital Compare* website on Monday with the CY 2015 data for these measures that have been recalculated using the new baseline for the Hospital IQR Program. For more information on the rebaselining, a webinar is available on the Hospital IQR Program archived events on www.qualityreportingcenter.com.

Question 18: **Updates to the achievement threshold and benchmark values related to the NHSN rebaseline; when or where can we expect to see these values?**

When we just talked about the FY 2019 possible Hospital VBP Program moving to the new baseline, in the IPPS final rule for 2017, CMS used the old baseline data to calculate those performance standards. So CMS does anticipate updating it through a technical update of those performance standards. I anticipate those being ready towards the beginning of 2017, but they will definitely be released prior to the release of the FY 2019 baseline reports.

Question 19: **Would you mind stating the requirements for the Hospital Readmissions Reduction Program?**

For the HRRP, it includes subsection (d) hospitals and hospitals in Maryland participating in the Maryland All-Payer Model. It does not include subsection (d) hospitals that are considered long-term care hospitals, CAHs, rehabilitation hospitals and units, psychiatric hospitals and units, children's hospitals, or PPS-exempt cancer hospitals.

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Question 20: **Which software versions were used in FY 2017 for the Hospital Value-Based Purchasing Program and HAC Reduction Program?**

For the Hospital VBP Program, software version 4.5a was used. The HAC Reduction Program used fully recalibrated version 5.0.1.

Question 21: **Could you state which software version was used in FY 2017 for the HAC Reduction Program?**

Yes, we used fully recalibrated version 5.0.1.

Question 22: **Will PSI-90 still be included in the FY 2019 VBP?**

CMS indicated in the FY 2017 IPPS final rule that they intend to propose to remove the AHRQ PSI-90 measure from the Hospital VBP Program in FY 2019 in future rulemaking. We recommend referencing the FY 2018 IPPS proposed rule when released for future updates and proposals.

Question 23: **Why was a different software version used in between the two programs?**

The main reason that the Hospital VBP Program uses a different software version than what's typically used in the HAC Reduction Program or Hospital IQR Program is because Hospital VBP also has to take into account the baseline period. And the baseline period reports are typically released a year prior to the performance reports either for IQR or the HAC Reduction Program.

So in order for us to use a consistent software in between each of the baseline period, and the performance period, and the performance standards, we have to use an earlier period because we need to utilize it for the baseline period and the performance standard calculations.

Question 24: **Please share the link describing how to calculate the annual base operating DRG reimbursement dollars for a CCN (the same base-operating DRG payment amount) that the VBP multiplier will be applied.**

A hospital's base operating diagnosis-related group (DRG) payments using information on the CMS website can be done using the following formula:

(Case mix index x # cases) x {labor-share rate from Table 1 x wage index) + (nonlabor rate Table 1 x COLA)}

NOTE: New technology payments, which are included in the definition of base operating DRG payments, are not available on the impact file. Consequently, the estimated base operating DRG payment amount may be slightly understated using this approach, but should still provide a reasonable proxy since annual new technology payments are typically not substantial.

The following inputs to calculate a hospital's estimated base operating DRG payments using the formula above can be found on the CMS website:

Rates (both labor share and nonlabor) from Table 1; for example, for FY 2016: Table 1A-1E (Final Rule, Correction Notice…) [ZIP, 13KB], which can be found at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY2016-IPPS-Final-Rule-Home-Page-Items/FY2016-IPPS-Final-Rule-Tables.html.

Hospital case-mix index (transfer-adjusted), number of cases index (transfer-adjusted), wage index, and COLA can be found in the respective impact file; for example, for FY 2016: FY 16 Impact File (Final Rule and Correction Notice) [ZIP, 3MB], which can be found at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY2016-IPPS-Final-Rule-Home-Page-Items/FY2016-IPPS-Final-Rule-Data-Files.html

Alternatively, hospital claim payment data from the Medicare Provider Analysis and Review (MedPAR) files can also be used to calculate its base operating DRG payments. The MedPAR files are publicly available and can be purchased. For additional information, please see the CMS Identifiable Data Files web page, which can be found at http://www.cms.gov/Research-Statistics-Data-and-Systems/Files-for-Order/IdentifiableDataFiles/MedicareProviderAnalysisandReviewFile.html.

Question 25: **Can you please share an example of how to calculate the revenue of our CCN that is affected by the HAC 1 percent reduction, if penalized? I know it is different that the base operating DRG reimbursement value that VBP and readmissions multipliers are applied against.**

For FY 2017, hospitals with a total HAC score above the 75th percentile (worst-performing quartile) of the total HAC score distribution will be subject to a 1 percent payment reduction, such that they receive 99 percent of what would otherwise be paid for such discharges.

The 1 percent payment reduction is applied to all Medicare discharges between October 1, 2016 and September 30, 2017 (FY 2017) for those hospitals in the worst-performing quartile. The payment reduction occurs when the hospital claims are paid. It is also important to note that the payment adjustments are applied in a hierarchical order: first, the Hospital VBP Program and the HRRP (which are determined independent of each other per the statute), and then the HAC Reduction Program. The HRRP and VBP adjustments are applied to the base operating DRG payment amount, i.e., the wage-adjusted DRG payment and the HAC adjustment is applied to the net result after applying the VBP and HRRP adjustments.

For example, if both the VBP and HRRP adjustments are computed, based on the $1 million base operating DRG payment amount, e.g., if they lose 2 percent for VBP, and 2 percent for HRRP, the net would be $960,000. If the hospital is also subject to the HAC adjustment, then the 1 percent reduction is based on the $960,000 (not the $1 million).

Question 26: **When will the report mentioned on slide 30 be available?**

The FY 2017 HAC results file that lists facilities by CCN, state, whether they are in the top 25th percentile (subject to a payment reduction), and their total HAC score is currently available on the cms.gov website under the Related Links section at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/HAC-Reduction-Program.html. Click on the link "FY 2017 Inpatient Prospective Payment System Final Rule: HAC Reduction Program Information."

Question 27: **In VBP, is the HCAHPS data inclusive of all payers or reported for Medicare only?**

The HCAHPS Survey is administered to a random sample of adult inpatients between 48 hours and six weeks after discharge.

Question 28: **How do you obtain AHRQ software?**

Recalibrated software version 5.0.1 used in FY 2017 is available upon request from the *QualityNet* Help Desk at qnetsupport@hcqis.org.