



Hospital Inpatient Quality Reporting (IQR) Program

Support Contractor

Traveling the Road to Success: Navigating the FY 2021 Hospital VBP Program

Questions and Answers

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The following document provides actual questions from audience participants. Webinar attendees submitted the following questions and subject-matter experts provided the responses during the live webinar. The questions and answers have been edited for grammar.

Question 1: **What happens if a facility does not meet the minimum number of 100 completed Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS®) surveys?**

If 100 surveys are not submitted during the baseline period only, the hospital would not have an opportunity to receive improvement points. If the hospital did not meet the minimum of 100 surveys during the performance period, the hospital would not be eligible to receive achievement points or improvement points. In addition, the hospital would not receive a Person and Community Engagement domain score. The hospital could still receive a Total Performance Score (TPS) if the other three remaining domains meet the minimum measure requirements.

Question 2: **Are the fiscal year (FY) 2021 baseline measure reports available?**

Yes, the reports are available to run in the *QualityNet Secure Portal* in the report run interface. The reports were made available on March 28, 2019.

Question 3: **Our hospital opened in late 2018 and we will begin submitting data with first quarter of 2019 discharges. Will we be eligible for the FY 2021 Hospital VBP Program assuming we met minimum case and measure requirements?**

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 and domain criteria. In this scenario, the hospital would not be scored on improvement because only performance period data would have been submitted. However, it still could earn achievement points to calculate a TPS.

Question 4: **How is the value-based incentive actually paid back to the hospital?**

The payment adjustment factor is multiplied against the Diagnosis-Related Group payment amount. For more specific information, we recommend contacting your [Medicare Administrative Contractor](#) Medicare Administrative Contractor, also known as your MAC.



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Question 5: Will the baseline measures report be sent through the *QualityNet Secure Portal* inbox or will we have to manually run the report in *QualityNet*?

To access the report, users must have an active *QualityNet* account and access to the *QualityNet Secure Portal*. To run the report, select the **Run Reports** option from the My Reports drop-down on the *QualityNet Secure Portal* menu bar. Choose **Run Report(s)** on the Start Reports screen. Select **IQR** for the Report Program and **Hospital Value-Based Purchasing – Feedback Report** for the Report Category. Select the **View Reports** button, then **Hospital Value-Based Purchasing – Baseline Measures Report** to enter the desired report parameters and run the report.

Hospitals can refer to the [How to Read Your FY 2021 Baseline Measures Report](#) document on the *QualityNet* website for answers to questions related to the FY 2021 Baseline Measures Report. To access *How to Read Your FY 2021 Baseline Measures Report*, select the **Hospitals – Inpatient** tab drop-down, then the **Hospital Value-Based Purchasing (HVBP)** link. Lastly, select the **Resources** link on the left-side navigation pane.

Question 6: Are critical access hospitals exempted from the VBP program?

Yes, only subsection (d) hospitals are included in the Hospital VBP Program, which do not include critical access hospitals.

Question 7: Can hospitals receive an incentive greater than the 2 percent withhold and a 2 percent incentive payment?

The maximum reduction that a hospital can incur is 2 percent in FY 2021, if the hospital receives a TPS of zero out of 100. However, a hospital can earn back more, based on the exchange function slope and the hospital's performance for the fiscal year. In FY 2019, the greatest value-based incentive payment percentage earned by a hospital was 5.67 percent. After accounting for the 2 percent withhold, the hospital will have a net change in payments of 3.67 percent for every applicable claim in FY 2019. The Centers for Medicare & Medicaid Services (CMS) publishes the payment adjustment factors for each fiscal year in the Inpatient Prospective Payment System (IPPS) final rule tables, Table 16B. For example, the FY 2019 Table 16B is located on the [FY 2019 IPPS final rule tables](#) page.



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Question 8: **How are the achievement threshold and benchmark threshold communicated out to the hospitals?**

The performance standards are generally published in the IPPS rules. In the case that the performance standards need to be updated through CMS' technical update authority, a *QualityNet* news article has historically been posted. The performance standards will also be listed on your hospital's baseline measures report. A quick reference guide containing the performance standards for the FY 2021 Hospital VBP Program is also available on [QualityNet](#) and [Quality Reporting Center](#).

Subject-matter experts researched and answered the following questions after the live webinar. The questions may have been edited for grammar.

Question 9: **Are Patient Safety Indicators (PSIs) included in the Hospital VBP Program?**

The PSI 90 composite measure underwent National Quality Forum maintenance review and re-endorsement in 2015, leading to several substantive measure changes. Due to statutory requirements in the Hospital VBP Program, CMS was unable to adopt the newly re-endorsed version of the PSI 90 measure into the Hospital VBP Program for FY 2019 through FY 2022.

As a result, CMS finalized the removal of the older version PSI 90 measure, Patient Safety for Selected Indicators, from the Hospital VBP Program for FY 2019 and subsequent fiscal years in the FY 2018 IPPS/Long-Term Care Hospital Prospective Payment System final rule (82 FR 38244). Additionally, CMS adopted the modified updated version of CMS PSI 90 in the Hospital VBP Program for FY 2023 and subsequent fiscal years in the FY 2018 IPPS final rule (82 FR 38251-38256).

CMS adopted the updated version of the CMS PSI 90 measure for use in the Hospital-Acquired Condition Reduction Program and Hospital IQR Program. (The measure is now removed from the Hospital IQR Program, but will continue to be publicly reported on *Hospital Compare*).



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Question 10: Can you explain why CMS does not “count” healthcare-associated infection (HAI) measures with zero infections (does not award achievement points) because of the inability of the Centers for Disease Control and Prevention (CDC) to calculate a standardized infection ratio (SIR)? It may make sense from a statistical analysis perspective, but what is the reasoning when viewed from a clinical/patient outcome perspective when zero infections is the goal/benchmark?

Hospitals need at least 1,000 predicted infection as calculated by the CDC in order for a SIR to be calculated for reliability purposes. The calculation does **not** require an actual infection to be observed. All measures used in the Hospital VBP Program have minimum data requirements to have the measure be scored. For example, the 30-Day Mortality and Total Hip Arthroplasty/Total Knee Arthroplasty Complication measures need 25 eligible discharges, HCAHPS needs 100 surveys, Perinatal Care Elective Delivery measure needs 10 cases, and the Medicare Spending per Beneficiary (MSPB) needs 25 episodes of care. The HAI measures have a requirement of at least 1,000 predicted infection.

Question 11: Did not receive an email that baseline reports were available. Saw it on the home page of *QualityNet*.

CMS sends notifications and reminders for the Hospital VBP Program through the *QualityNet* ListServe **Hospital Inpatient Value-Based Purchasing and Improvement** and **Hospital Inpatient Quality Reporting and Improvement** notification groups. If you aren't signed up for those notification groups, you can [register](#) on *QualityNet*.

Question 12: How can we calculate mortality survival rates so that we can calculate the VBP points?

Survival rate = 1 - mortality rate; for example, if your mortality rate was 0.10 or 10%, your survival rate would be 0.9 or 90% (1 - 0.1).

Question 13: Is the threshold score calculated based on the baseline period, or is it based on the performance period?

The performance standards (benchmarks and achievement thresholds) for each measure are calculated based on baseline period data for every measure except for MSPB, which uses performance period data.



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Question 14: What does floor score mean? Is it the lowest score of the HCAHPS metric obtained by any hospital?

The floor is the lowest rate from a hospital during the baseline period. The floor is used in determining your hospital's lowest dimension score, which is then used for the determination of the Consistency Score. For a detailed explanation on those values and example calculations, we recommend watching the [Percentage Payment Summary Report overview](#) available on the *Quality Reporting Center* website in the VBP archived webinar section.

Question 15: When will the performance reports be available?

The Percentage Payment Summary Reports (performance reports) are available by August 1 each year (approximately 60 days before the start of the applicable fiscal year as required by law). The FY 2020 performance reports will be available by August 1, 2019, and the FY 2021 performance reports will be available by August 1, 2020.

Question 16: Can you expand on the immediate jeopardy statement on slide 9?

CMS uses the Medicare state survey and certification process for citing deficiencies that pose immediate jeopardy to patients. Hospitals cited for three or more deficiencies by this process during the performance period will be excluded from the Hospital VBP Program for the fiscal year. Hospitals excluded from the Hospital VBP Program would not incur the applicable withhold and would not be eligible to receive incentive payments for the fiscal year.

Immediate Jeopardy Quick Reference Guide:

https://www.qualityreportingcenter.com/globalassets/iqr_resources/hospital-value-based-purchasing-vbp-program-quick-reference-guide-immediate-jeopardy-final508.pdf

Question 17: Can you mention again how to print the slides?

The slides are available at www.qualityreportingcenter.com under the Hospital VBP Archived Events.



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Direct Link: <https://www.qualityreportingcenter.com/en/inpatient-quality-reporting-programs/hospital-value-based-purchasing-vbp-program/vbp-archived-events/>

Question 18: **Can you please provide the specific law or regulation indicating that hospitals located in the U.S. Territories are exempt from participating in the Hospital VBP Program?**

The [Social Security Act](#) section 1886(o)(1)(C)(ii) specifies the applicability of the Hospital VBP Program to hospitals: “The term ‘hospital’ means a subsection (d) hospital (as defined in subsection (d)(1)(B)).”

The Social Security Act section 1886(d)(1)(B) specifies the definition of a subsection(d) hospital:

(B) As used in this section, the term “subsection (d) hospital” means a hospital located in one of the fifty States or the District of Columbia other than—

- (i) a psychiatric hospital (as defined in section 1861(f)),
- (ii) a rehabilitation hospital (as defined by the Secretary),
- (iii) a hospital whose inpatients are predominantly individuals under 18 years of age,
- (iv) a hospital which has an average inpatient length of stay (as determined by the Secretary) of greater than 25 days,
- (v)(I) a hospital that the Secretary has classified, at any time on or before December 31, 1990, (or, in the case of a hospital that, as of the date of the enactment of this clause^[590], is located in a State operating a demonstration project under section 1814(b), on or before December 31, 1991) for purposes of applying exceptions and adjustments to payment amounts under this subsection, as a hospital involved extensively in treatment for or research on cancer,

(II) a hospital that was recognized as a comprehensive cancer center or clinical cancer research center by the National Cancer Institute of the National Institutes of Health as of April 20, 1983, that is located in a State which, as of December 19, 1989, was not operating a demonstration project under section 1814(b), that applied and was denied, on or before December 31, 1990, for classification as a hospital involved extensively in treatment for or research on cancer under this clause (as in effect on the day before the date of the enactment of this



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subclause), that as of the date of the enactment of this subclause, is licensed for less than 50 acute care beds, and that demonstrates for the 4-year period ending on

December 31, 1996, that at least 50 percent of its total discharges have a principal finding of neoplastic disease, as defined in subparagraph (E), or

(III) a hospital that was recognized as a clinical cancer research center by the National Cancer Institute of the National Institutes of Health as of February 18, 1998, that has never been reimbursed for inpatient hospital services pursuant to a reimbursement system under a demonstration project under section 1814(b), that is a freestanding facility organized primarily for treatment of and research on cancer and is not a unit of another hospital, that as of the date of the enactment of this subclause, is licensed for 162 acute care beds, and that demonstrates for the 4-year period ending on June 30, 1999, that at least 50 percent of its total discharges have a principal finding of neoplastic disease, as defined in subparagraph (E);

(vi) a hospital that first received payment under this subsection in 1986 which has an average inpatient length of stay (as determined by the Secretary) of greater than 20 days and that has 80 percent or more of its annual medicare inpatient discharges with a principal diagnosis that reflects a finding of neoplastic disease in the 12-month cost reporting period ending in fiscal year 1997;

and, in accordance with regulations of the Secretary, does not include a psychiatric or rehabilitation unit of the hospital which is a distinct part of the hospital (as defined by the Secretary). A hospital that was classified by the Secretary on or before September 30, 1995, as a hospital described in clause (iv) (as in effect as of such date) shall continue to be so classified (or, in the case of a hospital described in clause (iv)(II), as so in effect, shall be classified under clause (vi) on and after the effective date of such clause (vi) and for cost reporting periods beginning on or after January 1, 2015, shall not be subject to subsection (m) as of the date of such classification) notwithstanding that it is located in the same building as, or on the same campus as, another hospital.^[591]



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Question 19: Could you please review slide 30 and how the answer is determined?

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 nine 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 nine improvement points. This example hospital's rate was equal to the benchmark and better than the baseline period rate. As a result, the example hospital would receive the maximum nine improvement points.

Question 20: Is FY 2021 infographic published?

The FY 2021 threshold and benchmarks can be found on www.qualityreportingcenter.com under the VBP Tools and Resources in a document titled FY 2021 Value-Based Purchasing Domain Weighting.

Question 21: What do we need to do differently in order to have minimums met for calculations on page 3? We didn't meet for Catheter-Associated Urinary Tract Infection, Central Line-Associated Blood Stream Infection, Methicillin-Resistant *Staphylococcus aureus*, Surgical Site Infection (SSI)-abdominal hysterectomy, SSI-colon surgery.

In order to be scored for the HAI measures in the Safety domain, hospitals need at least 1,000 predicted infection for a SIR to be calculated. For further questions regarding the SIR calculation or a hospital's specific HAI data submitted in the National Healthcare Safety Network (NHSN), contact the NHSN Help Desk at NHSN@cdc.gov.

Question 22: When do you anticipate SEP-1 to reach the VBP program?

CMS has not proposed to adopt the sepsis (SEP-1) measure into the Hospital VBP Program. CMS can propose to adopt new measures into the Hospital VBP Program through rule-making.