



Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

What's My Payment? Understanding the Hospital VBP Program Calculations Step-By-Step in the Percentage Payment Summary Report

Presentation Transcript

Speaker

Bethany Bunch, MSHA

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

Moderator

Maria Gugliuzza, MBA

Outreach and Education Lead
Inpatient VIQR Outreach and Education Support Contractor

August 8, 2019

2 p.m. ET

DISCLAIMER: This transcript 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 this transcript change following the date of posting, this transcript will not necessarily reflect those changes; given that it will remain as an archived copy, it will not be updated.

This transcript was prepared as a service to the public and is not intended to grant rights or impose obligations. Any references or links to statutes, regulations, and/or other policy materials included in the presentation 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 transcript 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.

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

Maria Gugliuzza: Hello and welcome to *What's My Payment? Understanding the Hospital VBP Program Calculations Step-By-Step in the Percentage Payment Summary Report*. My name is Maria Gugliuzza and I am the Provider and Education Outreach Lead at the Inpatient VIQR Support Contractor and Bethany Bunch is the Hospital VBP Lead at the Inpatient VIQR Support Contractor. 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 the questions and answers, will be posted to the inpatient website www.QualityReportingCenter.com in the upcoming weeks. If you registered for this event, a reminder email and 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. If you have questions as we move through the webinar, please type your question into the chat window with the slide number associated, and we will answer as many questions as time allows. Any questions that are not answered during the webinar will be posted to the www.QualityReportingCenter.com website in the upcoming weeks. I would now like to pass the presentation over to Bethany Bunch. Bethany, the presentation is now yours.

Bethany Bunch: Thank you, Maria. My name is Bethany Bunch and I am the Hospital VBP Program Lead at CMS's Inpatient Value, Incentives, and Quality Reporting Outreach and Education Support Contractor. I am really excited to walk you all through the Hospital VBP Program calculations and hope your understanding of the calculation steps increases by the time we sign off today.

On today's webinar, we are going to really focus in on the calculations of the Hospital VBP Program from achievement and improvement points all the way through to payment adjustments. This session is going to be interactive, with you performing calculations with me and submitting your answers. So, if you have a calculator near you, either on your desk, on your computer, or on your cell phone, it will be a great tool for you today.

The objectives for today's webinar are listed on this slide.

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

For those that tuned into our webinar yesterday, thank you for joining us again today. For those that weren't able to attend yesterday's presentation, I walked through some high-level topics of the Hospital VBP Program. If you want some basic information about the Hospital VBP Program, I recommend going out to Quality Reporting Center and either looking through the slides or watching the recorded webinar, which is available to view on demand.

Today, our presentation will start with a brief overview of the background and framework of the program.

The Hospital Value-Based Purchasing Program is required by Congress under Section 1886(o) of the Social Security Act. The Hospital VBP Program was first adopted for fiscal year 2013 and CMS has used this program to adjust payments for every fiscal year subsequent. The Hospital Value-Based Purchasing Program was the first national inpatient pay-for-performance program in which hospitals are paid for the services based on the quality of care rather than the quantity of services provided. The Hospital VBP Program pays for care that rewards better value, improved patient outcomes, innovation, and cost efficiency over volume of services.

The Hospital Value-Based Purchasing Program is an estimated budget-neutral program and is funded through a percentage withhold or reduction from participating hospitals' DRG payments. Incentive payments will be redistributed based on the hospital's Total Performance Score in comparison to the distribution of all hospitals' Total Performance Scores and the total estimated DRG payments. Please note that withholds and incentive payments are not made in a lump sum, but through each eligible Medicare claim made to CMS. The funding from the fiscal year 2020 program will come from a 2.00 percent withhold from participating hospitals' base operating DRG payment amount. CMS anticipates the total value-based incentive payment will total \$1.9 billion in fiscal year 2020. For those of you that are new to the Hospital VBP Program, I hope the graphic on this slide helps your understanding of the funding process. On each claim, your hospital will have a withhold or reduction of 2.00 percent of the DRG amount. Then, based on how your hospital performed in the

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

program, your hospital will earn value-based incentive payments, which can be less than, equal to, or more than that 2.00 percent that was initially withheld. The graphic shows a hospital earning value-based incentive payments of 3.00 percent. So, when you withhold 2.00 percent, but then gain 3.00 percent, you are netting a positive adjustment of 1.00 percent on each claim. If your hospital was to earn back less than 2.00 percent, let's say your hospital earned value-based incentive payments of 1.50 percent, you would have a net reduction of 0.50 percent on each claim. Your value-based incentive payment percent is displayed on the Percentage Payment Summary Reports for you to review. We generally are asked each year, "What is the highest value-based incentive payment percentage that can be gained each year?" There isn't a set value each fiscal year and it ultimately depends on the distribution of scores and the base operating DRG payments in that fiscal year. However, I can tell you that last year, in fiscal year 2019, the highest value-based percentage was around 5.70 percent, which resulted in a net increase of around 3.70 percent after that 2.00 percent withhold.

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. Those exclusion reasons include hospitals are subject to payment reductions under the Hospital IQR Program, hospitals were cited for three or more deficiencies during the performance period that pose immediate jeopardy to the health or safety of patients, hospitals had less than three out of the four domains calculated, hospitals with an approved extraordinary circumstance exception, and hospitals located in the state of Maryland. If your hospital is excluded from the program, your report will state "Hospital VBP Ineligible" on the first page. Additionally, data for your hospital will not be publicly reported in the Hospital Value-Based Purchasing Program tables on the *Hospital Compare* website. Excluded hospitals will not have their payments adjusted, which includes not being subject to the 2.00 percent withhold and the opportunity to receive incentive payments. I just want to

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

reiterate because this is one of the most common questions from excluded hospitals. Hospitals that are excluded for any of the reasons listed on this slide will not have their payments reduced by 2.00 percent and they will not have the opportunity to receive incentive payments.

This slide provides a timeline of the Hospital VBP Program. We are currently at the box with the You Are Here stamp. CMS released the fiscal year 2020 Percentage Payment Summary Reports to hospitals on July 30. Following the release of that report, hospitals have a 30-day period to review the reports and the scoring calculations and request a correction. If you are submitting a review and correction request, the request is due by August 29 at 11:59 p.m. Prior to the report release, the Baseline Measures Reports for fiscal year 2020 were released in March of 2018. The Baseline Measures Reports provide the baseline period rates and performance standards to assist hospitals in setting targets in the performance period. In April 2019, CMS released the mortality and complication measure HSRs, and, in early July 2019, CMS released the MSPB HSRs. Following the release of each of those reports, hospitals had a 30-day period to review and request correction of the calculations of these specific measures. Looking ahead, payment adjustments for fiscal year 2020 will begin on October 1, 2019 and continue through September 30 of 2020. In the fall of 2019, CMS will post Table 16B to the CMS.gov website, which is a table that contains each eligible hospital's payment adjustment factor. We anticipate, in January 2020, CMS will update the *Hospital Compare* website with the fiscal year 2020 scoring results for the Hospital VBP Program.

The next set of slides will show the steps for running your Percentage Payment Summary Report.

CMS made the Percentage Payment Summary Report available last Wednesday, July 30. Reports are available to run through the *QualityNet Secure Portal* for *QualityNet* users that have been assigned the Hospital Reporting Feedback – Inpatient and File Exchange and Search Roles. Please note that you will need to run the Percentage Payment Summary Report and it will not be available in your Secure File Transfer Inbox, like

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

the claims-based measure HSRs or the HAC Reduction Program reports that were recently sent to hospitals.

This slide displays a list of the steps to assist you in running your report from the *QualityNet Secure Portal*. If you have any issues relating to running the report, please contact the *QualityNet* Help Desk by e-mailing them at qnetsupport@hcqis.org.

I would like to know how many of you have already downloaded your report. Please respond to the polling question. I'm hoping the Yes responses have increased from yesterday's presentation. We'll leave the polling question open for a few more seconds. For those that haven't run your report, we hope that you will all go out to *QualityNet* and run your report to review your scores and payment adjustment factor.

I will now touch briefly on the domains and measures used to evaluate hospitals in the Hospital VBP Program. Overall, more information on the major topics of the Hospital VBP Program were discussed yesterday. The information that I'm going to be providing in this section will be needed to understand the calculations.

This slide displays the four domains hospitals will be evaluated on in the fiscal year 2020 Hospital VBP Program. Each domain is weighted equally at 25 percent of the Total Performance Score. The Clinical Outcomes Domain contains the 30-day mortality measures for AMI, heart failure, and pneumonia. The Hip-Knee Complication measure is also included in the Clinical Outcomes Domain. The Person and Community Engagement Domain contains the HCAHPS Survey dimensions. The Safety Domain contains the five CDC healthcare-associated infection measures and the PC-01 measure. The Efficiency and Cost Reduction Domain contains the Medicare Spending per Beneficiary measure. The only change in the domains or measures used in the program from last year was the update to the Clinical Care Domain name to Clinical Outcomes.

The Hospital VBP Program is unique in that it allows hospitals to earn improvement, which is scored based on how a hospital improved in their

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

own performance from the baseline period to the performance period, in addition to the opportunity for achievement, which is scored based on how a hospital compares versus all other hospitals in the country. We have two periods listed on this slide, baseline and performance, in order to calculate both of those scores. The HCAHPS Survey, HAI measures, PC-01, and MSPB measure are calendar year measures and utilize a performance period of calendar year 2018 and a baseline period of calendar year 2016. The mortality measures and complication measure use multi-year baseline and performance periods that are listed on this slide.

When we were covering the eligibility of the program, we discussed a hospital being excluded if they had fewer than three domain scores calculated. So, in order to cover the minimum data required for the Hospital VBP Program, I would like to start there, which is the last row in the table on this slide. In order to have at least three domains calculated, a hospital would have to meet the minimum data requirements within the domain. For the Clinical Outcomes Domain, a hospital must have at least two of the four mortality measures and complication measures scored, requiring a minimum of 25 cases in those measures. For the Person and Community Engagement Domain, a minimum of 100 HCAHPS Surveys are required to receive a score. In the Safety Domain, a minimum of two measure scores is required. Those two measures can be received from having at least one predicted infection in the HAI measures and 10 cases in the denominator for the PC-01 measure. For the Efficiency and Cost Reduction Domain, a minimum of 25 episodes of care is required.

Like I mentioned a few slides back, hospitals have the opportunity to receive improvement and achievement points on their Percentage Payment Summary Report based upon their performance rates during the baseline period and performance period relative to the performance standards. The performance standards consist of the achievement threshold and benchmarks 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 the 50th percentile, of all hospital rates measured during the baseline period. The benchmark is a mean of the top

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

decile, which is the average of the top 10 percent during the baseline period. The floor is used in calculating the HCAHPS consistency score and is the rate of the lowest performing hospital during the baseline period.

The measures displayed on this slide will have a higher benchmark value than an 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. A quick reminder: The mortality measures use survival rates in the Hospital VBP Program.

The measures displayed on this slide will have a higher achievement threshold value than benchmark because lower rates demonstrate better quality in the measure. The measures that this description is applicable for are the complication measure, the PC-01 measure, all healthcare-associated infections in the Safety Domain, and the MSPB measure in the Efficiency and Cost Reduction Domain. Please note, the MSPB measure uses data during the performance period instead of the baseline period to calculate performance standards.

This slide displays the performance standards used in the fiscal year 2020 program. These performance standards, with the exception of MSPB, were included in your baseline measures report and will also be displayed on your hospital's Percentage Payment Summary Report.

Okay, now moving on to the fun part of the webinar, our calculation and scoring examples. For those of you that are new to the program, or for those that are still a bit fuzzy on the calculations, I'm going to walk through the calculations step by step. Some of the formulas can look a little scary but, I promise you, they are simple, and you can calculate them yourself. You just need to plug in a few numbers on your calculator.

There are three values calculated for every measure: the achievement points, the improvement points, and the measure score. We will cover achievement points first. Achievement points are awarded by comparing

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

your hospital's rates on a measure during the performance period with all other hospitals. So, how does CMS compare you to all hospitals? The answer is through the use of performance standards of the achievement threshold and the benchmark that we just covered. To recap, the achievement threshold was the median of all hospital performance and the benchmark is the mean of the top 10 percent. You can determine how many achievement points your hospital will receive by reviewing these three scenarios. Is your hospital's performance period rate at or better than the benchmark value? If yes, your hospital will get the maximum of 10 achievement points. Is your hospital's rate worse than the achievement threshold? If that answer is yes, your hospital would receive 0 achievement points. Is your hospital's rate at or better than the achievement threshold, the median value, but not quite at that benchmark? If that fits your hospital's scenario, you will receive 1 to 9 achievement points, and you would use the achievement-point formula. If this all makes sense to you, that's fantastic, but, if not, we will run through some examples on the next few slides.

With achievement points, you will need to know three values. What is the measure's benchmark? What is the measure's achievement threshold, and what is my hospital's performance period rate? Here's an example for the CAUTI measure. Using the performance standards from the earlier performance standards slides, 0.000 as the benchmark, and 0.828 is the achievement threshold, we can determine how many achievement points our example hospital should receive by determining what scenario the hospital is in based on their performance period rate. Please remember that lower rates are better for the CAUTI measure. This hospital has a performance period rate of 0.000. So, we can begin asking our scenario questions. Is this hospital's performance period rate at or better than the benchmark? Is the hospital's performance period rate worse than the achievement threshold, or is the performance period rate at or better than the achievement threshold but still worse than the benchmark?

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

We're going to put up some polling questions now for you to respond to. Please submit your response now. We will just give it a few more seconds. Okay. We can go ahead and close out that polling question now.

For those that answered that the rate was at or better than the benchmark, you are correct. The hospital will achieve 10 achievement points.

As you can see, the benchmark and achievement threshold values remain the same, but our performance period rate is now 1.010. Is this hospital's performance period rate at or better than the benchmark? Is the hospital's performance period rate worse than the achievement threshold, or is the performance period rate at or better than the achievement threshold but still worse than the benchmark?

Please submit your response now. In a few more seconds and we'll close the polling. Okay, we can go ahead and close out that polling question now.

For those that answered that the performance period rate is worse than the achievement threshold, you were correct. The hospital will achieve 0 achievement points.

Now, our performance period rate is 0.450. Is the hospital's performance period rate at or better than the benchmark? Is the hospital's performance period rate worse than the achievement threshold, or is the performance period rate at or better than the achievement threshold but worse than the benchmark?

Please submit your response to the question now. The polling will be closed in a few more seconds. Okay. Please close the polling question.

For those that answered that the performance period rate was at or better than the achievement threshold but worse than the benchmark, you are correct. Now, let's take a stab at the formula to determine how many points the hospital will receive.

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

Now is the time to pull out your calculator at your desk or on your computer. Can you use the formula listed on this slide to determine how many achievement points the hospital will receive? I'll give you a hint. Once you reach your final answer, round to the nearest whole number using the normal rounding rules. I'll be quiet while you calculate your answer. If you don't know where to start with the formula, that's fine. I'll show you how to walk through it after everyone submits their response. We'll leave this slide up for about 30 more seconds for you to use the formula to calculate the results.

Please submit your responses now. A few more seconds and we'll close the polling. Okay. I think we can close out the polling on the question now.

Great job to those that answered five. We'll walk through the calculation for those that didn't receive five as their answer. First, plug in the performance period rate and performance standard values into the formula. We would put 0.450 in for the performance period rate in the numerator, 0.828 in the achievement threshold place in the numerator and denominator, and 0.000 for the benchmark in the denominator. Now, we start inside of the parentheses in the numerator. Type 0.450 minus 0.828 and equals into your calculator. You should be receiving -0.378. Now, move to the denominator. Type 0.000 minus 0.828 and equals. You should receive -0.828. Now, type your numerator, -0.378 divided by -0.828, and equals. For those that are having trouble getting the numbers to be negative on your calculator, there should be a button with a plus and minus sign on it. That button will make your number negative after you have typed it in. The results of that division should get you 0.4565. Multiply 0.4565 by 9, because it's inside the next set of parentheses and that will get you 4.1087. Lastly, add 0.5 to 4.1087 and that will get you 4.6097; round that to the nearest whole number, and you will receive 5.

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

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

comparison to all other hospitals, but they can earn points by improving from the baseline period. CMS may award hospitals improvement points if the hospitals' performance period rate is better than their own baseline period rate. The maximum point value for improvement points is 9 points. If your hospital's performance period rate is better than the benchmark and also better than your own baseline period rate, you will receive a maximum of 9 improvement points. If your hospital's performance period rate is worse than or equal to the baseline period rate, you will receive 0 improvement points, because no improvement in the rates were actually realized. If your hospital's performance period rate is in between the baseline period rate and the benchmark, your hospital will receive 0 to 9 improvement points based on the improvement-point formula.

For improvement points, you also need to know three values, but they are slightly different than the achievement points. You need to know the set benchmark, your hospital's baseline period rate, and your hospital's performance period rate. In this example, the CAUTI benchmark is 0.000. The hospital's baseline rate was 0.400, and the performance period rate was 0.000. Is the hospital's performance period rate at or better than the benchmark? Is the hospital's performance period rate worse than or equal to the baseline period rate, or is the performance period rate somewhere in between the baseline period rate and the benchmark?

Please submit your response now to the question. Okay. We will just give it a few more seconds. Okay. Please close out that polling question.

For those that answered that the performance period rate was at or better than the benchmark, you are correct. The hospital would receive 9 improvement points.

In this example, the CAUTI benchmark is still 0.000. The hospital's performance period rate is still 0.000, but, now, the baseline period rate is also 0.000. Is the hospital's performance period rate at or better than the benchmark, resulting in 9 improvement points? Is the performance period rate worse than or equal to the baseline period rate, resulting in 0 improvement points, or is the performance period rate somewhere in

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

between the baseline period rate and the benchmark, resulting in 0 to 9 improvement points based on the formula?

Please submit your response to the question now. The polling will be closed in a few more seconds. Okay. Please close out the polling question.

This one was a tricky question; but, if you remember the note from a few slides back, hospitals that have rates at or better than the benchmark, but do not improve from their own baseline period rate, will receive 0 improvement points. Please note, though, that this hospital would still receive 10 achievement points because their performance period rate was at or better than the benchmark.

In this example, the CAUTI benchmark is 0.000. The hospital's baseline rate was 0.400, and the performance period rate was 1.010. Is the hospital's performance period rate at or better than the benchmark? Is the performance period rate worse than or equal to the baseline period rate, or is the performance period rate somewhere in between the baseline period rate and the benchmark?

Please submit your response to the question now. The polling will be closed in a few more seconds. Okay. Please close out that polling question.

For those that answered that the performance period rate was worse than or equal to the baseline period rate, you are correct. This hospital would receive 0 improvement points.

The hospital's baseline period rate is 0.400, and the performance period rate is now 0.200. Is the hospital's performance period rate at or better than the benchmark? Is the performance period rate worse than or equal to the baseline period rate, or is the performance period rate somewhere in between the baseline period rate and the benchmark?

Please submit your response now to the question. Okay. We will just give it a few more seconds. Okay. Please close out that polling question.

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

If you said the performance period rate is in between the baseline period rate and the benchmark, you are correct. The hospital will receive 0 to 9 improvement points based on the improvement-point formula.

Using the formula listed on this slide, can you calculate how many improvement points the hospital will receive? I'll be quiet while you calculate. We'll leave this slide up for about 30 more seconds for you to use the formula to calculate the results.

Please submit your response now. Okay. We will just give it a few more seconds. Okay. Please close out that polling question.

Nice job for those that answered 5. We'll walk through the calculations for those that didn't receive 5 as their answer. First, plug in the performance period rate into the formula, similar to what we did for the achievement points. We would put 0.200 in for the performance period rate in the numerator; 0.400 in for the baseline period rate in the numerator and denominator; and 0.000 in for the benchmark in the denominator. Now, we will start inside of the parentheses in the numerator. Type 0.200 minus 0.400 and equals into your calculator. That should equal -0.2. Now, move to the denominator. Type 0.000 minus 0.400 and equals. You should receive -0.4. Now, type your numerator, -0.2 divided by -0.4, and equals. Remember to use that key with the plus and minus sign to make your numbers negative after you're typing them. That should get you positive 0.5. Multiply 0.5 by 10, because it's inside the next set of parentheses, and that will give you 5. Lastly, subtract 0.5 from 5, which will equal 4.5. Round to the nearest whole number, and you will get 5.

Okay, last improvement point example. This example has the same scenario of having the performance period rate greater than the baseline period rate but less than the benchmark. So, we will use the improvement point formula to calculate the result. I'll be quiet again while you plug the numbers into your calculator. We'll leave this slide up for about 30 more seconds for you to use the formula to calculate the results.

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

Please submit your response now. Okay. We will just give it a few more seconds. Okay. Please close out that polling question.

Nice job for those that calculated 0. This is another common question that we receive: “My hospital improved from the baseline period, so why is my report displaying 0 improvement points?” Under this scenario, you have to use the improvement point formula that does result in 0 for this example. First, plug in the performance period rate into the formula. We would put 0.375 in for the performance period rate in the numerator; 0.400 in for the baseline period rate in the numerator and denominator; and 0.000 in for the benchmark in the denominator. Now, we start inside of the parentheses in the numerator. Type 0.375 minus 0.400 and equals into your calculator. That should equal -0.025. Now, move to the denominator. Type 0.000 minus 0.400 and equals. You should receive -0.4. Now, type your numerator, -0.025 divided by -0.4, and equals. Remember to use that key with the plus and minus sign to make your numbers negative after you’re typing them. That should get you positive 0.0625. Multiply 0.0625 by 10, because it’s inside the next set of parentheses, and that will give you 0.625. Lastly, subtract 0.5 from 0.625, which will equal 0.125. Round that to the nearest whole number, and you will get 0.

Hospitals are only awarded one score per measure, which is identified as the greater of achievement points and improvement points for each measure. This slide displays a sample set of scores from the Clinical Outcomes Domain. The measure scores are populated by selecting the larger of the two values. So, for example, the MORT-30-AMI measure received 10 achievement points and 9 improvement points. The measure score is the greater of those two numbers, which is 10. In the MORT-30-HF row, the hospital had 5 achievement points and a dash for improvement points. This hospital did not have at least 25 eligible discharges for the measure during the baseline period in order to have improvement points calculated but did during the performance period. So, they can have achievement points. In this type of scenario, the hospital will automatically have the achievement-point value become the measure score. In the hip-knee complication row, the hospital has dashes for all of the values. That

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

means the hospital didn't have at least 25 eligible discharges in the performance period for either of those calculations to take place. I'll show you how CMS determines the domain score calculations when not all measures are scored in the next slide. In the MORT-30-PN row, the hospital earned 4 achievement points and 6 improvement points. Should the measure score for this hospital be 4, 5, or 6?

Please submit your response now. Okay. We will just give it a few more seconds. Okay. Please close out that polling question.

The correct measure score for the MORT-30-PN measure was 6, which is the greater of improvement and achievement points. Now that each measure has a measure score calculated, the unweighted domain score is calculated. The unweighted domain score for all domains is normalized to account for only the measures the hospital met the minimum requirements. To normalize a domain, you sum the measure scores in the domain. In our example, the sum of the measure scores is 21, which is 10 plus 5 plus 6. You then multiply the eligible measures by the maximum point value per measure. In our example, the hospital did not meet the minimum requirements in the hip-knee complication measure. So, instead of four total measures, this hospital was only scored in three. We then multiplied the three measures by 10 points possible for each measure for a total of 30. To create a percent of scores the hospital earned in relation to points possible, we divide the sum of the measures scores. Remember, that was 21, by the maximum points possible of 30, which equals 0.7. Lastly, we multiply that result by 100, and that equals 70.

Now, I would like you to try to calculate the normalized unweighted domain score. The steps are listed on the right hand of the slide. What is the Unweighted Clinical Outcomes Domain Score: 25, 62.5, or 83.3? I'll be quiet while you calculate your result.

I'll keep this slide up for about 10 more seconds. Please submit your response now. Okay. We will just give it a few more seconds. Okay. Please close out that polling question.

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

Great job for those that answered 62.5. Let's walk through those steps. First, sum the measures in the domain. Our 8 plus 7 plus 0 plus 10 equals 25. Next, multiply the eligible measures by the maximum points possible of 10. So, four measures times 10 points equals 40. Remember, that a measure score of 0 is different than a dash, which indicates a hospital did not have the minimum cases required to receive a measure score. In the third step, we divide the result of step one, which was 25, by the result of step two, which was 40. This equals 0.625. Last, multiply our result of 0.625 by 100, and that equals 62.5.

Moving on to the Person and Community Engagement Domain. Just like the Clinical Outcomes Domain, a dimension score is just the greater of achievement points and improvement points.

However, the calculation of the unweighted domain score for the Person and Community Engagement Domain is a little different. First, you sum the dimension scores for the eight HCAHPS domains. In our example on the slide, that equals 42 points. This value is known as the HCAHPS base score. Next, we have to determine the consistency points. This hospital received 20 consistency points. These two values added together, the 42 for the HCAHPS base score and the 20 for the HCAHPS consistency score, equals 62 points, but you are probably wondering how we calculate consistency points. Don't worry. We'll cover that on the next few slides.

Consistency points have different scenarios resulting in various point values, just like improvement points and achievement points. If all dimension rates are greater than or equal to their achievement threshold, remember that's the median of hospital rates during the baseline period, the hospital will receive a maximum of 20 consistency points. If any individual rate is less than or equal to the floor, which is the worst performing hospital's dimension rate from the baseline period, 0 consistency points will be awarded. Now, if the lowest dimension rate is greater than the floor, but less than the achievement threshold, 0 to 20 points will be awarded based on the consistency point formula using the hospital's lowest dimension rate. I think looking at a few examples may clear up any confusion you may have at this point.

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

In order to evaluate the different scenarios for consistency points, we just need to look at three columns: the performance period rate, the floor, and the achievement threshold. I've grayed out the baseline period rate and benchmark columns for this exercise. On each of these dimensions, the performance period rate is greater than the achievement threshold. For example, Communications with Nurses has a higher performance period rate than achievement threshold. This is true for every dimension displayed. As a result, the hospital meets the scenario of all dimension rates being greater than or equal to the achievement threshold, resulting in 20 consistency points.

In this example, the hospital has some dimension rates that are greater than the achievement threshold, such as the Communications with Doctors dimension. Some of the dimensions have performance period rates that are less than the achievement threshold but are still greater than the floor. This is true for the Communication with Nurses dimension with 75.79 percent being less than the achievement threshold of 79.08 percent but still greater than the floor of 51.80 percent. Then, there is one dimension, Overall Rating of Hospital, that has a performance period rate that is less than the floor. As a result, this hospital meets the scenario of any individual dimension rate being less than or equal to the floor which results in 0 consistency points being awarded.

This example hospital has some rates that are better than their achievement thresholds and some that are less. However, this hospital does not have any performance period rates that are less than the floor values. This hospital meets the scenario where the lowest dimension rate is greater than the floor but less than the achievement threshold. Our next step will be determining which dimension is our lowest dimension score. We will only carry over the yellow boxed dimensions for this evaluation, the dimensions in which the performance period rate is less than the achievement threshold.

The lowest dimension score is not simply the dimension with the lowest performance period rate. There is a formula to determine the lowest dimension score relative to the dimension's achievement threshold and

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

floor. Using the lowest dimension score formula, our lowest dimension score is Care Transition with a score of 0.791.

Using that score of 0.791 as the lowest dimension score, we calculate the consistency score by multiplying 20 times our lowest dimension score value, which was 0.791, which is 15.82. You then subtract 0.5, which equals 15.32, and then round to the nearest whole number, being 15.

Moving into the Safety Domain, there is only one variance to the calculation of the SSI measure score to be aware of. In the Fiscal Year 2014 IPPS [LTCH PPS] Final Rule, CMS finalized the policy in which CMS will award achievement and improvement points to each stratum of the SSI measure, then compute a weighted average of the points awarded to each stratum by the predicted infections during the performance period. This weighted average becomes the hospital's SSI measure score. If you think it's complicated, it's really not; and I will show you an example of how to do that calculation in the next slide.

In order to calculate your SSI measure score, you would first calculate improvement and achievement points and identify the greater value to identify each stratum's measure score. So, that's the exact same thing we've done for every other measure up to this point. Once you have the measure scores identified, you would use the weighted average formula to calculate your combined measure score. In our example, the colon stratum had a measure score of 5 with one predicted infection, and the abdominal hysterectomy stratum had a measure score of 8 with two predicted infections. You first multiply each of the measure scores by their predicted infection value. So, use 5 times one for colon and 8 times two for abdominal hysterectomy. You then add these two values together, which equals 21. You then divide that result by the sum of the predicted infections. So, use 1 plus 2 in our example, which equals 3. Our result is 7, which is 21, our numerator, divided by 3, our denominator.

Using the formula that we just walked through, can you pick out the right values on the report to calculate the hospital's SSI measure score? Please

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

select the predicted infections from the performance period. Is the result 0, 3, 5, 7, or 10? I'll be quiet while I let you determine the value.

I'll leave this slide up for another 30 seconds or so. Please submit your response now. Okay. We will just give it a few more seconds. Okay. Please close out that polling question.

The answer is 7. So, let's pull the values first. The colon measure score is in the third row in the column, all the way to the right, that says Measure Score. The colon measure score is 10. The colon predicted infections from the performance period is 5.333. The next group of our numerator is for abdominal hysterectomy, which is the second row. The measure score is all the way on the right, which is 0. The number of predicted infections during the performance period was 2.161. Our numerator values have now been plugged in. Our denominator values are the colon predicted infections and abdominal hysterectomy predicted infections that we just grabbed for the numerator. So, running through the formula, we multiply 10, our colon measure score, by 5.333, our colon predicted infections. This equals 53.33. Then we multiply 0, our abdominal hysterectomy measure score, by 2.161, our abdominal hysterectomy predicted infections. This equals 0. We then add 53.33 from our colon side to 0 from our abdominal hysterectomy side to equal 53.33. This is our numerator. For our denominator, we add 5.333, our colon predicted infections, to 2.161, our abdominal hysterectomy predicted infections, to equal 7.494. Our numerator 53.33 divided by our denominator 7.494 equals 7.1, which rounds to the nearest whole number 7.

Still keeping with SSI, just a few other notes. When one stratum is scored, that stratum will receive 100 percent of the weight within the combined score calculation. So, all that really means is, if your colon surgery stratum had a measure score of 8, and you didn't have at least one predicted infection in the abdominal hysterectomy stratum, your measure score for the SSI combined measure would simply be that 8 that you received in the colon surgery stratum. The only scenario in which you would calculate the weighted average that we just computed is when your hospital received measure scores in both strata.

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

With the exception of the SSI measure score, you identify the measure scores in the Safety Domain as the greater of achievement and improvement points.

Similar to the Clinical Outcomes Domain, the Safety Domain is normalized to account for only the measures the hospitals met the minimum data requirements in. In our example, the hospital met the minimum data requirements in all but the MRSA measure. The sum of the measure scores is 28 in our example, which is divided by the maximum points possible for the domain. In our example, that is calculated by multiplying five measures by 10 points. Then, divide 28 by 50 to equal 0.56. Multiply that result by 100 to equal a score of 56.

The MSPB measure score is also identified as the greater of achievement and improvement points.

The unweighted Efficiency and Cost Reduction Domain score is calculated by dividing the MSPB measure score by the maximum points possible, which is 10. In our example, the MSPB Domain score is 10, which is then divided by the maximum points possible of 10 to equal 1. You then multiply the results of 1 by 100, which equals 100.

Once you have each of the unweighted domain scores, you can calculate the weighted domain scores. If your hospital received an unweighted domain score in each of the four domains, you will use the original weight. In fiscal year 2020, each domain holds a weight of 25 percent.

CMS allows hospitals to still have a Total Performance Score calculated if the hospital received the domain score in three out of the four domains. If only three domains are scored, the remaining domain weights are proportionally re-weighted to equal 100 percent. To reweight the domains proportionately, you first subtract the domain weight not receiving a score from 100 percent. In this fiscal year, because all of the domains are weighted at 25 percent, the resulting value will always be 75 percent. You then divide the remaining domain weights by 75 percent. So, in our

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

example, you would divide each of the original weights of 25 percent by 75 percent, which equals a new weight of 33.3 percent.

The weighted domain score is the last calculation completed for the Total Performance Score. We multiply the unweighted domain score values by the domain weights for the fiscal year. For example, the Clinical Outcomes unweighted domain score of 75 is multiplied by 25 percent to equal 18.75. The weighted domain scores are then summed to equal the Total Performance Score that has a maximum value of 100 points.

Once you have your Total Performance Score, you can determine your hospital's payment adjustment by using the exchange function slope. The exchange function slope is the same for each hospital within a fiscal year and is displayed on the first page of the Percentage Payment Summary Report. The exchange function slope is a value that allows you to translate your Total Performance Score to a payment adjustment, and I'll show you how on the next slide.

There are three steps to get from a Total Performance Score to the adjustment factor. The first step is calculating the value-based incentive payment percentage. To do that, you multiply the number 2, which is the fiscal year 2020 DRG payment reduction, by your hospital's TPS divided by 100, and also by the exchange function slope. Please note that the 3 value is a placeholder and is not the actual slope for fiscal year 2020. So, 2 multiplied by 73 over 100, multiplied by 3, gives us 4.38 percent. This would be the percentage of incentive payments your hospital will receive without accounting for the 2-percent reduction or withhold.

The next step is to calculate the net change and to take into account that 2 percent. You take your value-based incentive payment percentage and subtract 2 percent. In our example, 4.38 percent minus 2 percent equals 2.38 percent. This means that the base operating DRG payments for this hospital will be adjusted upward by 2.38 percent in fiscal year 2020.

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

To calculate the payment adjustment factor, you then take the net change, our 2.38, and divide by 100, and add the result to 1. This gives us 1.0238 for our payment adjustment factor.

Now, I would like you to try to calculate the value-based incentive payment adjustment factor using our three steps. The TPS is 30 and our exchange function slope is 3. I'll remain quiet while you work through the calculations. We'll leave this slide up for another 30 seconds or so.

Please submit your response now. Okay. We will just give it a few more seconds. Okay. We can close out that polling question now.

Great job to those that answered 0.998. We'll walk through the steps for this example. The first step is calculating the value-based incentive payment percentage. To do that, you multiply the number 2, which is the fiscal year 2020 DRG payment reduction, by your hospital's TPS of 30, divided by 100 and by the exchange function slope, which gives us 1.80 percent. The next step is to calculate the net change and to take into account that 2 percent. You take your value-based incentive payment percentage and subtract 2 percent. In our example, 1.8 percent minus 2 percent equals -0.2 percent. To calculate the payment adjustment factor, you then take the net change, our -0.2 percent, and divide by 100, and add that result to 1. This gives us 0.998 for our payment adjustment factor.

The payment adjustment factor is the value your MAC will use to adjust your payments during the fiscal year. Here are a couple examples using a \$20,000 base operating DRG payment. In our first example, you multiply 20,000 by 1.0238 and get a value of 20,476. When comparing that result to the original DRG amount, the hospital will have an increase of \$476 on that DRG. The second example shows a net reduction instead of a net increase. In this example, the net change is -0.20 percent or a factor of 0.998 that you just calculated. The \$20,000 DRG is multiplied by 0.998 and we receive a result of \$19,960, or a net reduction of \$40 for this DRG.

I really hope all of these examples assist you in reviewing your report. While reviewing your report, if you identify any calculation issues, you

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

have the opportunity to submit a review and corrections request. Please note that the underlying calculations of measure rates, such as the claims used to calculate the mortality measures, are not permitted during the review and correction period. These next few slides will detail the review and correction process.

Hospitals may review and request recalculation of scores for each measure, domain, and Total Performance Score. Hospitals have 30 days after the Percentage Payment Summary Report is released to request this review. If you would like to submit a request, please submit the completed review and correction form through the Secure File Exchange on the *QualityNet Secure Portal* to the “HVBP” group. If you are submitting a request, please have it submitted by August 29 at 11:59 p.m. for CMS consideration.

The review and correction form is posted on *QualityNet*. This page describes where to find the form if you would like access it.

When completing the form, please make sure you are providing the following information: the date of the review and corrections request; the hospital CCN [CMS Certification Number] number; the hospital contact information; the reason or reasons for the request; and a detailed description for the reasons identified.

The following resources are available to you.

If you have questions or would like to learn more about the Hospital VBP Program, I would recommend checking out the resources listed on this slide. If you have a question, you can reference the FAQs in the inpatient Q&A tool on *QualityNet*, and, if your question is not answered, submit a question through the same tool.

The resources available on this slide can be found by clicking on the link in the slide or visiting QualityReportingCenter.com. Specifically, as you are reviewing your report and you have questions, please reference the How to Read Your Report Help Guide. We rolled out a new resource last year, the Scoring Quick Reference Guide, and we updated it for fiscal year

Inpatient Value, Incentives, and Quality Reporting (VIQR) Program

Support Contractor

2020. If you need assistance in calculating your values on the report, that's a nice handy cheat sheet for you to use. That concludes my portion of the webinar. I would just like to remind everyone that, if you would like a higher-level view of the concepts of the Hospital VBP Program, we held a webinar yesterday. That webinar recording is available on the QualityReportingCenter.com website in the Hospital VBP Program educational events archive for on-demand viewing. This recorded presentation will also be available later today or tomorrow if you would like to watch this webinar again or share it with a colleague. Maria, I'll now turn it back over to you. Thank you, everyone.

Maria Gugliuzza: Thank you, everyone, for your participation in today's webinar. The next slide is an overview of the continuing education approval. There is a link on the slide that you can click on for more information about receiving the CE credit.

Thank you everyone for joining and have a great day.