



Hospital Value-Based Purchasing (VBP) Program
Inpatient Value, Incentives, and Quality Reporting (VIQR)
Outreach and Education Support Contractor

**Hospital VBP Program Knowledge Refresher:
FY 2025 Overview
Presentation Transcript**

Speaker

Maria Gugliuzza, MBA
Hospital VBP Program, Lead
Inpatient VIQR Outreach and Education Support Contractor

Moderator

Brandi Bryant
Hospital VBP Program, Inpatient VIQR Outreach and Education Support Contractor

April 5, 2023
2:00 p.m. Eastern Time (ET)

DISCLAIMER: This presentation document was current at the time of publication and/or upload onto the Quality Reporting Center and QualityNet websites. Medicare policy changes frequently. Any links to Medicare online source documents are for reference use only. In the case that Medicare policy, requirements, or guidance related to these questions and answers change following the date of posting, these questions and answers will not necessarily reflect those changes; this Information will remain as an archived copy with no updates performed.

Any references or links to statutes, regulations, and/or other policy materials Included are provided as summary Information. No material contained therein Is Intended to take the place of either written laws or regulations. In the event of any conflict between the Information provided by the question-and-answer session and any Information Included In any Medicare rules and/or regulations, the rules and regulations shall govern. The specific statutes, regulations, and other Interpretive materials should be reviewed Independently for a full and accurate statement of their contents.

Hospital Value-Based Purchasing (VBP) Program

Inpatient Value, Incentives, and Quality Reporting (VIQR) Outreach and Education Support Contractor

Brandi Bryant: Hello. Welcome to the Hospital Value-Based Purchasing, or VBP, Program knowledge refresher overview for fiscal year 2025. My name is Brandi Bryant, and I am with the Centers for Medicare & Medicaid Services Inpatient Value, Incentives, and Quality Reporting Outreach and Education Support Contractor. I will be the moderator for today's event.

Before we begin, I'd like to make our first few regular announcements. This program is being recorded. A transcript of the presentation, along with a summary of the questions asked today, will be posted to the inpatient website, www.QualityReportingCenter.com, in the upcoming weeks. If you registered for this event, a reminder email and a link to the slides were sent out to your email about two hours ago. If you did not receive that email, you can download the slides at our inpatient website, www.QualityReportingCenter.com.

I would now like to introduce today's speaker. Maria Gugliuzza is the Hospital Value-Based Purchasing Program Lead for the Centers for Medicare & Medicaid Services Inpatient Value, Incentives, and Quality Reporting Outreach and Education Support Contractor.

On this slide, you will find the acronyms used in the presentation today.

Today's event will provide an overview of the fiscal year 2025 Hospital Value-Based Purchasing Program, including the following: updates on the domains and measures, review of performance standards and measurement periods, and highlights of resources.

Participants will be able to identify the domains and measures used to evaluate hospital performance in the Hospital VBP Program, understand the new Hospital VBP Program measure, and locate Hospital VBP Program resources.

I will now turn the presentation over to our speaker. Maria, the floor is yours.

Hospital Value-Based Purchasing (VBP) Program

Inpatient Value, Incentives, and Quality Reporting (VIQR) Outreach and Education Support Contractor

Maria Gugliuzza: The Hospital Value-Based Purchasing Program is an estimated budget-neutral program funded through a percentage withhold from the participating hospital's DRG payments. Incentive payments will be redistributed based on the hospital's Total Performance Score in the Hospital Value-Based Purchasing Program in comparison to the distribution of all hospitals' Total Performance Scores and the total estimated DRG payments for that fiscal year. The funding from the fiscal year 2025 program will come from a 2-percent withhold from participating hospitals' base operating DRG payment amount. I know I just said a mouthful for those of you that are new to the program, so I would like you to focus on the graphic on the right of the screen. On the bottom left circle, we show a hospital incurring the 2-percent withhold that every hospital incurs when participating in the Hospital VBP Program. The cumulation of the 2 percent from every hospital is used for CMS to distribute the funds for the incentive payments. On the bottom right circle, we show CMS giving the 3 percent in incentive payments due to their performance in the Hospital VBP Program. The net of CMS reducing 2 percent but giving 3 percent in return is a positive 1 percent on every claim for the hospital in the fiscal year. Changing the scenario a bit, the withhold remains at 2 percent, but the hospital only earned 1 percent of incentive payments based on their performance. The net of a 2 percent reduction and a 1 percent incentive is a net reduction of 1 percent. Historically, about half of all hospitals participating in the program received an overall increase in payments, and the other half received an overall decrease in payments in any given fiscal year. As a reminder, the reduction and incentive payment are made on every applicable claim during the fiscal year and are not done in a lump sum.

Our first step is program eligibility. You can now see on this slide that the Hospital VBP Program adjusts payments for approximately 3,000 hospitals each fiscal year. The program applies to subsection (d) hospitals in 50 states and the District of Columbia. If your hospital is a subsection (d) hospital, your payments will be adjusted, unless one of the exclusion reasons listed on this slide applies.

Hospital Value-Based Purchasing (VBP) Program

Inpatient Value, Incentives, and Quality Reporting (VIQR) Outreach and Education Support Contractor

In addition, hospitals not paid through the IPPS will not be eligible for the program, including Critical Access Hospitals. Excluded or ineligible hospitals will not have their payments adjusted, which includes the 2-percent withhold to payments and the opportunity to receive incentive payments. Additionally, data for your hospital would not be publicly reported in the Hospital Value-Based Purchasing [Program] tables on the Care Compare website.

The domains and measures for fiscal year 2025 are displayed on this slide. We have the Clinical Outcomes domain, containing the 30-day mortality measures for AMI, CABG, COPD, Heart Failure, and Pneumonia in addition to the THA/TKA Complication Rate. The Efficiency and Cost Reduction domain contains the Medicare Spending per Beneficiary measure. The Person and Community Engagement domain contains the HCAHPS Survey dimensions that you see listed on this slide. The Safety domain currently contains the healthcare-associated infection measures collected under NHSN, the National Healthcare Safety Network. Each domain in fiscal year 2025 is weighted at 25 percent of the Total Performance Score.

On this slide, we display the measurement periods for each of the measures. Your hospital's baseline period rate is used in comparison to your hospital's performance period rate to determine how much improvement was observed at your hospital. The performance period rate is also used in comparison to all other hospitals through values that CMS calls "performance standards" to determine the level of achievement.

In the Interim Final Rule with Comment period that was published in the *Federal Register* in September, CMS announced that they would not be using claims reflecting services provided in Quarter 1 or Quarter 2 2020 in the measure calculations. Those date ranges are January 1, 2020, through June 30, 2020. The baseline period dates in fiscal 2025 are not impacted by Extraordinary Circumstances Exceptions, or ECEs. Please note that hospitals do not need to request anything to have this exception applied. The updated discharge period has already been applied to all hospital calculations that are included in the HSR.

Hospital Value-Based Purchasing (VBP) Program

Inpatient Value, Incentives, and Quality Reporting (VIQR) Outreach and Education Support Contractor

A few slides back, we discussed a hospital being excluded if they had fewer than three of the four domain scores calculated. In order to have at least three domains calculated, a hospital would have to meet the minimum data requirements within at least three of the domains. For the Clinical Outcomes domain, a hospital must have at least two measures with at least 25 eligible discharges. For the Person and Community Engagement domain, a minimum of 100 complete HCAHPS Surveys is required. In the Safety domain, a hospital would need to have at least two measures with one predicted infection as calculated by the CDC. Please note that the minimum requirement for the HAI measures is one predicted infection as calculated by the CDC and not an actual observed infection. For the Efficiency and Cost Reduction domain, a minimum of 25 episodes of care is required.

In the Hospital VBP Program, for any given fiscal year, we have a baseline period and a performance period. If you recall from a couple slides ago, the baseline period is an earlier time period than the performance period, so a comparison of improvement can be made at the individual hospital. CMS provides hospitals with a Baseline Measures Report that contains a hospital's baseline period rates and the performance standards calculated by CMS that will be used to calculate improvement and achievement points. We are currently at that point on the timeline. CMS released the FY 2025 Baseline Measures Reports in March of 2023.

Hospitals have the opportunity to receive improvement and achievement points on their Percentage Payment Summary Report based upon their performance rate during the baseline period and performance period relative to the performance standards. The performance standards consist of the achievement threshold and benchmark for all measures and the floor, which is only applicable for the Person and Community Engagement domain. The achievement threshold is calculated as the median, or 50th percentile, of all hospital rates for a measure during the baseline period. The benchmark is a mean of the top decile, which is the average of the top 10 percent during the baseline period.

Hospital Value-Based Purchasing (VBP) Program

Inpatient Value, Incentives, and Quality Reporting (VIQR) Outreach and Education Support Contractor

The floor used in calculating the HCAHPS consistency score is the rate of the lowest performing hospital during the baseline period. Please note that the performance standards are calculated based on baseline period data for all measures except for the Medicare Spending per Beneficiary measure, which uses the performance period. As a result, you will not see performance standards listed for the MSPB measure on the Baseline Measures Report.

This slide displays the measures that will have a higher benchmark value than achievement threshold because higher rates demonstrate better quality in the measure. The measures that this description is applicable for are the 30-day mortality measures in the Clinical Outcomes domain and the HCAHPS dimensions in the Person and Community Engagement domain. The mortality measures use survival rates in the Hospital VBP Program.

This slide displays the measures that will have higher achievement threshold values than benchmark values because lower rates demonstrate better quality in the measure. The measures that this description is applicable for are the hip/knee complication measures in the Clinical Outcomes domain, the healthcare-associated infections in the Safety domain, and the MSPB measure in the Efficiency and Cost Reduction domain.

The next two slides display the performance standards for every measure.

These performance standards will display on the Baseline Measures Report.

There are two scores that a hospital can receive in every measure in the Hospital VBP Program, achievement points and improvement points.

These next two slides provide a summary of those scores.

Achievement points are awarded by comparing an individual hospital's rate during the performance period with all hospital rates from the baseline period by using two performance standards, the achievement threshold and the benchmark. If a hospital has a performance period rate that is equal to or better than the benchmark, ten achievement points will be awarded.

Hospital Value-Based Purchasing (VBP) Program

Inpatient Value, Incentives, and Quality Reporting (VIQR) Outreach and Education Support Contractor

If the rate is worse than the achievement threshold, the hospital will receive 0 achievement points. If the performance period rate is equal to or better than the achievement threshold, but is still worse than the benchmark, 1 to 9 points will be awarded based on the achievement point formula.

Improvement points are unique to the Hospital VBP Program in relation to CMS' other inpatient pay-for-performance programs, such as the HAC Reduction Program and the Hospital Readmissions Reduction Program. Not only can hospitals be evaluated based on their current performance in comparison to all hospitals, but they can earn the points by improving from their own baseline period. CMS may award hospital improvement points if the hospital's performance period rate is better than their baseline period rate. The maximum point value for improvement points is 9. If your hospital had a performance period rate that was equal to or worse than its own baseline period rate, 0 improvement points would be awarded.

The next several slides will provide instructions on how to access the Baseline Measures Reports.

In order to view the Baseline Measures Reports, users will need have the Performance Reports permission for HVBP access. This is a process within the *HQR Secure Portal*, and more detailed instructions will be provided later in the presentation.

To access your hospital's fiscal year 2025 Hospital VBP Program baseline data, you will first need to log in to the new *HQR Secure Portal* by logging on the link on this slide. Then, enter your Health Care Quality Information Systems, or HCQIA, Access Roles and Profile, HARP, User ID and Password. Then, select Login.

You will then be directed to the two-factor authorization page. Select the device you would like to retrieve the verification code, and select Next.

Once you receive the code, enter it. Then, select Continue.

Hospital Value-Based Purchasing (VBP) Program

Inpatient Value, Incentives, and Quality Reporting (VIQR) Outreach and Education Support Contractor

After reading the terms and conditions statement, select Accept to proceed. You will be directed to the HQR landing page. Please note: If you select Cancel, the program closes.

On the HQR landing page, please select Program Reporting from the left-side navigation menu to expand the menu options.

From the expanded Program Reporting drop-down menu, select Performance Reports.

Select Hospital Value-Based Purchasing Program from the Program selection menu; select 2025 from the Fiscal Year selection menu; and select your hospital from the Provider(s) selection menu, if the option is displayed. Then, select Display Results.

To export the data displayed, select the Export PDF option available on the User Interface. The exported data will be available in a PDF format to save and print.

This slide provides step-by-step instructions on how to access the Baseline Measures Reports.

Now, we will review information found on the Baseline Measures Report.

The Clinical Outcomes domain provides details on the six Clinical Outcomes measures, including the number of eligible discharges and the baseline period rates. The achievement threshold and benchmark for each Clinical Care measure also display.

If you click on the circle with the lowercase “i” inside, a pop up will be displayed that provides a further detailed explanation.

The Person and Community Engagement domain provides details on the eight HCAHPS dimensions, including baseline period rates, floor values, achievement thresholds, and benchmarks. The number of completed surveys is also displayed.

Hospital Value-Based Purchasing (VBP) Program

Inpatient Value, Incentives, and Quality Reporting (VIQR) Outreach and Education Support Contractor

The Safety Measures domain provides details on the HAI measures, including Catheter-Associated Urinary Tract Infection, or CAUTI; Central Line-Associated Bloodstream Infection, or CLABSI; *Clostridium difficile* Infection, or CDI; Methicillin-Resistant *Staphylococcus aureus*, or MRSA, Bacteremia; Surgical Site Infection, or the SSI, for Abdominal Hysterectomy; and the SSI for Colon Surgery. These details include the number of observed infections; number of predicted infections; the standardized infection ratios, the SIRs; the achievement thresholds; and the benchmarks. Please note that the SSI measure is a single measure stratified by surgery site for colon surgeries and abdominal hysterectomies. For the purpose of the Hospital VBP Program, CMS scores the measure as a weighted average of each of the stratum's measure scores by predicted infections per stratum.

The Efficiency and Cost Reduction domain provides details on the MSPB measure, including the MSPB amount, median MSPB amount, MSPB measure ratio, and number of episodes of care in the baseline period.

To export the data displayed, select the Export PDF option available on the User Interface. The exported data will be available in a PDF format to save and print.

Earlier in the presentation, we said that, in order to view the Baseline Measures Report, you need Performance Reports permission for HVBP Program access. The next several slides will provide detailed instructions on how to request Performance Reports permission for HVBP program access. Again, reports are only available to users associated with a hospital that have the Performance Reports permission for HVBP program access. If you don't have access to your hospital's Hospital VBP Program reports in the drop-down, you may not have the required HVBP access for the Performance Reports permission in your profile. We will now provide instructions on how to gain access to the reports.

From the HQR landing page, select the drop-down arrow by your name on the ribbon at the top of the page to expand the options.

Hospital Value-Based Purchasing (VBP) Program

Inpatient Value, Incentives, and Quality Reporting (VIQR) Outreach and Education Support Contractor

From the expanded drop-down menu, select My Profile.

Select the View Access button for the organization you wish to view the Hospital VBP Program reports.

Review Select the View Access button for the organization you wish to view the Hospital VBP Program reports.

Review your Performance Reports Program Access to confirm HVBP is selected. Select Request Change in Access, if HVBP is not listed for Performance Reports.

Confirm User Type selection. Click the Add Program Access on the Performance Reports line. Please note that Add appears if there are no existing permissions for those performance results.

Confirm User Type selection. Click the Add Program Access on the Performance Reports line.

Select the checkbox for Hospital Value-Based Purchasing access.

Click the Apply & Close button.

Next, click the Review button at the bottom of the form.

Next, click the Submit button at the bottom of the form.

This slide provides step-by-step instructions on how to request permissions for the HVBP Access for Performance Reports.

I would now like to point out some resources available.

If you have questions regarding the data on your report, calculations, or just general Hospital VBP Program questions, please feel free to check out the frequently asked questions in the [Inpatient Question & Answer Tool](#) on QualityNet. If there is not an answer to your question, please feel free to submit your questions through the Inpatient Question & Answer Tool.

Hospital Value-Based Purchasing (VBP) Program

Inpatient Value, Incentives, and Quality Reporting (VIQR) Outreach and Education Support Contractor

If you have questions, or would just like another reference point when you are looking through your Baseline Measures Report, we have developed a How to Read your Report Help Guide that is available on QualityNet.

This resource, the Hospital VBP Program Quick Reference Guide, is our most requested resource. The quick reference guide contains many of the details for the fiscal year 2025 Hospital VBP Program on one page, including the domains, the domain weights, the measures, the baseline and performance periods, the performance standards, and the fiscal year payment adjustment dates. This resource is available on the QualityNet and Quality Reporting Center websites.

Please reference this slide when you have questions regarding the Hospital VBP Program to be directed to the correct destination quickly. I will now turn the presentation back over to Brandi to review the questions that came in during the webinar.

Brandi Bryant Thank you, Maria. We will now answer some of the questions that were submitted during the webinar. If you would like to submit additional questions at this time, please include the slide number associated with your question. The first question is, “When will the fiscal year 2025 baseline reports become available?”

Maria Gugliuzza: The reports are currently available to run in the *Hospital Quality Reporting (HQR) System Secure Portal*. CMS made the reports available to hospitals in March of 2023.

Brandi Bryant: What happens if a facility does not meet the minimum number of 100 completed Hospital Consumer Assessment of Healthcare Providers and Systems, or HCAHPS®, surveys?

Maria Gugliuzza: If the hospital does not submit at least 100 surveys during the baseline period, the hospital would not have an opportunity to receive improvement points. If the hospital did not submit at least 100 surveys during the performance period, the hospital would not be eligible to receive achievement points or improvement points. Also, the hospital would not receive a Person and Community Engagement domain score.

Hospital Value-Based Purchasing (VBP) Program

Inpatient Value, Incentives, and Quality Reporting (VIQR) Outreach and Education Support Contractor

However, the hospital could still receive a Total Performance Score, or TPS, if the hospital met the minimum measure requirements in the other three remaining domains.

Brandi Bryant: When will the fiscal year 2024 Performance Reports become available?

Maria Gugliuzza: We anticipate that the fiscal year 2024 Percentage Payment Summary Reports will become available around August 1, 2023.

Brandi Bryant: Our hospital opened in late 2021, and we will begin submitting data with Quarter 1 of 2022 discharges. Are we eligible for the fiscal year 2025 Hospital VBP Program, assuming we met minimum case and measure requirements?

Maria Gugliuzza: A newly opened hospital that just has performance period data can still be included in the Hospital VBP Program, if the hospital meets the minimum measure, domain criteria, and all Hospital IQR Program requirements. In this scenario, CMS would not score the hospital on improvement because the hospital only submitted performance period data. However, the hospital still could earn achievement points to calculate a TPS.

Brandi Bryant: Which measurement periods are impacted by Extraordinary Circumstances Exceptions, or ECEs?

Maria Gugliuzza: As finalized in the [Interim Final Rule with Comment Period](#), published on September 2, 2020, CMS will not use claims, infection, and survey data reflecting services provided January 1, 2020, through June 30, 2020, which is Quarter 1 and Quarter 2 of 2020, in its calculations for the Medicare quality reporting and VBP programs. The discharge period in the performance period for the Clinical Outcomes domain measures will be updated to reflect this policy. The baseline period dates in FY 2025 are not impacted by these ECEs. Hospitals do not need to request an ECE for measures and submissions covered under the COVID-19 exceptions for Quarter 1 and Quarter 2 of 2020.

Brandi Bryant: Are Critical Access Hospitals, or CAHs, exempt from the Hospital VBP Program?

Hospital Value-Based Purchasing (VBP) Program

Inpatient Value, Incentives, and Quality Reporting (VIQR) Outreach and Education Support Contractor

- Maria Gugliuzza:** Yes, only subsection (d) hospitals paid through the Inpatient Prospective Payment System, the IPPS, are included in the Hospital VBP Program. CAHs are not eligible to participate in the Hospital VBP Program.
- Brandi Bryant:** How are the achievement threshold and benchmark thresholds communicated to the hospitals?
- Maria Gugliuzza:** The quick reference guide contains the performance standards for the fiscal year 2025 Hospital VBP Program and is available on the QualityNet and Quality Reporting Center websites. In addition, if the performance standards for any measure need a technical update, a QualityNet news article will be posted and a Hospital VBP Program Listserve will be sent. The performance standards will also be listed on your hospital's Baseline Measures Report.
- Brandi Bryant:** I did not receive an email stating baseline reports were available, but I saw a notice for them on the QualityNet website home page.
- Maria Gugliuzza:** CMS sends notifications and reminders for the Hospital VBP Program through the two QualityNet Listserve notification groups, the Hospital Inpatient Value-Based Purchasing and Improvement notification group and the Hospital Inpatient Quality Reporting and Improvement notification group. If you aren't signed up for those notification groups, you can register on the [QualityNet website home page](#).
- Brandi Bryant:** Could you please review improvement points?
- Maria Gugliuzza:** Absolutely. CMS may award a hospital improvement points if the hospital's performance period rate is better than its own baseline period rate. The maximum point value for improvement points is 9 points. If a hospital's performance period rate is at or better than the benchmark and better than its own baseline period rate, it will receive a maximum of 9 improvement points.
- Brandi Bryant:** Are the HAI measures in the Hospital VBP Program calculated by NHSN criteria in the same way as the HAI measures in the Hospital-Acquired Condition, or HAC, Reduction Program?

Hospital Value-Based Purchasing (VBP) Program

Inpatient Value, Incentives, and Quality Reporting (VIQR) Outreach and Education Support Contractor

Maria Gugliuzza: Yes, the same HAI measures are used in the Hospital VBP Program and the HAC Reduction Program. For more information regarding the HAI measures in the HAC Reduction Program, please visit this QualityNet page: <https://qualitynet.cms.gov/inpatient/hac/measures>

Brandi Bryant: That concludes our webinar for today. If your question wasn't answered and you still have questions regarding the fiscal year 2025 program or the baseline reports, please submit your question using the Question & Answer tool on QualityNet. Thank you for attending. Have a great day.