



# What's My Payment?

Understanding the FY 2021 Hospital VBP Program Calculations Step-By-Step in the Percentage Payment Summary Report

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# Purpose

This event will provide an overview of the Fiscal Year (FY) 2021 Hospital VBP Program Percentage Payment Summary Report (PPSR) calculations with a focus on understanding the Hospital VBP Program calculations, from improvement and achievement to payment adjustments.

# Objectives

Participants will be able to:

- Identify how hospitals will be evaluated within each domain and measure.
- Calculate their hospital's Total Performance Score (TPS).
- Use the exchange function slope to translate their hospital's TPS to payment adjustment factor.

# Webinar Chat Questions

Please email any questions that are pertinent to the webinar topic to [WebinarQuestions@hsag.com](mailto:WebinarQuestions@hsag.com) with the following information:

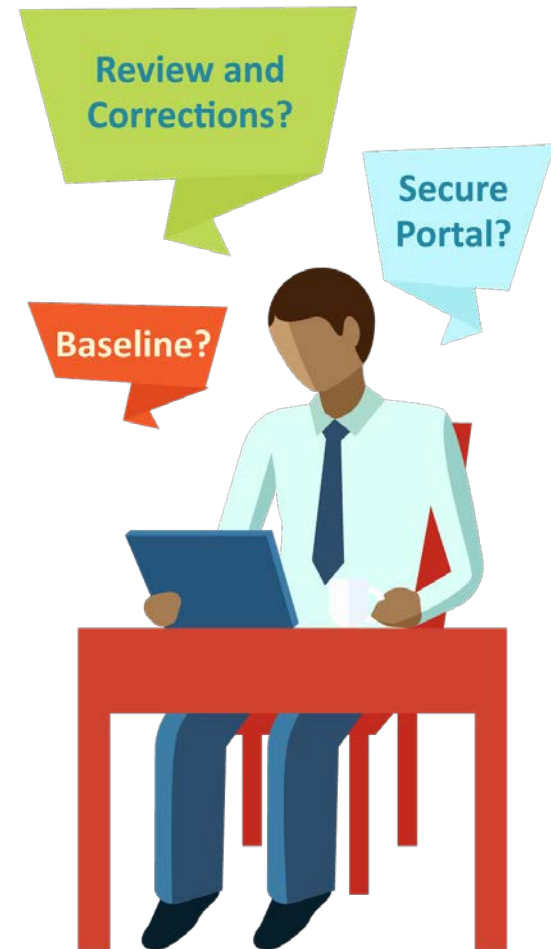
- Subject Line: What's My Payment? Understanding the FY 2021 Hospital VBP Program Calculations Step-By-Step in the Percentage Payment Summary Report
- Email Body: If your question pertains to a specific slide, please include the slide number

If you have a question unrelated to the current webinar topic, we recommend that you first search for it in the [QualityNet](#) Inpatient Questions and Answers tool, at [https://cmsqualitysupport.servicenowservices.com/qnet\\_qa](https://cmsqualitysupport.servicenowservices.com/qnet_qa).

If you do not find an answer, then submit your question to us via the same tool.

# Overview Webinar

- Have questions about the FY 2021 Hospital VBP Program?
- Watch the *Where's My Report? Everything You Want to Know About the FY 2021 Hospital VBP Percentage Payment Summary Report On-Demand Webinar*.
- Watch here:  
<https://www.qualityreportingcenter.com/en/events-on-demand/vbp/vbp73020ppsr/>



# Acronyms

<b>AMI</b>	Acute Myocardial Infarction	<b>IPPS</b>	inpatient prospective payment system
<b>CAH</b>	Critical Access Hospitals	<b>IQR</b>	Inpatient Quality Reporting
<b>CAUTI</b>	Catheter-associated Urinary Tract Infection	<b>LTCH</b>	Long-Term Care Hospital
<b>CCN</b>	CMS Certification Number	<b>MORT</b>	mortality
<b>CDI</b>	<i>Clostridium difficile</i> Infection	<b>MRSA</b>	Methicillin-resistant <i>Staphylococcus aureus</i> Bacteremia
<b>CEO</b>	chief executive officer	<b>MS DRG</b>	Medicare Severity Diagnosis Related Group
<b>CLABSI</b>	Central Line-associated Bloodstream Infection	<b>MSPB</b>	Medicare Spending per Beneficiary
<b>CMS</b>	Centers for Medicare & Medicaid Services	<b>PHI</b>	protected health information
<b>COMP</b>	complications	<b>PII</b>	personally identifiable information
<b>COPD</b>	Chronic Obstructive Pulmonary Disease	<b>PN</b>	pneumonia
<b>FY</b>	fiscal year	<b>PPS</b>	prospective payment system
<b>HAI</b>	Healthcare-associated infection	<b>PPSR</b>	Prospective Payment Summary Report
<b>HARP</b>	HCQIS Access Roles and Profile	<b>PT</b>	Pacific Time
<b>HCAHPS</b>	Hospital Consumer Assessment of Healthcare Providers and Systems	<b>SSI</b>	Surgical Site Infection
<b>HCQIS</b>	Health Care Quality Information Systems	<b>THA/TKA</b>	Total Hip Arthroplasty/or Total Knee Arthroplasty
<b>HF</b>	heart failure	<b>TPS</b>	Total Performance Score
<b>HQR</b>	hospital quality reporting	<b>VBP</b>	value-based purchasing
<b>HSR</b>	Hospital-Specific Report	<b>VIQR</b>	Value, Incentives, and Quality Reporting

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## **Introduction**



# Foundation



Set forth under Section 1886(o) of the Social Security Act



When selecting new measures for the Hospital VBP Program, the measure must have been originally specified under the Hospital Inpatient Quality Reporting (IQR) Program



CMS will refrain from beginning the performance period for any new measure until the data on that measure have been posted on *Hospital Compare* for at least one year



Ties hospital reimbursement to the quality of care, not just the quantity of inpatient acute care services provided



Funded by a 2.00% reduction from participating hospitals' base operating Medicare Severity Diagnosis Related Group (MS-DRG) payments





# Program Funding

## The Hospital VBP Program:

- Is an estimated budget-neutral program.
- Is funded by a 2.00 percent reduction from the base operating MS-DRG payments of hospitals.
- Has total value-based incentive payments estimated at \$1.9 billion for FY 2021.

Resulting funds are redistributed to hospitals, based on their TPS.

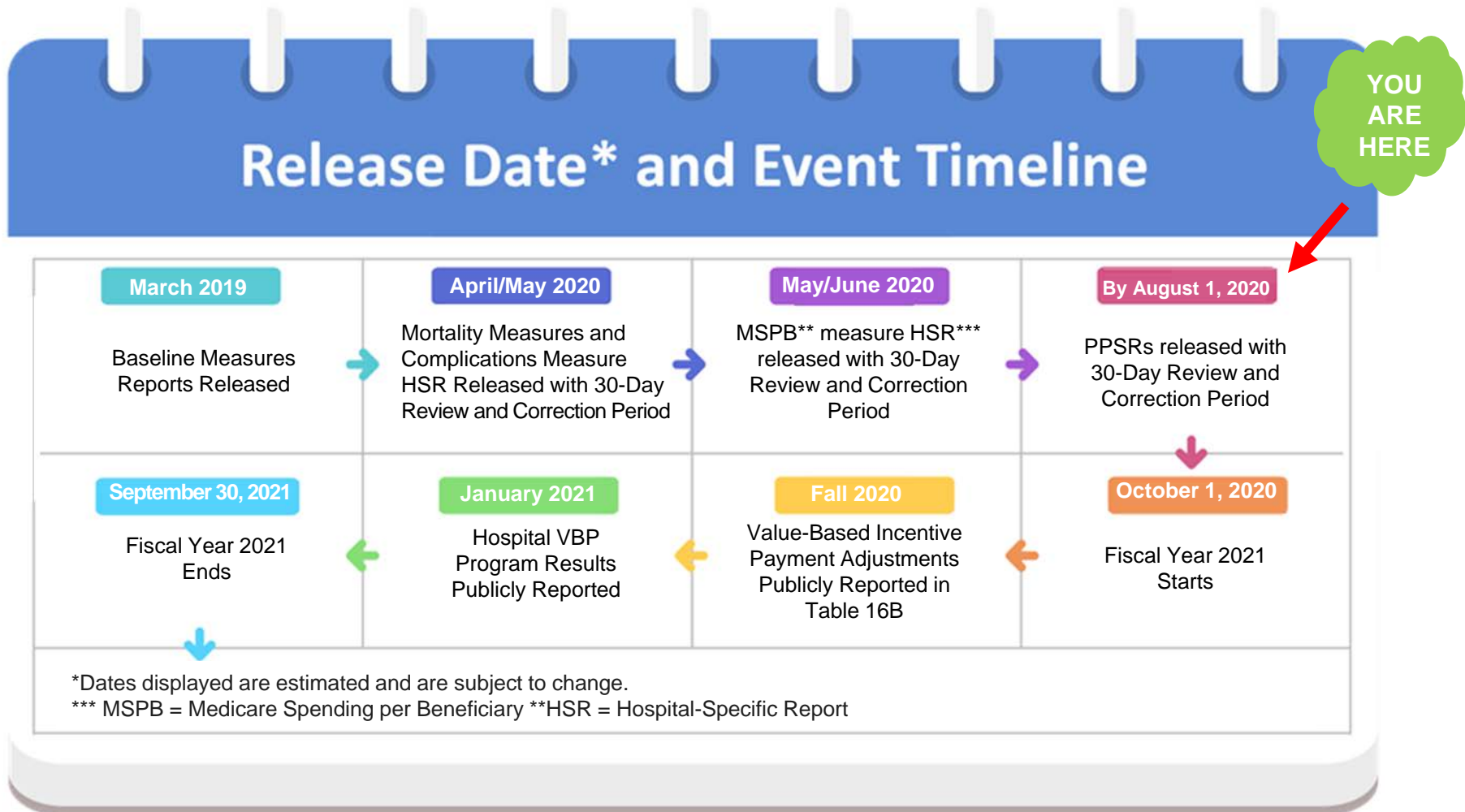
- The actual amount earned will depend on the range and distribution of TPS scores of all eligible/participating hospitals for a fiscal year.
- A hospital may earn back a value-based incentive payment percentage that can range from incurring the withhold for the fiscal year to receiving a positive net change in base operating DRG payments.

# Eligibility

- **Eligible hospitals include** subsection (d) hospitals as defined in Social Security Act section 1886(d)(1)(B).
- **Ineligible hospitals include those** excluded from the inpatient prospective payment system (IPPS):
  - Psychiatric
  - Rehabilitation
  - Long-term care
  - Children's
  - 11 prospective payment system (PPS)-exempt cancer hospitals
  - Critical Access Hospitals
- **Excluded hospitals include those:**
  - Subject to payment reductions under the Hospital IQR Program.
  - Cited for three or more deficiencies during the performance period that pose immediate jeopardy to the health or safety of patients.
  - With an approved disaster/extraordinary circumstance exception specific to the Hospital VBP Program.
  - Without the minimum number of domains calculated for the applicable fiscal year.
  - Short-term acute care hospitals in Maryland.

**Note:** Hospitals **excluded** from the Hospital VBP Program **will not** have their base operating MS-DRG payments reduced by 2.00 percent.

# Timeline



What's My Payment? Understanding the FY 2021 Hospital VBP Program Calculations Step-By-Step in the Percentage Payment Summary Report

## **How to Run Your Report**

# PPSRs Available Now

- Notifications announcing the PPSR release were sent to hospitals on **July 31, 2020**.
- Notifications were sent through the **Hospital Inpatient Value-Based Purchasing (HVBP)** and **Improvement and Hospital IQR (Inpatient Quality Reporting) and Improvement** *QualityNet* Program Notification Groups.
  - Signup for the Email Program Notification Groups here: <https://qualitynet.org/listserv-signup>
- Reports are only available to users that have access to the **Hospital Value-Based Purchasing – Feedback Reports** report category in the *QualityNet Hospital Quality Reporting (HQR) Secure Portal*.

# How to Run Your Report

1. Go to the *QualityNet HQR Secure Portal* login page: <https://hqr.cms.gov/hqrng/login>
2. Enter your HCQIS Access, Roles and Profile (HARP) system ID and password. Select Login.
3. Select method for two-factor authentication code. Enter code when received. Select Continue.
4. Select “My Reports” from the menu bar.
5. Select “Run Report(s) from the “I’d Like To...” options.
6. Select “Inpatient” from the “Report Program” drop-down list, “Hospital Value-Based Purchasing– Feedback Reports” from the “Report Category” drop-down list, and click “View Reports.”
7. Select “Hospital Value-Based Purchasing – Value-Based Percentage Payment Summary” from the “Report Name” section.
8. Select the parameters of the report and click “Run Report.”
9. Click “Search Report(s).”
10. Select green arrow download button from the “ACTION” column.
11. Select Open or Save to view the report.

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



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## **Evaluating Hospitals**

# FY 2021 Domain Weights and Measures



## Clinical Outcomes (25%)

**MORT-30-AMI:** Acute Myocardial Infarction (AMI) 30-Day Mortality Rate

**MORT-30-COPD:** Chronic Obstructive Pulmonary Disease (COPD) 30-Day Mortality Rate

**MORT-30-HF:** Heart Failure (HF) 30-Day Mortality Rate

**MORT-30-PN:** Pneumonia (PN) 30-Day Mortality Rate

**COMP-HIP-KNEE:** Elective Primary Total Hip Arthroplasty (THA) and/or Total Knee Arthroplasty (TKA) Complication Rate



## Efficiency and Cost Reduction (25%)

**MSPB:** Medicare Spending per Beneficiary

## Person and Community Engagement (25%)

**Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS)**

### Survey Dimensions

Communication with Nurses

Communication with Doctors

Responsiveness of Hospital Staff

Communication about Medicines

Cleanliness and Quietness of Hospital Environment

Discharge Information

Care Transition

Overall rating of Hospital



## Safety (25%)

**CAUTI:** Catheter-associated Urinary Tract Infection

**CDI:** *Clostridium difficile* Infection





**CLABSI:** Central Line-associated Bloodstream Infection

**MRSA:** Methicillin-resistant *Staphylococcus aureus* Bacteremia

**SSI:** Surgical Site Infection- Colon Surgery and Abdominal Hysterectomy



# FY 2021 Baseline and Performance Periods

Domain	Measure	Baseline Period	Performance Period
 <b>Clinical Outcomes</b>	Mortality Measures (AMI, COPD, HF)	July 1, 2011– June 30, 2014	July 1, 2016– June 30, 2019
	Mortality Measures (PN)	July 1, 2012– June 30, 2015	September 1, 2017– June 30, 2019
	Complication Measure	April 1, 2011– March 31, 2014	April 1, 2016– March 31, 2019
 <b>Person and Community Engagement</b>	HCAHPS Survey	January 1, 2017– December 31, 2017	January 1, 2019– December 31, 2019*
 <b>Safety</b>	Healthcare-associated infection (HAI) Measures	January 1, 2017– December 31, 2017	January 1, 2019– December 31, 2019*
 <b>Efficiency and Cost Reduction</b>	Medicare Spending per Beneficiary (MSPB)	January 1, 2017– December 31, 2017	January 1, 2019– December 31, 2019

# COVID-19





## Data Submission Exceptions

- On March 22, 2020, CMS announced relief for clinicians, providers, hospitals, and facilities participating in quality reporting programs in response to COVID-19.
- The scope and duration of the exceptions under each Medicare quality reporting program and value-based purchasing program are described in the March 22, 2020, and March 27, 2020, memos:
  - March 22, 2020: <https://www.cms.gov/newsroom/press-releases/cms-announces-relief-clinicians-providers-hospitals-and-facilities-participating-quality-reporting>
  - March 27, 2020: <https://www.cms.gov/files/document/guidance-memo-exceptions-and-extensions-quality-reporting-and-value-based-purchasing-programs.pdf>

# Exception Impact to FY 2021 Hospital VBP Program

- For the National Healthcare Safety Network (NHSN) Healthcare-Associated Infection (HAI) measures and HCAHPS survey, providers were excepted from the reporting of measure data for the May 2020 submission deadlines for the October 1, 2019–December 31, 2019 (Q4 2019) discharge period.
- Data for these measures was used in the Hospital VBP Program if submitted, but data submission was optional as described in the memos.

# FY 2021 Minimum Data Requirements

Domain/Measure/TPS	Minimum Requirement
 <b>Clinical Outcomes</b>	Minimum of two measure scores: <ul style="list-style-type: none"> <li>• Mortality Measures: 25 cases</li> <li>• Complication Measures: 25 cases</li> </ul>
 <b>Person and Community Engagement</b>	100 HCAHPS Surveys
 <b>Safety</b>	Minimum of two measure scores: <ul style="list-style-type: none"> <li>• Five HAI measures: One predicted infection</li> </ul>
 <b>Efficiency and Cost Reduction</b>	25 episodes of care in the MSPB measure
<b>TPS</b>	A minimum of three of the four domains receiving domain scores



# Performance Standards

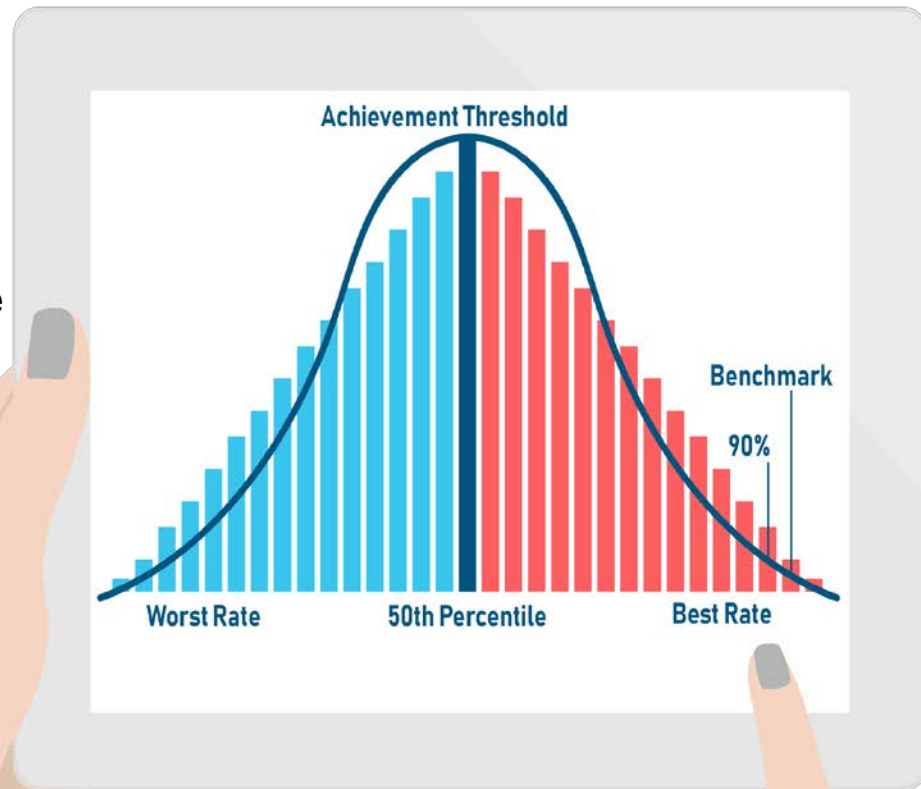
## Benchmark:

Average (mean) performance of the top decile (10%) of hospitals

## Achievement Threshold:

Performance at the 50th percentile (median) of hospitals during the baseline period

**Note:** MSPB uses Performance Period data to calculate the benchmark and achievement threshold, not Baseline Period data like other measures.

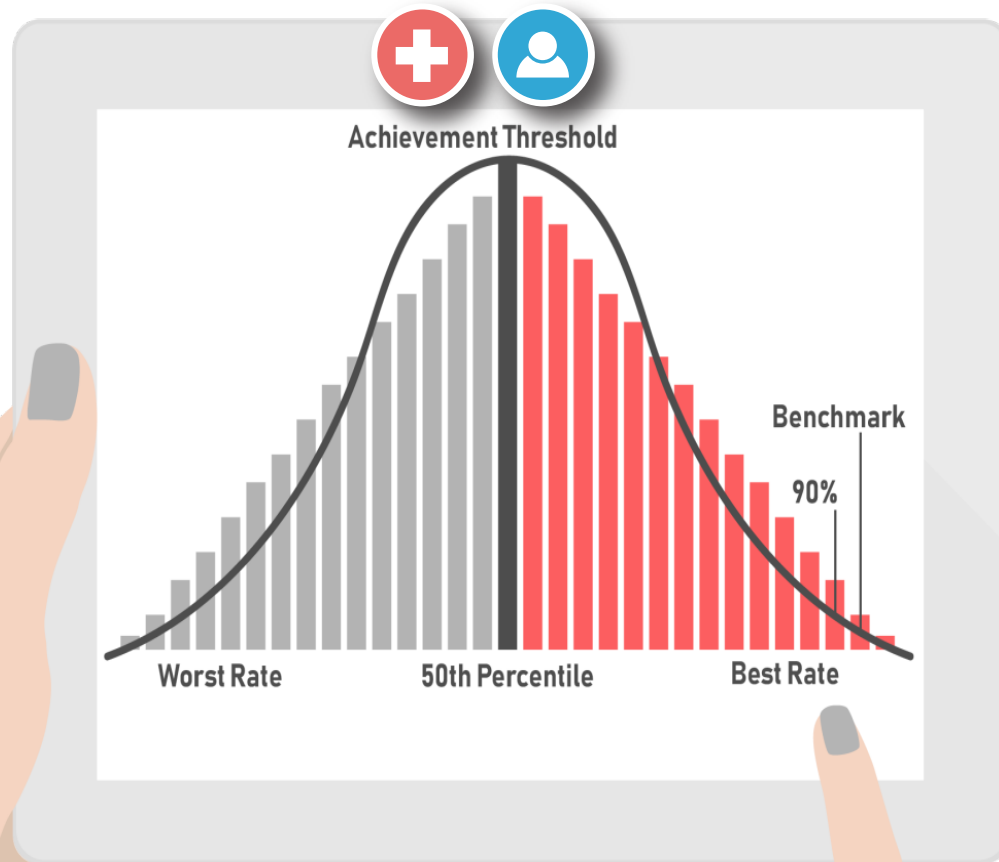


# Performance Standards

A **higher** rate is better for the following measures/dimensions:

- Clinical Outcomes
  - Mortality measures\*
- Person and Community Engagement

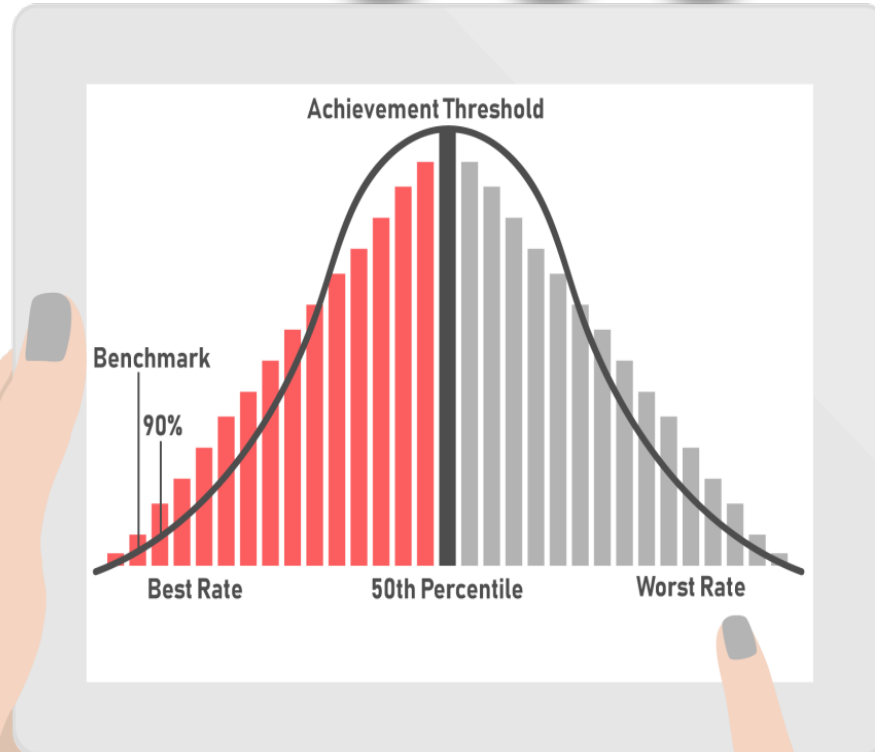
\* The 30-day mortality measures are reported as survival rates; therefore, higher values represent a better outcome.



# Performance Standards

A **lower** rate is better for the following measures/dimensions:

- Clinical Outcomes
  - Complication measure
- Safety
  - HAI measures
- Efficiency and Cost Reduction
  - Unlike other measures, the Efficiency and Cost Reduction measure, MSPB, utilizes data from the performance period to calculate the benchmark and achievement threshold instead of data from the baseline period.



# FY 2021 Performance Standards

## Safety (25%)

<i>Measures (Healthcare-Associated Infections)</i>	<i>Threshold</i>	<i>Benchmark</i>
↓CLABSI	0.687	0.000
↓CAUTI	0.774	0.000
↓SSI: Colon	0.754	0.000
↓SSI: Abdominal Hysterectomy	0.726	0.000
↓MRSA	0.763	0.000
↓CDI	0.748	0.067

## Clinical Outcomes (25%)

<i>Measures</i>	<i>Threshold</i>	<i>Benchmark</i>
MORT-30-AMI	0.860355	0.879714
MORT-30-HF	0.883803	0.906144
MORT-30-COPD	0.923253	0.938664
MORT-30-PN Updated Cohort	0.836122	0.870506
↓COMP-HIP-KNEE	0.031157	0.022418

↓ = Lower Values Indicate Better Performance

## Efficiency and Cost Reduction (25%)

<i>Measures</i>	<i>Threshold</i>	<i>Benchmark</i>
IMSPB	Median Medicare Spending per Beneficiary ratio across all hospitals during the performance period	Mean of lowest decile of Medicare Spending per Beneficiary ratios across all hospitals during the performance period

## Person and Community Engagement (25%)

<i>HCAHPS Survey Dimensions</i>	<i>HCAHPS Performance Standards</i>		
	<i>Floor (%)</i>	<i>Threshold (%)</i>	<i>Benchmark (%)</i>
Communication with Nurses	42.06	79.06	87.36
Communication with Doctors	41.99	79.91	88.10
Responsiveness of Hospital Staff	33.89	65.77	81.00
Communication about Medicines	33.19	63.83	74.75
Hospital Cleanliness and Quietness	30.60	65.61	79.58
Discharge Information	66.94	87.38	92.17
Care Transition	6.53	51.87	63.32
Overall Rating of Hospital	34.70	71.80	85.67

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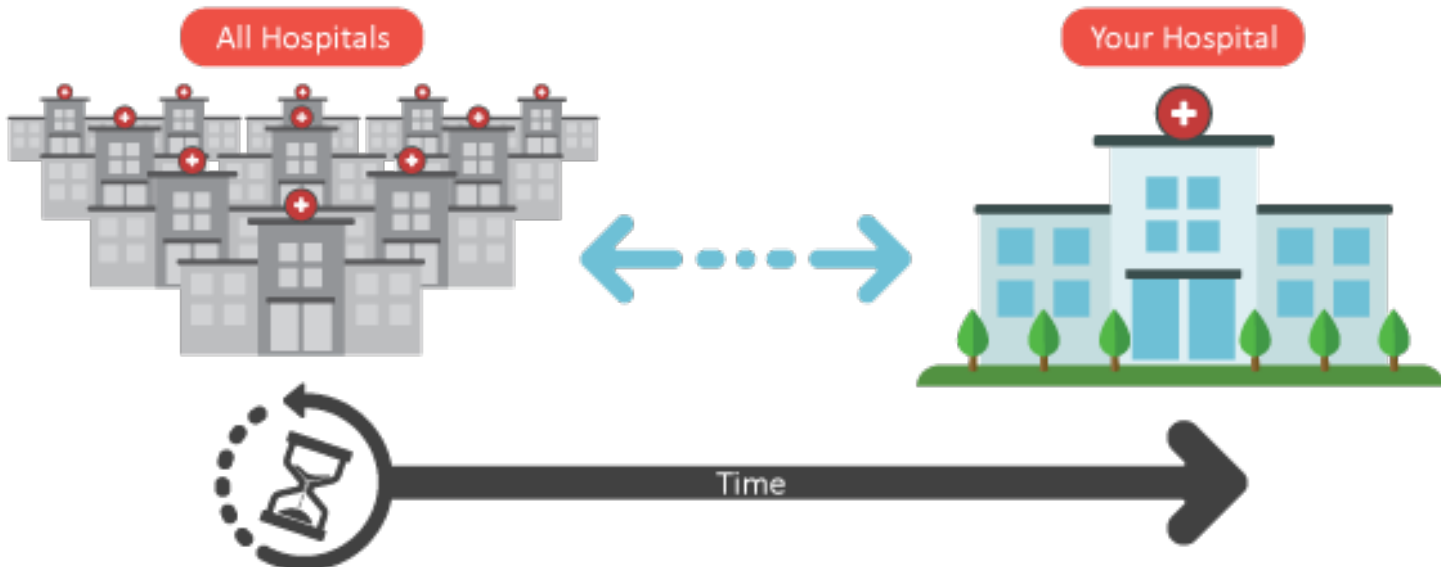
## **Scoring Examples**

# Achievement Points

Achievement points are awarded by comparing an individual hospital's rates during the performance period with all hospitals' rates from the baseline period\*:

- Rate at or better than the benchmark - 10 points
- Rate worse than the achievement threshold - 0 points
- Rate somewhere at or better than the threshold but worse than the benchmark - 1–9 points

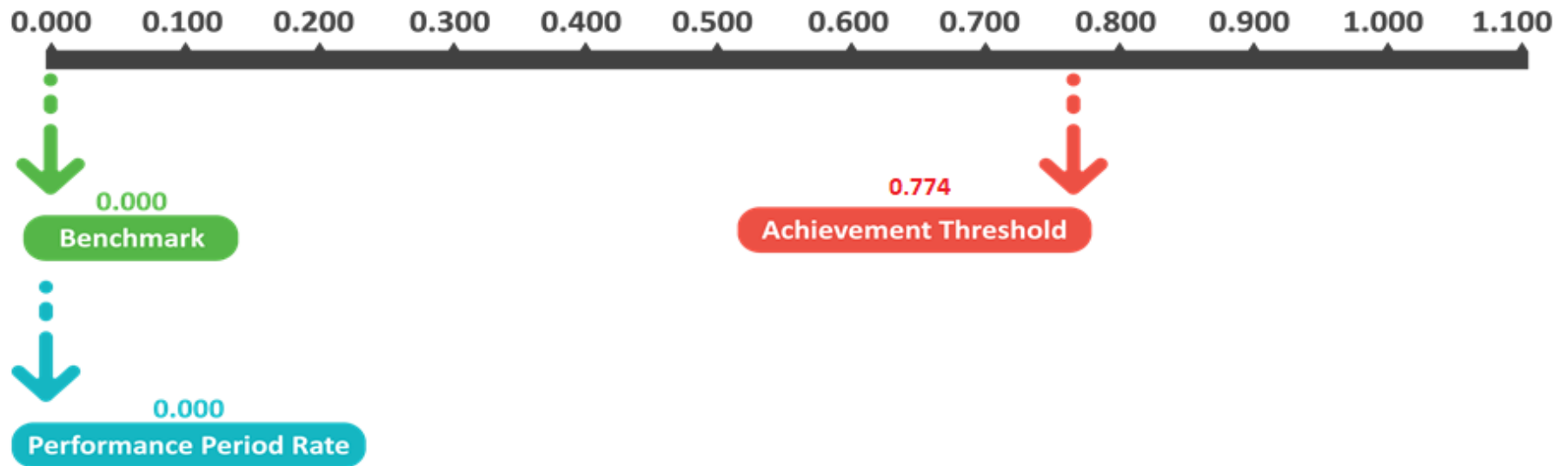
\* The Efficiency and Cost Reduction measure, MSPB, utilizes data from the performance period to calculate the benchmark and achievement threshold instead of data from the baseline period.





# Achievement Point Example 1

## CAUTI Achievement Point Example

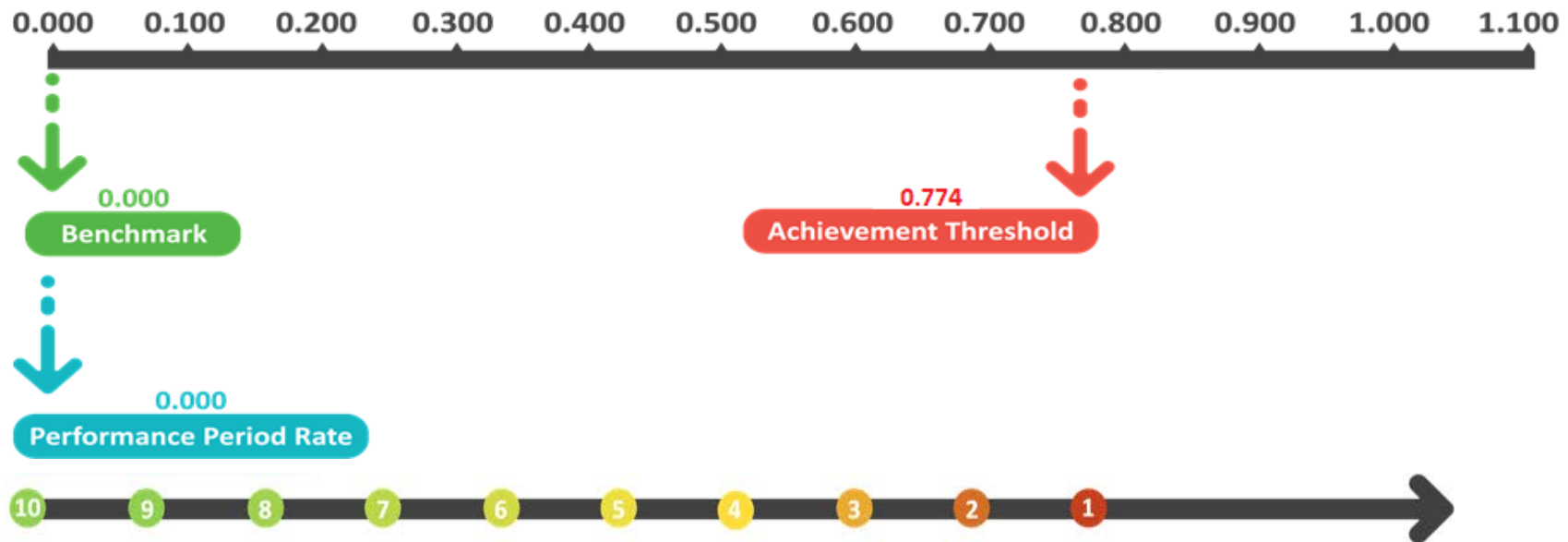


How many achievement points will be awarded?

- 10: Better than or at benchmark
- 0: Worse than achievement threshold
- 1–9: Between threshold & benchmark
- Unsure

# Achievement Point Example 1

## CAUTI Achievement Point Example



### Achievement Points

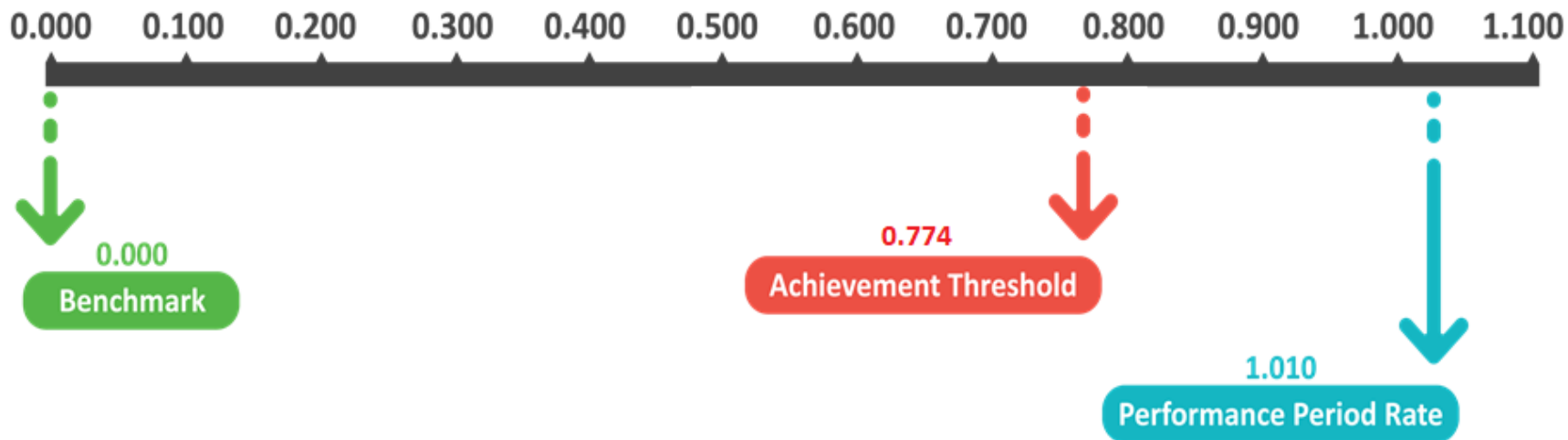
Awarded by comparing an individual hospital's rates during the performance period with all hospitals' rates from the baseline period

- **Rate at or better than the benchmark (10 points)**
- Rate worse than the achievement threshold (0 points)
- Rate somewhere at or better than the threshold but worse than the benchmark (1–9 points)

**Achievement Points = 10**

# Achievement Point Example 2

## CAUTI Achievement Point Example

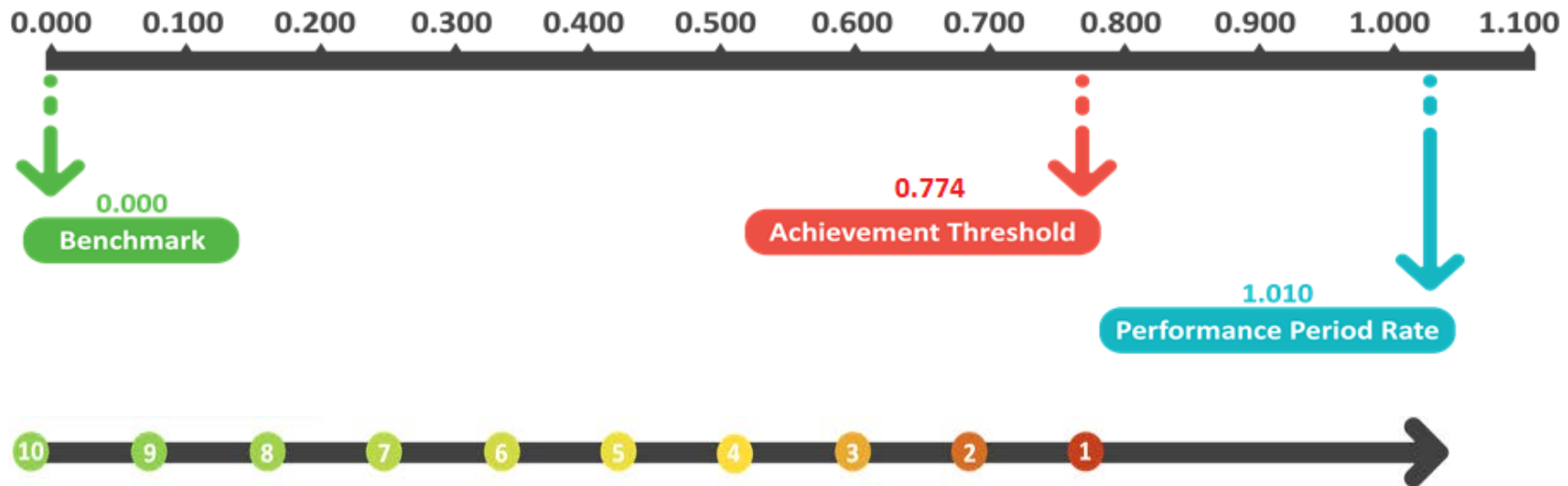


How many achievement points will be awarded?

- 10: Better than or at benchmark
- 0: Worse than achievement threshold
- 1–9: Between threshold and benchmark
- Unsure

# Achievement Point Example 2

## CAUTI Achievement Point Example



### Achievement Points

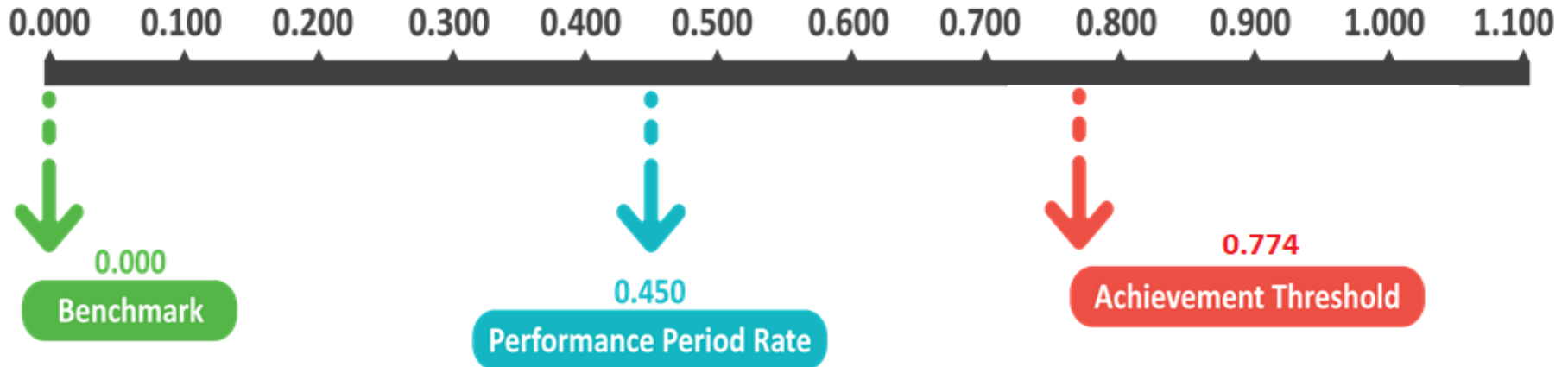
Awarded by comparing an individual hospital's rates during the performance period with all hospitals' rates from the baseline period

- Rate at or better than the benchmark (10 points)
- **Rate worse than the achievement threshold (0 points)**
- Rate somewhere at or better than the threshold but worse than the benchmark (1–9 points)

**Achievement Points = 0**

# Achievement Point Example 3

## CAUTI Achievement Point Example

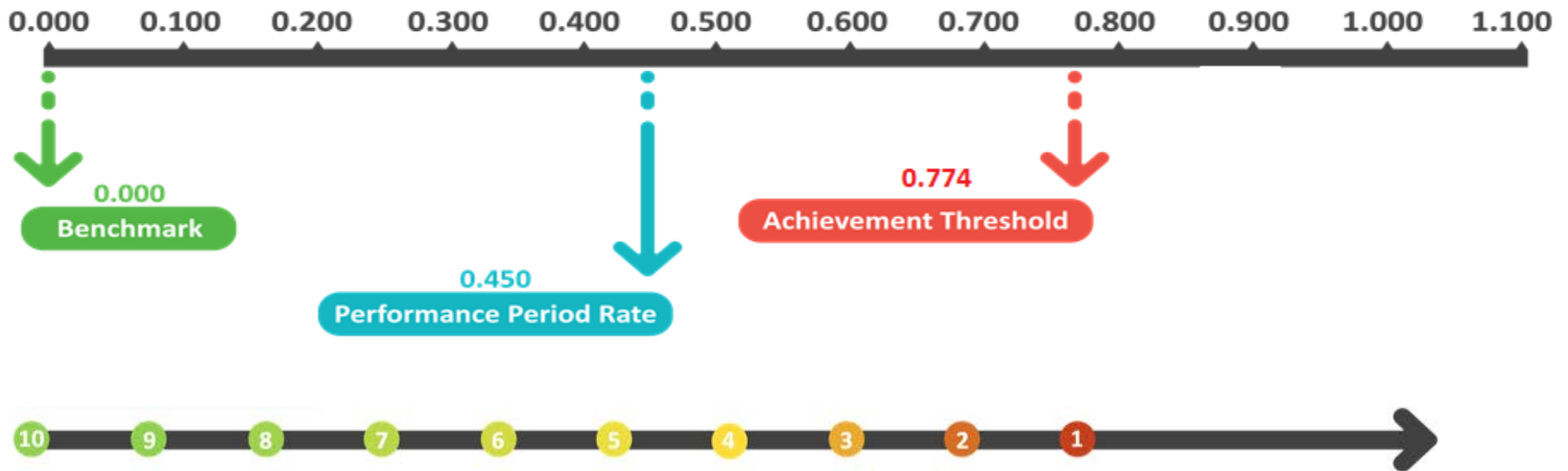


How many achievement points will be awarded?

- 10: Better than or at benchmark
- 0: Worse than achievement threshold
- 1–9: Between threshold & benchmark
- Unsure

# Achievement Point Example 3

## CAUTI Achievement Point Example



### Achievement Points

Awarded by comparing an individual hospital's rates during the performance period with all hospitals' rates from the baseline period

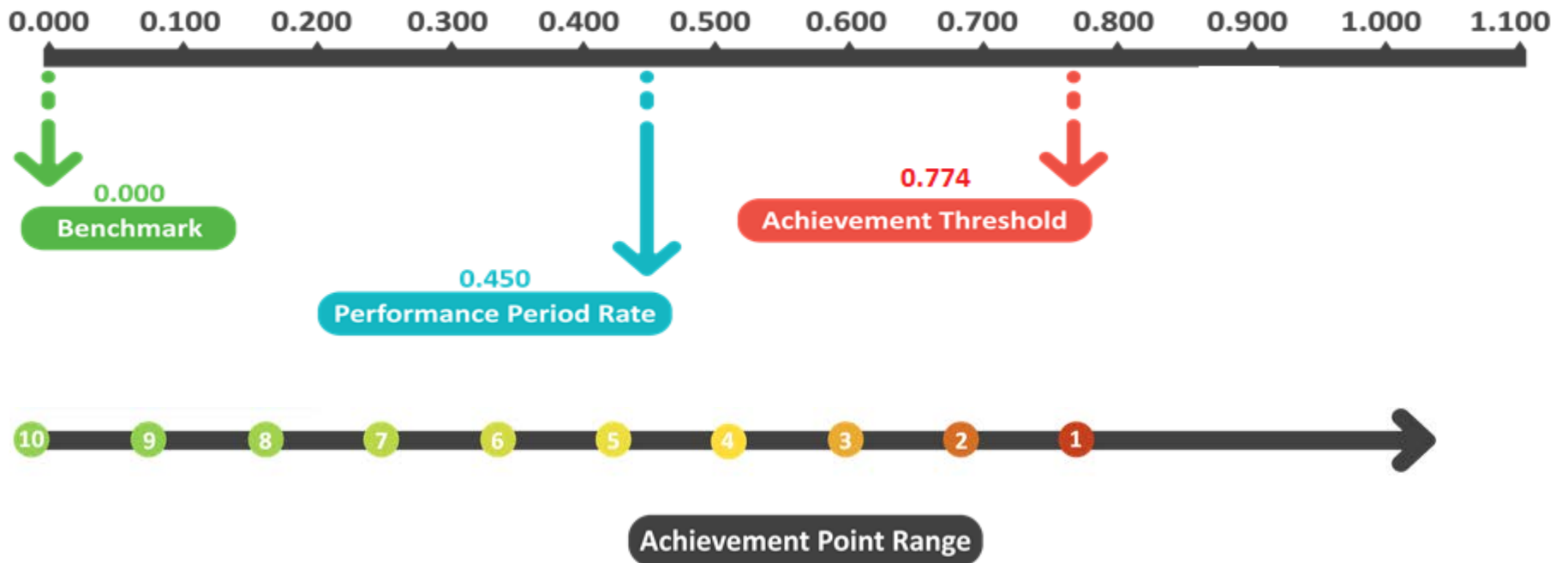
- Rate at or better than the benchmark (10 points)
- Rate worse than the achievement threshold (0 points)
- **Rate somewhere at or better than the threshold but worse than the benchmark (1–9 points)**

**Achievement Points = 1-9 based on Achievement Point Formula**



# Achievement Point Example 3

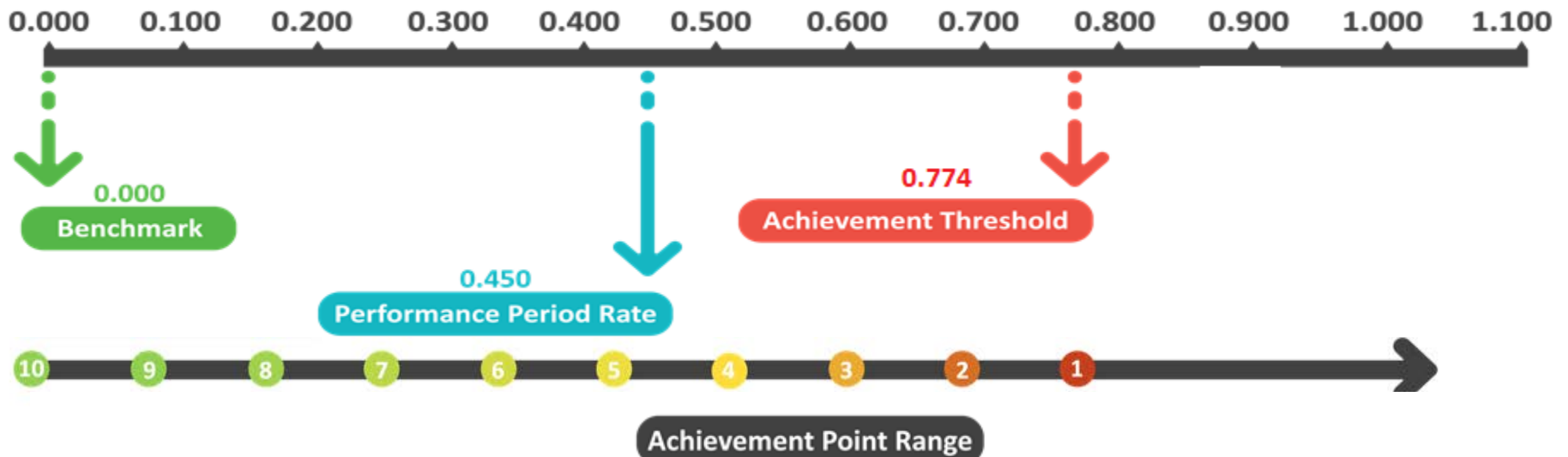
## CAUTI Achievement Point Example



$$\left( 9 \times \frac{(\text{Performance Period Rate} - \text{Achievement Threshold})}{(\text{Benchmark} - \text{Achievement Threshold})} \right) + 0.5$$

# Achievement Point Example 3

## CAUTI Achievement Point Example



$$\left( 9 \times \frac{\text{Performance Period Rate} - \text{Achievement Threshold}}{\text{Benchmark} - \text{Achievement Threshold}} \right) + 0.5$$

$$\left( 9 \times \frac{0.450 - 0.774}{0.000 - 0.774} \right) + 0.5 = 4$$

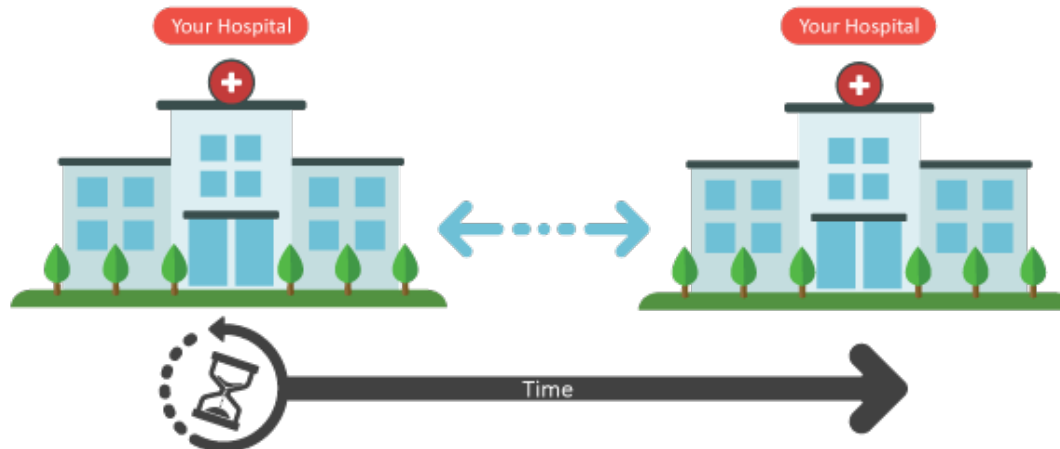
# Improvement Points

Improvement points are awarded by comparing a hospital's rates during the performance period to that same hospital's rates from the baseline period\*:

- Rate at or better than the benchmark - 9 points\*\*
- Rate worse than or equal to baseline period rate - 0 points
- Rate between the baseline period rate and the benchmark - 0–9 points

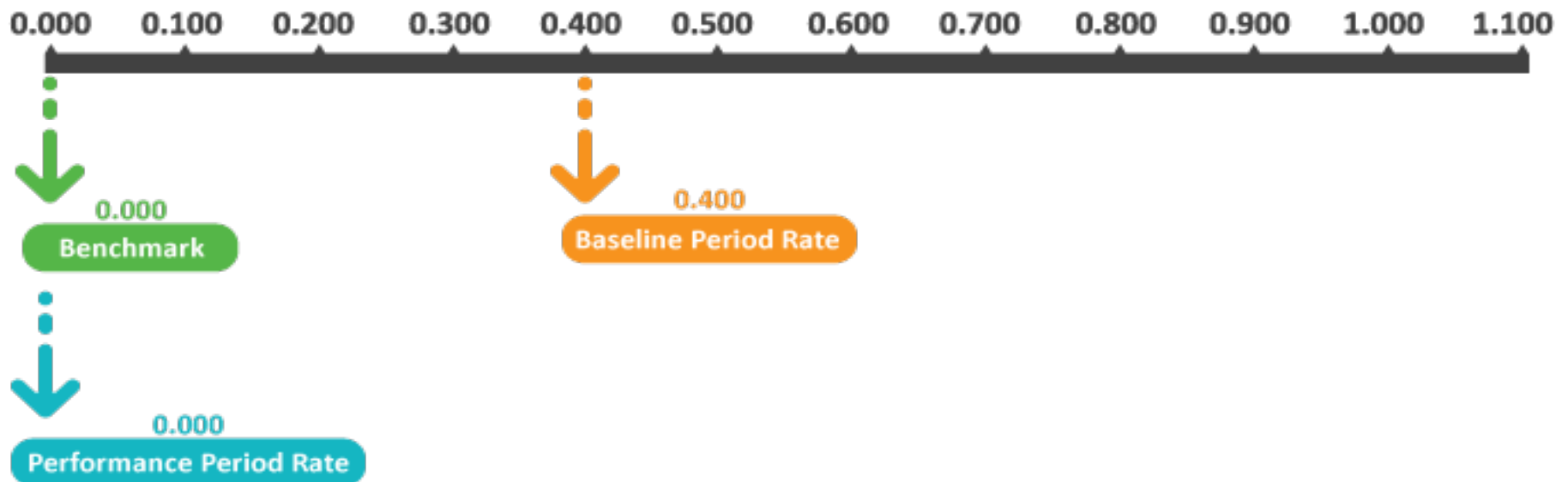
\*The Efficiency and Cost Reduction measure, MSPB, utilizes data from the performance period to calculate the benchmark and achievement threshold instead of data from the baseline period.

\*\*Hospitals that have rates at or better than the benchmark but do not improve from their baseline period rate (i.e., have a performance period rate worse than the baseline period rate) will receive 0 improvement points as no improvement was actually observed.



# Improvement Point Example 1

## CAUTI Improvement Point Example

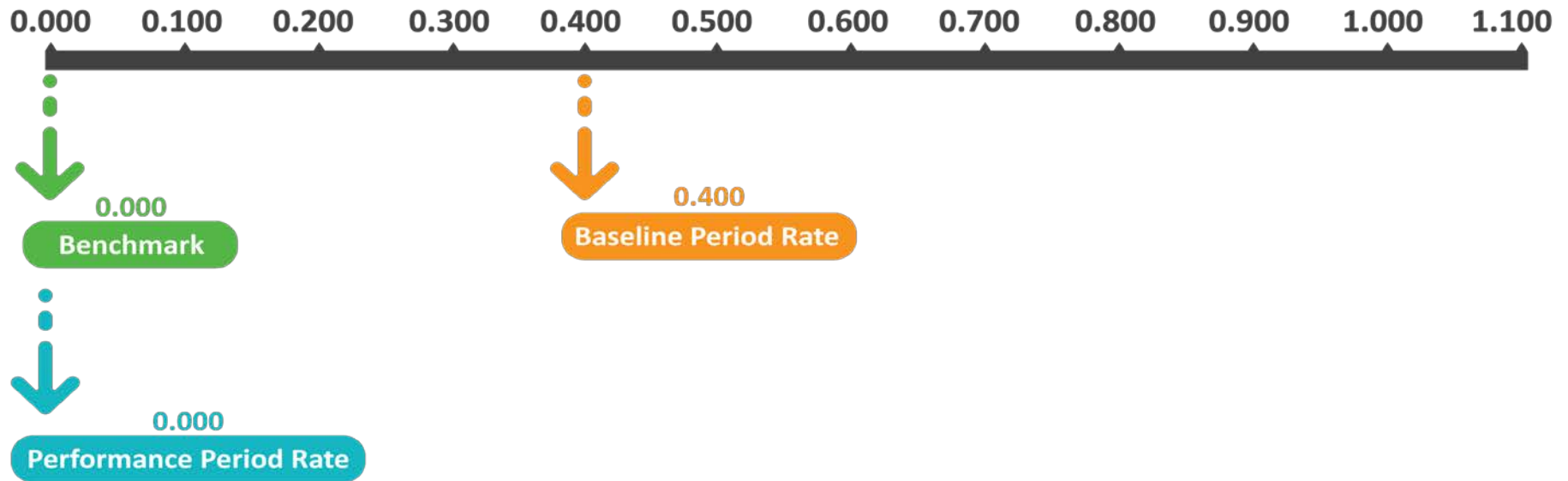


How many improvement points will be awarded?

- 9: Better than or at benchmark
- 0: Worse than or equal to baseline
- 0–9: Between baseline and benchmark
- Unsure

# Improvement Point Example 1

## CAUTI Improvement Point Example



### Improvement Points

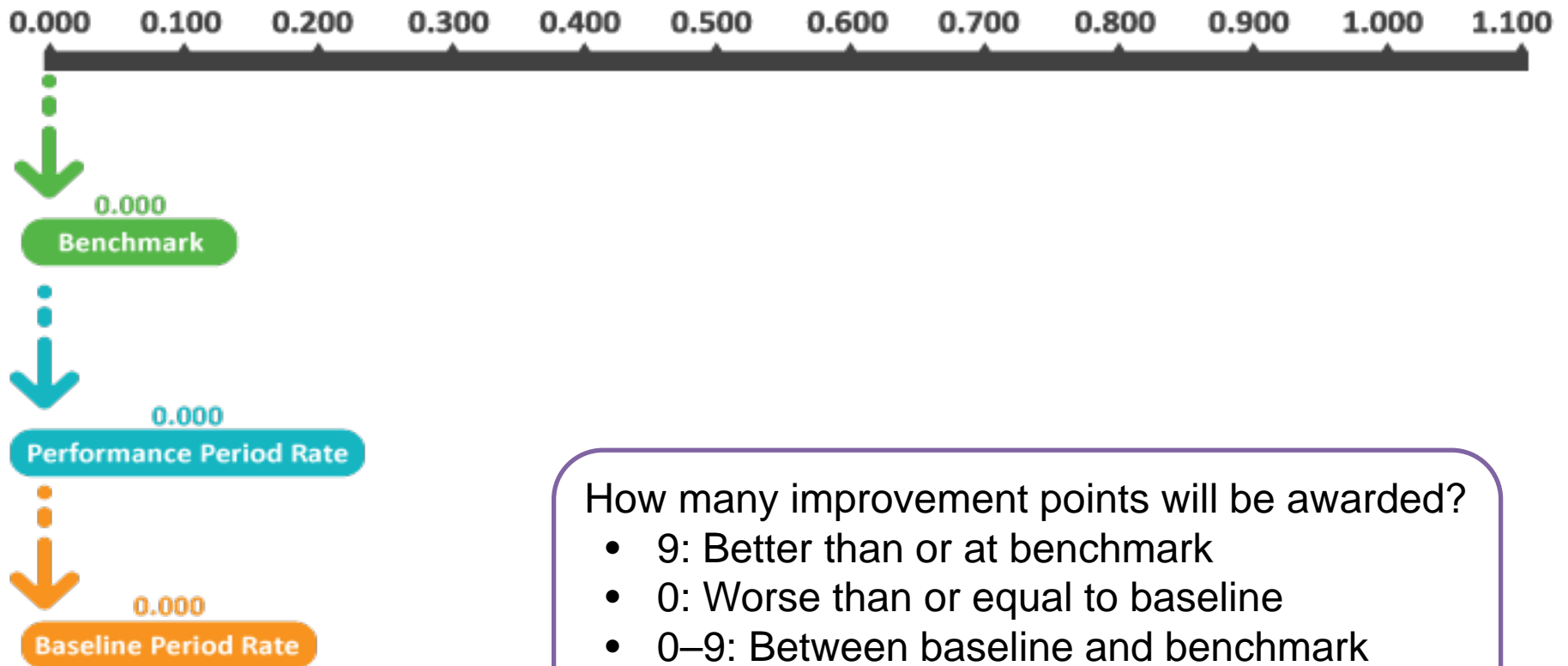
Awarded by comparing an individual hospital's rates during the performance period to that same hospital's rates from the baseline period

- Rate at or better than the benchmark (9 points)
- Rate worse than or equal to the baseline period rate (0 points)
- Rate between the baseline period rate and the benchmark (0-9 points)

**Improvement Points = 9**

# Improvement Point Example 2

## CAUTI Improvement Point Example

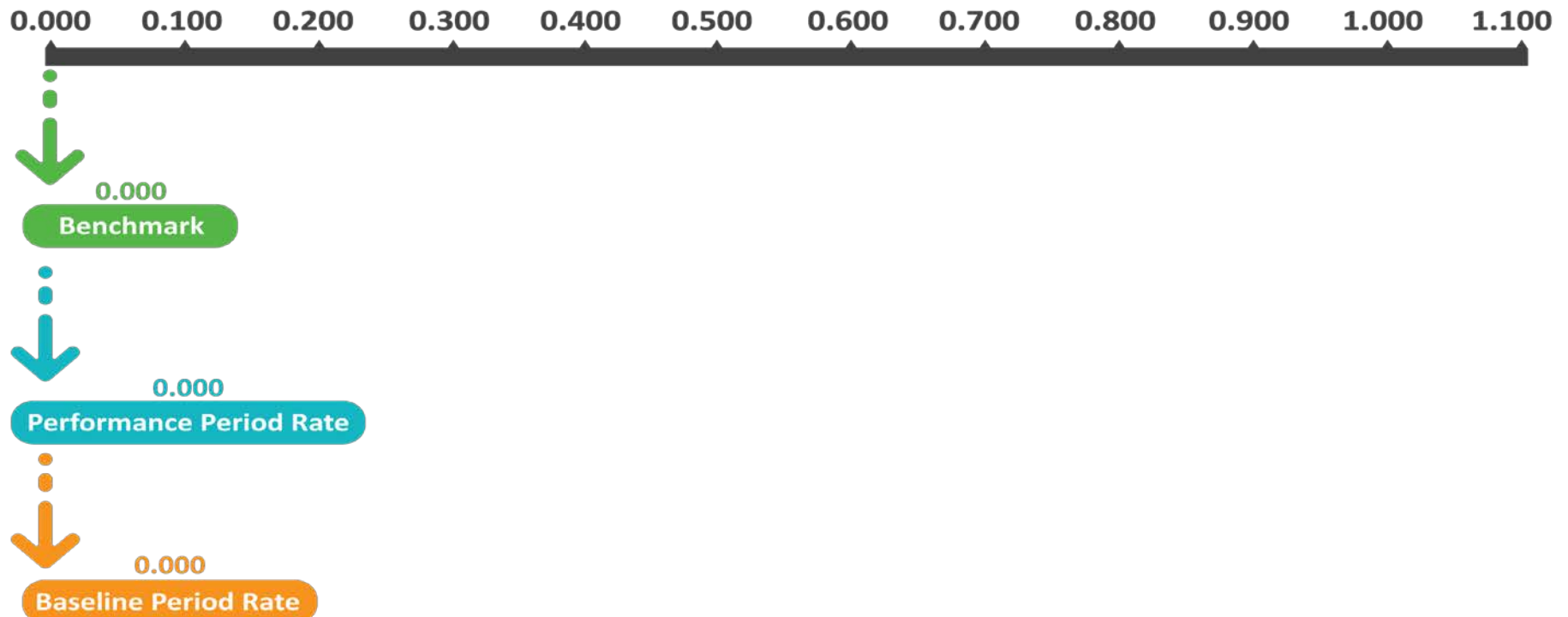


How many improvement points will be awarded?

- 9: Better than or at benchmark
- 0: Worse than or equal to baseline
- 0–9: Between baseline and benchmark
- Unsure

# Improvement Point Example 2

## CAUTI Improvement Point Example



### Improvement Points

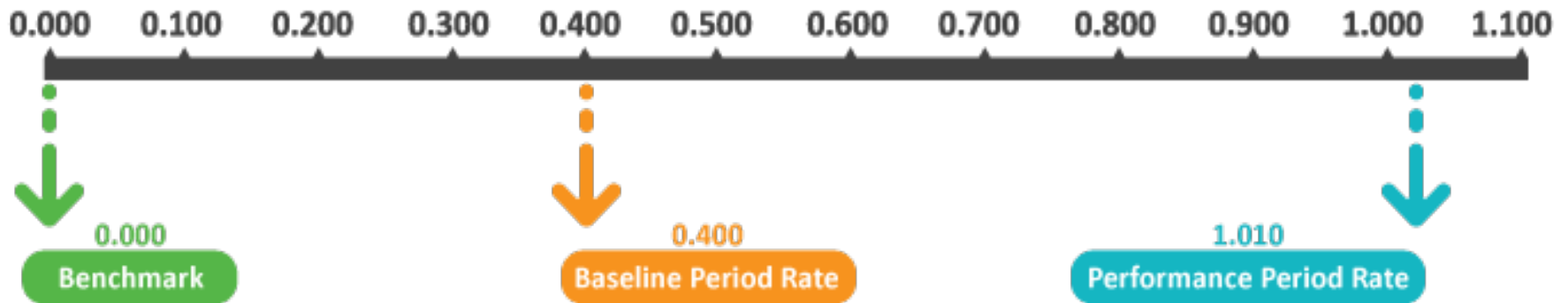
Awarded by comparing an individual hospital's rates during the performance period to that same hospital's rates from the baseline period

- Rate at or better than the benchmark (9 points)
- **Rate worse than or equal to the baseline period rate (0 points)**
- Rate between the baseline period rate and the benchmark (0-9 points)

**Improvement Points = 0**

# Improvement Point Example 3

## CAUTI Improvement Point Example



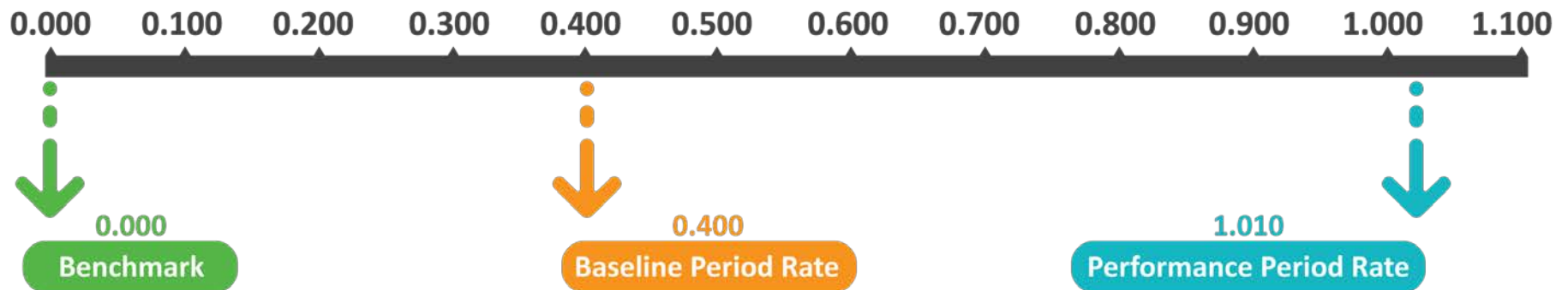
How many improvement points will be awarded?

- 9: Better than or at benchmark
- 0: Worse than or equal to baseline
- 0–9: Between baseline and benchmark
- Unsure



# Improvement Point Example 3

## CAUTI Improvement Point Example



### Improvement Points

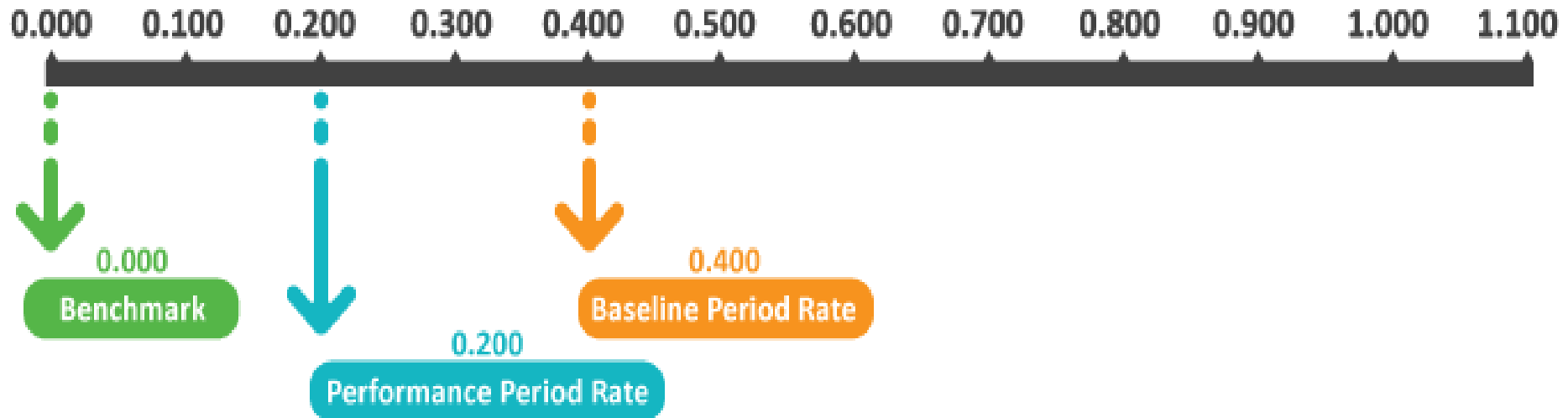
Awarded by comparing an individual hospital's rates during the performance period to that same hospital's rates from the baseline period

- Rate at or better than the benchmark (9 points)
- **Rate worse than or equal to the baseline period rate (0 points)**
- Rate between the baseline period rate and the benchmark (0-9 points)

**Improvement Points = 0**

# Improvement Point Example 4

## CAUTI Improvement Point Example

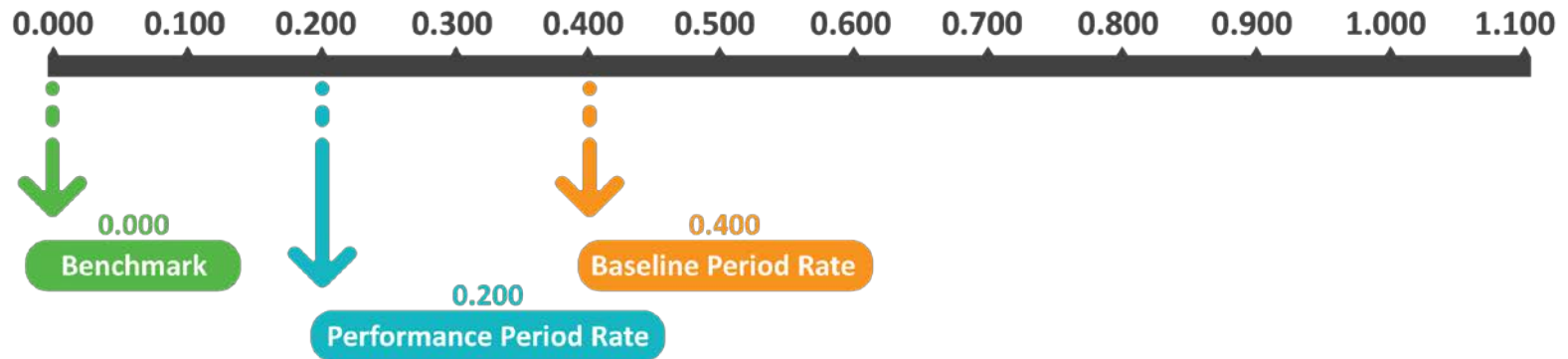


How many improvement points will be awarded?

- 9: Better than or at benchmark
- 0: Worse than or equal to baseline
- 0–9: Between baseline and benchmark
- Unsure

# Improvement Point Example 4

## CAUTI Improvement Point Example



### Improvement Points

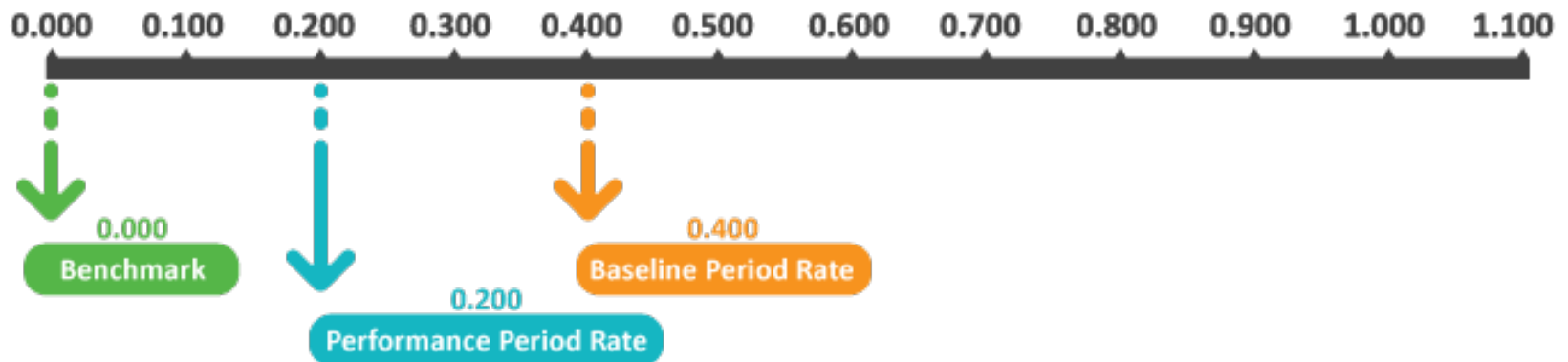
Awarded by comparing an individual hospital's rate during the performance period to that same hospital's rates from the baseline period

- Rate at or better than the benchmark (9 points)
- Rate worse than or equal to the baseline period rate (0 points)
- Rate between the baseline period rate and the benchmark (0-9 points)

**Improvement Points = 0-9 based on Improvement Point Formula**

# Improvement Point Example 4

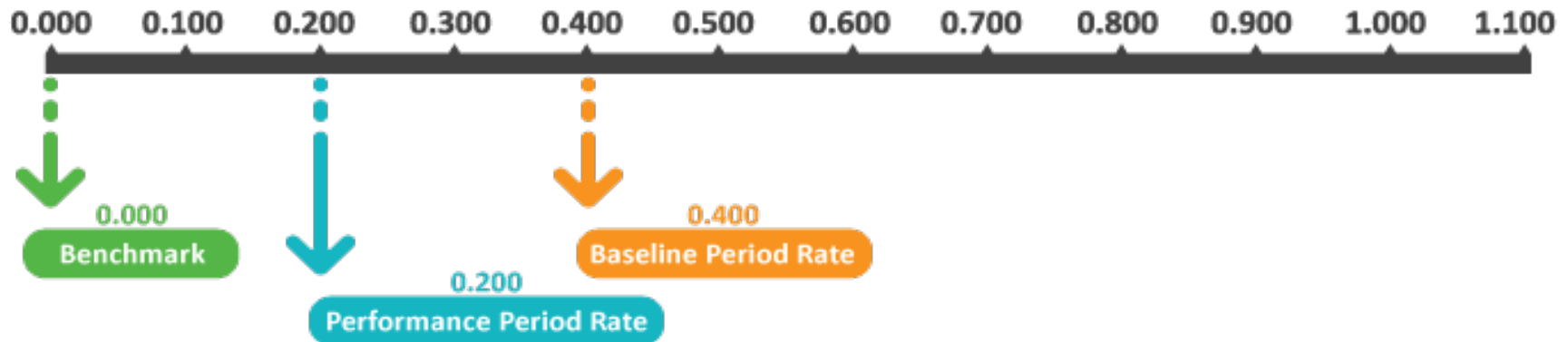
## CAUTI Improvement Point Example



$$\left( 10x \frac{(\text{Performance Period Rate} - \text{Baseline Period Rate})}{(\text{Benchmark} - \text{Baseline Period Rate})} \right) - 0.5$$

# Improvement Point Example 4

## CAUTI Improvement Point Example



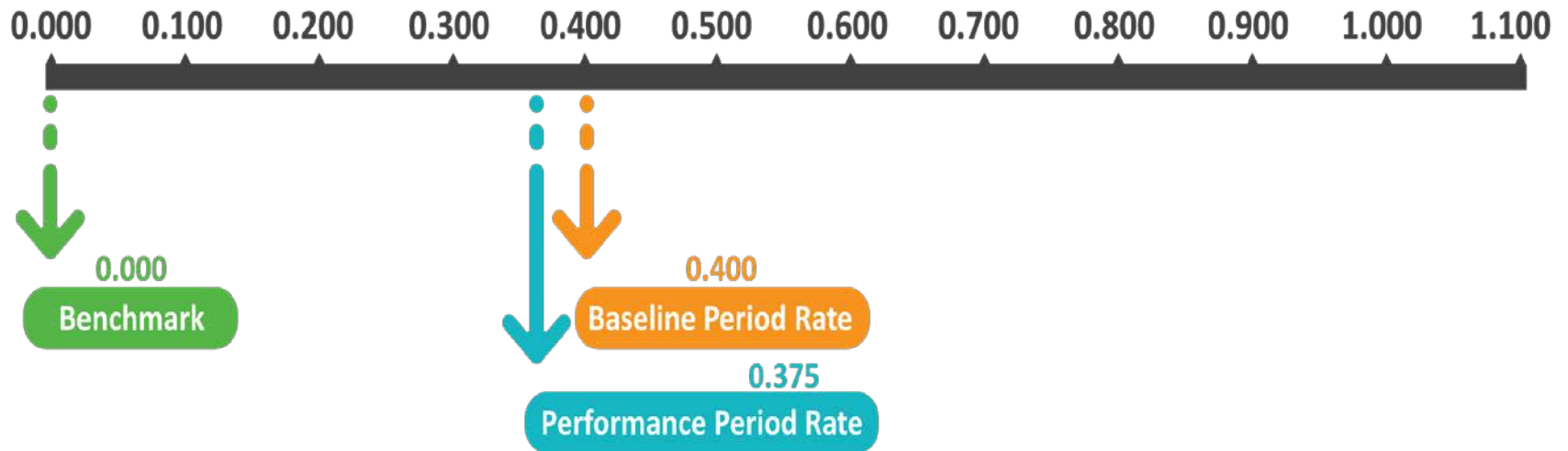
$$\left( 10x \frac{(\text{Performance Period Rate} - \text{Baseline Period Rate})}{(\text{Benchmark} - \text{Baseline Period Rate})} \right) - 0.5$$

⇓

$$\left( 10x \frac{(0.200 - 0.400)}{(0.000 - 0.400)} \right) - 0.5 = \mathbf{5}$$

# Improvement Point Example 5

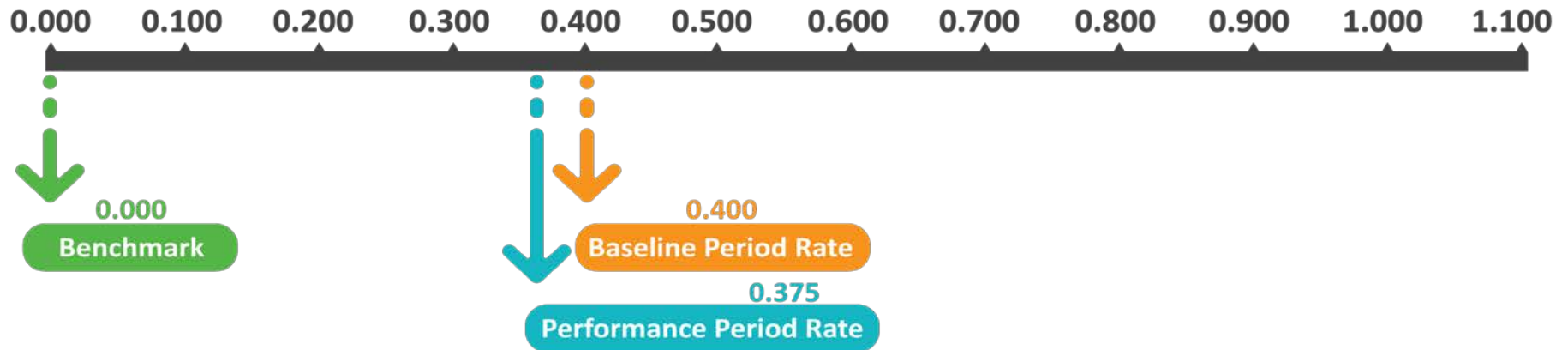
## CAUTI Improvement Point Example



$$\left( 10x \frac{(\text{Performance Period Rate} - \text{Baseline Period Rate})}{(\text{Benchmark} - \text{Baseline Period Rate})} \right) - 0.5$$

# Improvement Point Example 5

## CAUTI Improvement Point Example



$$\left( 10x \frac{(\text{Performance Period Rate} - \text{Baseline Period Rate})}{(\text{Benchmark} - \text{Baseline Period Rate})} \right) - 0.5$$

$$\left( 10x \frac{(0.375 - 0.400)}{(0.000 - 0.400)} \right) - 0.5 = 0$$

# Clinical Outcomes: Measure Score

A measure score is the greater of the achievement points and improvement points for a measure.

*Example FY 2021 Clinical Outcomes Score Calculations*

Measure ID	Achievement Points	Improvement Points	Measure Score
MORT-30-AMI	10	9	10
MORT-30-HF	5	-	5
MORT-30-COPD	-	-	-
MORT-30-PN	4	6	?
COMP-HIP-KNEE	-	-	-



What measure score will be awarded for MORT-30-PN?

- 4
- 5
- 6
- Unsure



# Clinical Outcomes: Unweighted Domain Score

- For reliability, the Centers for Medicare & Medicaid Services (CMS) requires hospitals to meet a minimum requirement of cases for each measure to receive a measure score and a minimum number of those measures to receive a domain score.
- CMS normalizes domain scores by converting a hospital's earned points (the sum of the measure scores) to a percentage of total points that were possible with the maximum score equaling 100.

Measure ID	Measure Score
MORT-30-AMI	10
MORT-30-HF	5
MORT-30-COPD	-
MORT-30-PN	6
COMP-HIP-KNEE	-

## Domain Normalization Steps

1. Sum the measure scores in the domain.  
 $(10 + 5 + 6) = 21$
2. Multiply the eligible measures by the maximum point value per measure (10 points).  
 $(3 \text{ measures} \times 10 \text{ points}) = 30$
3. Divide the sum of the measure scores (result of step 1) by the maximum points possible (result of step 2).  
 $(21 \div 30) = 0.70$
4. Multiply the result of step 3 by 100.  
 $(0.70 \times 100) = \mathbf{70.00000000000000}$



# Clinical Outcomes: Unweighted Domain Score

- For reliability, CMS requires hospitals to meet a minimum requirement of cases for each measure to receive a measure score and a minimum number of those measures to receive a domain score.
- CMS normalizes domain scores by converting a hospital's earned points (the sum of the measure scores) to a percentage of total points that were possible with the maximum score equaling 100.

Measure ID	Measure Score
MORT-30-AMI	8
MORT-30-HF	7
MORT-30-COPD	0
MORT-30-PN	-
COMP-HIP-KNEE	10

## Domain Normalization Steps

1. Sum the measure scores in the domain.
2. Multiply the eligible measures by the maximum point value per measure (10 points).
3. Divide the sum of the measure scores (result of step 1) by the maximum points possible (result of step 2).
4. Multiply the result of step 3 by 100.

What is the Unweighted Clinical Outcomes Domain Score?

- 50.0
- 62.5
- 83.3

# Clinical Outcomes: Unweighted Domain Score

- For reliability, CMS requires hospitals to meet a minimum requirement of cases for each measure to receive a measure score and a minimum number of those measures to receive a domain score.
- CMS normalizes domain scores by converting a hospital's earned points (the sum of the measure scores) to a percentage of total points that were possible with the maximum score equaling 100.

Measure ID	Measure Score
MORT-30-AMI	8
MORT-30-HF	7
MORT-30-COPD	0
MORT-30-PN	-
COMP-HIP-KNEE	10

## Domain Normalization Steps

1. Sum the measure scores in the domain.  
 $(8 + 7 + 0 + 10) = 25$
2. Multiply the eligible measures by the maximum point value per measure (10 points).  
 $(4 \text{ measures} \times 10 \text{ points}) = 40$
3. Divide the sum of the measure scores (result of step 1) by the maximum points possible (result of step 2).  
 $(25 \div 40) = 0.625$
4. Multiply the result of step 3 by 100.  
 $(0.625 \times 100) = \mathbf{62.500000000000}$



# Person and Community Engagement: Dimension Scores

A dimension score is the greater of the achievement points and improvement points for a measure.

*Example FY 2021 Person and Community Engagement Dimension Score Calculations*



Dimension	Achievement Points	Improvement Points	Dimension Score
Communication with Nurses	6	2	6
Communication with Doctors	8	0	8
Responsiveness of Hospital Staff	6	1	6
Communication about Medicines	3	7	7
Cleanliness and Quietness of Hospital Environment	4	0	4
Discharge Information	0	1	1
Care Transition	6	3	6
Overall Rating of Hospital	4	0	4

# Person and Community Engagement: Unweighted Domain Score

- CMS calculates two scores for the Person and Community Engagement Domain.
  - A base score and a consistency score.
- Base score is the sum of the eight dimension scores.
  - Maximum point value for the base score is 80 (8 dimensions X 10 maximum point value).
- Consistency points are calculated from your hospital's lowest dimension score.
  - Maximum point value for the consistency points is 20.
- Unweighted domain score is the sum of the base score and consistency score.
  - Maximum point value is 100 (80 base + 20 consistency).

Dimension	Dimension Score
Communication with Nurses	6
Communication with Doctors	8
Responsiveness of Hospital Staff	6
Communication about Medicines	7
Cleanliness and Quietness of Hospital Environment	4
Discharge Information	1
Care Transition	6
Overall Rating of Hospital	4

## Person and Community Engagement Domain Score

1. Sum the dimension scores in the domain to calculate HCAHPS base score.  
 $(6 + 8 + 6 + 7 + 4 + 1 + 6 + 4) = 42$
2. Determine your hospital's consistency points.  
 Consistency Points = 20
3. Add the base score (result of step 1) to the consistency score (result of step 2).  
 $42 + 20 = \mathbf{62.000000000000}$

# Person and Community Engagement: Consistency Points

## How are Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS®) consistency points calculated?

- **If all dimension rates are greater than or equal to the achievement thresholds:**
  - 20 consistency points
- **If any individual dimension rate is less than or equal to the floor (worst-performing hospital dimension rate from the baseline period):**
  - 0 consistency points
- **If the lowest dimension rate is greater than the floor (worst-performing hospital's rate from the baseline period) but less than the achievement threshold:**
  - 0–20 consistency points awarded based on your hospital's lowest dimension rate in the consistency point formula

# Person and Community Engagement: Consistency Points Example 1

Baseline Period: 01/01/2017 - 12/31/2017					
Performance Period: 01/01/2019 - 12/31/2019					
HCAHPS Dimensions	Baseline Period Rate	Performance Period Rate	Floor	Achievement Threshold	Benchmark
<i>Communication with Nurses</i> <sup>1</sup>		80.2000%	42.06%	79.06%	
Communication with Doctors		89.7689%	41.99%	79.91%	
Responsiveness of Hospital Staff		72.5876%	33.89%	65.77%	
Communication about Medicines		68.4645%	33.19%	63.83%	
Cleanliness and Quietness of Hospital Environment		69.0432%	30.60%	65.61%	
Discharge Information		92.4598%	66.94%	87.38%	
Care Transition		64.8742%	6.53%	51.87%	
Overall Rating of Hospital		72.9811%	34.70%	71.80%	

## How are HCAHPS consistency points calculated?

- If all dimension rates are greater than or equal to the achievement thresholds:
  - 20 consistency points

# Person and Community Engagement: Consistency Points Example 2

Baseline Period: 01/01/2017 - 12/31/2017					
Performance Period: 01/01/2019 - 12/31/2019					
HCAHPS Dimensions	Baseline Period Rate	Performance Period Rate	Floor	Achievement Threshold	Benchmark
Communication with Nurses		80.2000%	42.06%	79.06%	
Communication with Doctors		89.7689%	41.99%	79.91%	
Responsiveness of Hospital Staff		72.5876%	33.89%	65.77%	
Communication about Medicines		68.4645%	33.19%	63.83%	
Cleanliness and Quietness of Hospital Environment		69.0432%	30.60%	65.61%	
Discharge Information		92.4598%	66.94%	87.38%	
Care Transition		64.8742%	6.53%	51.87%	
Overall Rating of Hospital		32.8600%	34.70%	71.80%	

## How are HCAHPS consistency points calculated?

- If any individual dimension rate is less than or equal to the floor (worst-performing hospital dimension rate from the baseline period):
  - 0 consistency points



# Person and Community Engagement: Consistency Points Example 3

Baseline Period: 01/01/2017 - 12/31/2017					
Performance Period: 01/01/2019 - 12/31/2019					
HCAHPS Dimensions	Baseline Period Rate	Performance Period Rate	Floor	Achievement Threshold	Benchmark
Communication with Nurses		80.2000%	42.06%	79.06%	
Communication with Doctors		89.7689%	41.99%	79.91%	
Responsiveness of Hospital Staff		72.5876%	33.89%	65.77%	
Communication about Medicines		68.4645%	33.19%	63.83%	
Cleanliness and Quietness of Hospital Environment		69.0432%	30.60%	65.61%	
Discharge Information		92.4598%	66.94%	87.38%	
Care Transition		64.8742%	6.53%	51.87%	
Overall Rating of Hospital		61.5675%	34.70%	71.80%	

## How are HCAHPS consistency points calculated?

- If the lowest dimension rate is greater than the floor (worst-performing hospital's rate from the baseline period) but less than the achievement threshold:
  - 0–20 consistency points awarded based on your hospital's lowest dimension rate in the consistency point formula

# Person and Community Engagement: Lowest Dimension Score

$$\text{Lowest Dimension Score} = \frac{(\text{Performance Period Rate} - \text{Floor})}{(\text{Achievement Threshold} - \text{Floor})}$$

$$\text{Communication with Nurses} = \frac{(78.4500\% - 42.06\%)}{(79.06\% - 42.06\%)} = \mathbf{0.984}$$

$$\text{Communication about Medicines} = \frac{(61.8786\% - 33.19\%)}{(63.83\% - 33.19\%)} = \mathbf{0.936}$$

$$\text{Discharge Information} = \frac{(86.5954\% - 66.94\%)}{(87.38\% - 66.94\%)} = \mathbf{0.962}$$

$$\text{Care Transition} = \frac{(50.9788\% - 6.53\%)}{(51.87\% - 6.53\%)} = \mathbf{0.980}$$

$$\text{Overall Rating} = \frac{(61.5675\% - 34.70\%)}{(71.80\% - 34.70\%)} = \mathbf{0.724}$$

# Person and Community Engagement: Consistency Points Formula

**Formula:**  $onsistency\ Score = (20 \times Lowest\ Dimension\ Score) - 0.5$

$$Overall\ Rating = \frac{(61.5675\% - 34.70\%)}{(71.80\% - 34.70\%)} = \mathbf{0.724}$$

$$onsistenc = (20 \times 0.724) - 0.5 = \mathbf{14}$$

# Safety: Combined SSI Score

“...we 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 predicted infections. The weighted average of the points awarded will be the hospital’s SSI measure score.”

–FY 2014 Inpatient Prospective Payment System (IPPS)/Long-Term Care Hospital Prospective Payment System (LTCH PPS) Final Rule (78 FR 50684)

# Safety: Combined SSI Score

## Example:

A hospital that received 5 improvement points for the SSI-Colon stratum with 1.000 predicted SSI-Colon infections and 8 achievement points for the SSI-Abdominal Hysterectomy stratum, with 2.000 predicted SSI Abdominal Hysterectomy infections, would receive a composite SSI measure score as follows:

$$\left( \frac{(\text{Colon Measure Score} \times \text{Colon Predicted Infections}) + (\text{Abdominal Hysterectomy Measure Score} \times \text{Abdominal Hysterectomy Infections})}{(\text{Colon Predicted Infections} + \text{Abdominal Hysterectomy Predicted Infections})} \right)$$
$$\left( \frac{(5 \times 1) + (8 \times 2)}{(1 + 2)} \right) = 7$$

# Safety: Combined SSI Score Example

Baseline Period: 01/01/2017 - 12/31/2017 Performance Period: 01/01/2019 - 12/31/2019	FY 2021 Baseline Period Totals			FY 2021 Performance Period Totals			HVBP Metrics				
	Number of Observed Infections (Numerator)	Number of Predicted Infections (Denominator)	Standardized Infections Ratio (SIR)	Number of Observed Infections (Numerator)	Number of Predicted Infections (Denominator)	Standardized Infections Ratio (SIR)	Achievement Threshold	Benchmark	Improvement Points	Achievement Points	Measure Score
Healthcare Associated Infections											
Surgical Site Infection (SSI)	N/A	N/A	-	N/A	N/A	-	N/A	N/A	N/A	N/A	?
SSI-Abdominal Hysterectomy	1	0.599	-	1	1.681	0.595	0.726	0.000	-	2	2
SSI-Colon Surgery	1	2.002	0.500	1	3.884	0.257	0.754	0.000	4	6	6

$$\left( \frac{(\text{Colon Measure Score} \times \text{Colon Predicted Infections}) + (\text{Abdominal Hysterectomy Measure Score} \times \text{Abdominal Hysterectomy Infections})}{(\text{Colon Predicted Infections} + \text{Abdominal Hysterectomy Predicted Infections})} \right)$$

What SSI Measure Score value will be awarded?

- 0
- 3
- 5
- 7
- 10

# Safety: Combined SSI Score Example

Baseline Period: 01/01/2017 - 12/31/2017 Performance Period: 01/01/2019 - 12/31/2019	FY 2021 Baseline Period Totals			FY 2021 Performance Period Totals			HVBP Metrics				
	Number of Observed Infections (Numerator)	Number of Predicted Infections (Denominator)	Standardized Infections Ratio (SIR)	Number of Observed Infections (Numerator)	Number of Predicted Infections (Denominator)	Standardized Infections Ratio (SIR)	Achievement Threshold	Benchmark	Improvement Points	Achievement Points	Measure Score
Healthcare Associated Infections											
Surgical Site Infection (SSI)	N/A	N/A	-	N/A	N/A	-	N/A	N/A	N/A	N/A	5
SSI-Abdominal Hysterectomy	1	0.599	-	1	1.681	0.595	0.726	0.000	-	2	2
SSI-Colon Surgery	1	2.002	0.500	1	3.884	0.257	0.754	0.000	4	6	6


$$\left( \frac{(\text{Colon Measure Score} \times \text{Colon Predicted Infections}) + (\text{Abdominal Hysterectomy Measure Score} \times \text{Abdominal Hysterectomy Infections})}{(\text{Colon Predicted Infections} + \text{Abdominal Hysterectomy Predicted Infections})} \right)$$

$$\left( \frac{(6 \times 3.884) + (2 \times 1.681)}{(3.884 + 1.681)} \right) = 5$$

# Safety: Combined SSI Score

## Examples:

- A hospital that received 5 improvement points for the SSI-Colon stratum, with 1.000 predicted SSI-Colon infections, and did not meet the minimum calculated predicted infections for the SSI-Abdominal Hysterectomy stratum would receive a composite SSI measure score that was weighted to 100% of the SSI-Colon stratum, equaling a measure score of 5.
- If a hospital did not meet the minimum calculated predicted infections of 1.000 on both the SSI-Colon stratum and the SSI-Abdominal Hysterectomy stratum, the hospital would not receive a composite SSI measure score.




SSI - Abdominal Hysterectomy	SSI - Colon Surgery	Scored
✓	✓	Yes
✓	✗	Yes
✗	✓	Yes
✗	✗	No



# Safety: Measure Scores

A measure score is the greater of the achievement points and improvement points for a measure.

*Example FY 2021 Safety Measure Score Calculations*



Measure ID	Achievement Points	Improvement Points	Measure Score
CLABSI	0	4	4
CDI	5	9	9
CAUTI	3	-	3
MRSA	-	-	-
SSI	Colon Surgery Measure Score = 6	Abdominal Hysterectomy Measure Score = 2	5

# Safety:

## Unweighted Domain Score

- For reliability, CMS requires hospitals to meet a minimum requirement of cases for each measure to receive a measure score and a minimum number of those measures to receive a domain score.
- CMS normalizes domain scores by converting a hospital's earned points (the sum of the measure scores) to a percentage of total points that were possible with the maximum score equaling 100.

Measure ID	Measure Score
CLABSI	4
CDI	9
CAUTI	3
MRSA	-
SSI	5

### Domain Normalization Steps

1. Sum the measure scores in the domain  
 $(4 + 9 + 3 + 7) = 21$
2. Multiply the eligible measures by the maximum point value per measure (10 points)  
 $(4 \text{ measures} \times 10 \text{ points}) = 40$
3. Divide the sum of the measure scores (result of step 1) by the maximum points possible (result of step 2)  
 $(21 \div 40) = 0.525$
4. Multiply the result of step 3 by 100  
 $(0.525 \times 100) = \mathbf{52.5}$



# Efficiency and Cost Reduction: Measure Scores

A measure score is the greater of the achievement points and improvement points for a measure.

*Example FY 2021 Efficiency and Cost Reduction Measure Score Calculations*

Measure ID	Achievement Points	Improvement Points	Measure Score
MSPB	10	0	10



# Efficiency and Cost Reduction: Unweighted Domain Score

- For reliability, CMS requires hospitals to meet a minimum requirement of cases for each measure to receive a measure score and a minimum number of those measures to receive a domain score.
- CMS normalizes domain scores by converting a hospital's earned points (the sum of the measure scores) to a percentage of total points that were possible with the maximum score equaling 100.

Measure ID	Measure Score
MSPB	10

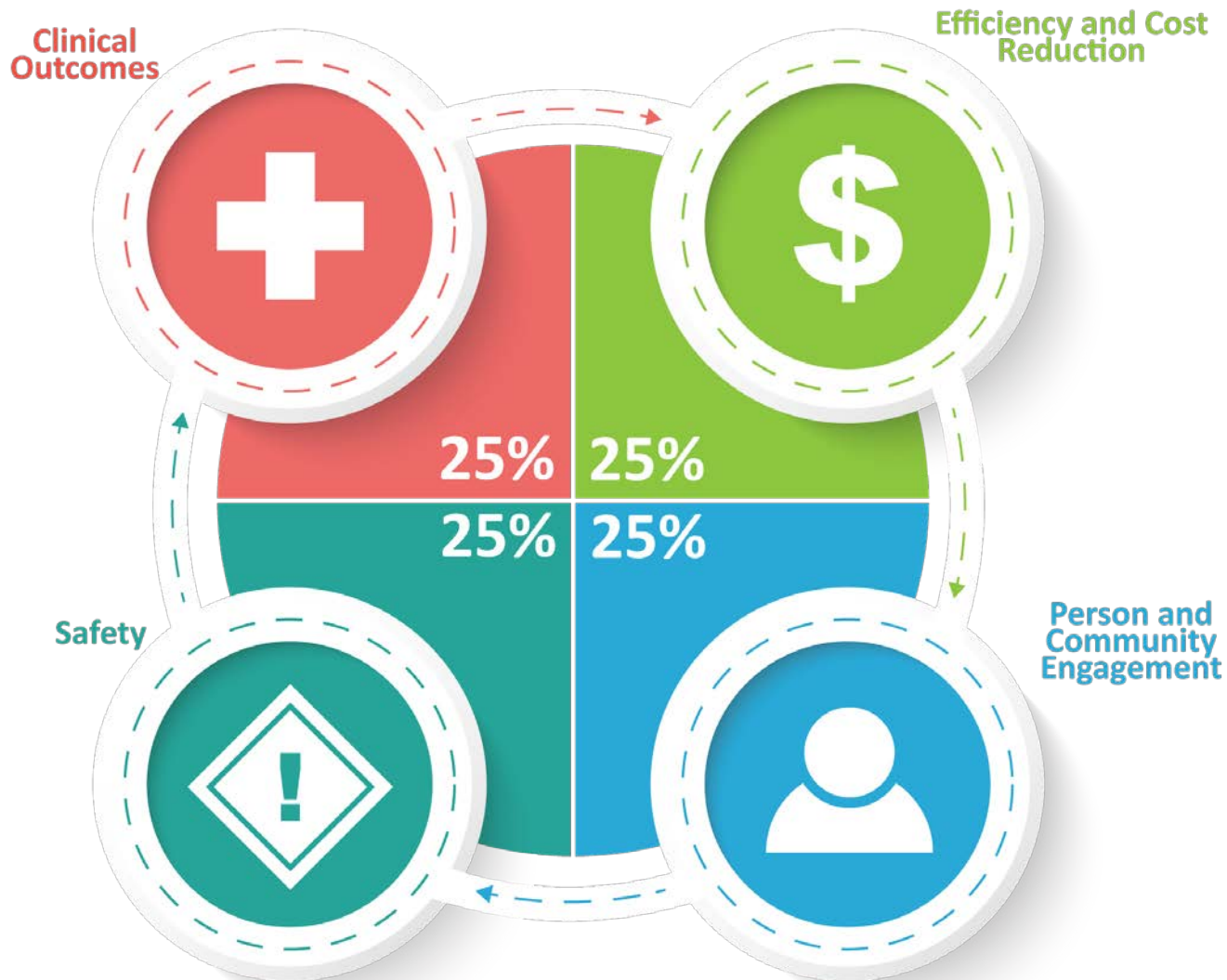
## Domain Normalization Steps

1. Sum the measure scores in the domain  
 $(10) = 10$
2. Multiply the eligible measures by the maximum point value per measure  
(10 points)  
 $(1 \text{ measure} \times 10 \text{ points}) = 10$
3. Divide the sum of the measure scores (result of step 1) by the maximum points possible (result of step 2)  
 $(10 \div 10) = 1.000$
4. Multiply the result of step 3 by 100  
 $(1.000 \times 100) = \mathbf{100.00000000000000}$



# Domain Weighting

## Original Weights




# Domain Weighting

## Proportionate Reweighting

A TPS requires scores from at least **three out of the four domains in FY 2021**. The unscored domain weight is proportionately distributed to the remaining domains to equal 100%.


In this example, a hospital meets minimum case and measure requirements for the Clinical Outcomes Domain, as well as the Safety and Efficiency and Cost Reduction Domains, but does not meet the minimum number of cases/surveys required for the Person and Community Engagement Domain score.

**A** Sum eligible measure weights (25% + 25% + 25% - 25%) =







25% + 25% + 25% - 25% = 75%

**B** Divide the original Domain Weights by the sum of the result listed in A, then sum the total of the Weighted Domain Scores (33.3% + 33.3% + 33.3%) =



25% ÷ 75% = 33.3% + 25% ÷ 75% = 33.3% + 25% ÷ 75% = 33.3% = TPS 100%

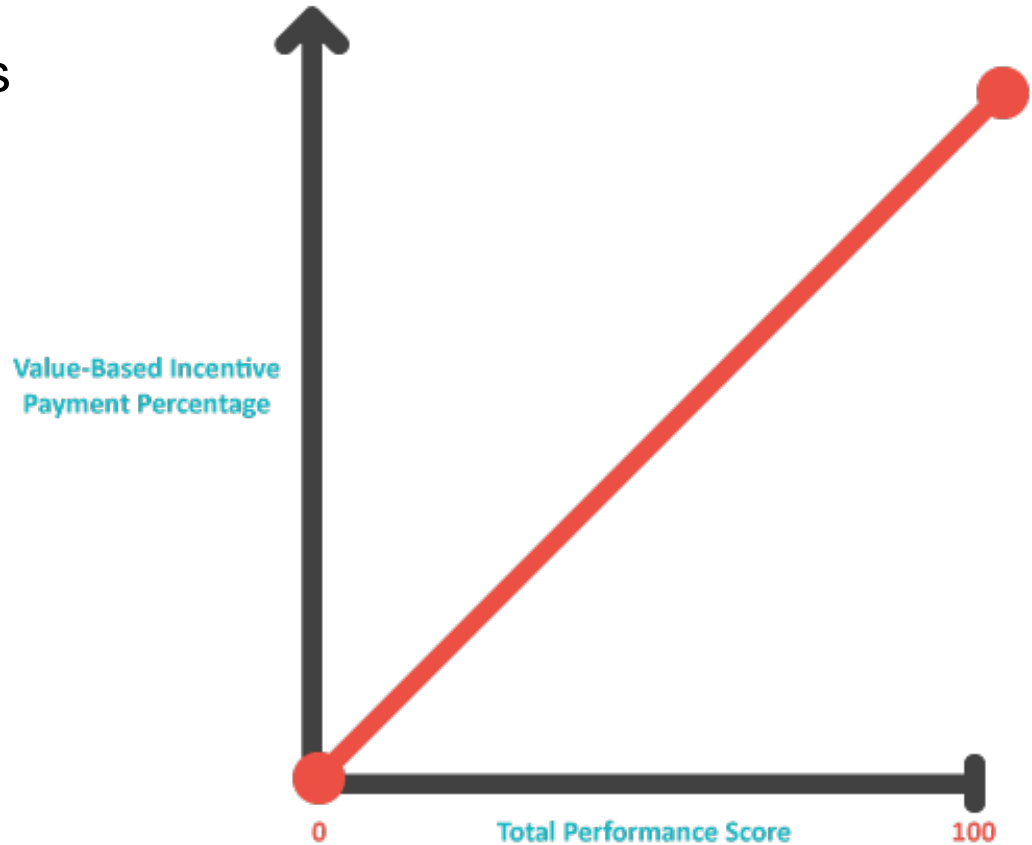
# Weighted Domain Score and Total Performance Score (TPS)

Domain	Unweighted Domain Score		Domain Weight		Weighted Domain Score
 Clinical Outcomes	75.00	$\times$	25%	$=$	18.750
 Person and Community Engagement	62.00	$\times$	25%	$=$	15.500
 Safety	55.00	$\times$	25%	$=$	13.750
 Efficiency and Cost Reduction	100.00	$\times$	25%	$=$	25.000

} 73

# Exchange Function Slope

- Each hospital's value-based incentive payment amount is dependent on the following:
  - Range and distribution of TPSs of all participating hospitals
  - The distribution and amount of total estimated base operating MS-DRG payment amounts available for redistribution of all participating hospitals
  - Amount of the individual hospital's base operating MS-DRG payment amounts and TPS





# Value-Based Incentive Payment Percentage

Value-Based Incentive Payment Percentage

$2.00 \times \left( \frac{\text{TPS}}{100} \right) \times \text{Exchange Function Slope}$

$$2.00 \times \left( \frac{73}{100} \right) \times 3.0000000000 = 4.3800000000\%$$

# Net Change in Base Operating MS-DRG Payment

Value-Based Incentive Payment Percentage

$$2.00 \times \left( \frac{\text{TPS}}{100} \right) \times \text{Exchange Function Slope}$$

$$2.00 \times \left( \frac{73}{100} \right) \times 3.0000000000 = 4.3800000000\%$$



Net Change in Base Operating MS-DRG Payment

Value-Based Incentive Payment Percentage - 2.00%

$$4.3800000000\% - 2.00\% = 2.3800000000\%$$

# Value-Based Incentive Payment Adjustment Factor

Value-Based Incentive Payment Percentage

$$2.00 \times \left( \frac{\text{TPS}}{100} \right) \times \text{Exchange Function Slope}$$

$$2.00 \times \left( \frac{73}{100} \right) \times 3.0000000000 = 4.3800000000\%$$



Net Change in Base Operating MS-DRG Payment

$$\text{Value-Based Incentive Payment Percentage} - 2.00\%$$

$$4.3800000000\% - 2.00\% = 2.3800000000\%$$



Value-Based Incentive Payment Adjustment Factor

$$1 + \left( \frac{\text{Net Change in Base Operating MS-DRG Payment Amount}}{100} \right)$$

$$1 + .0238000000 = 1.0238000000$$

# Payment Calculation Example

TPS: 30  
Exchange Function Slope: 3.0000000000

Value-Based Incentive Payment Percentage

$$2.00 \times \left( \frac{\text{TPS}}{100} \right) \times \text{Exchange Function Slope}$$



Net Change in Base Operating MS-DRG Payment

Value-Based Incentive Payment Percentage - 2.00%



Value-Based Incentive Payment Adjustment Factor

$$1 + \left( \frac{\text{Net Change in Base Operating MS-DRG Payment Amount}}{100} \right)$$

What is the value-based incentive payment adjustment factor?

- 1.2000000000
- 1.0000000000
- 0.9980000000
- 0.8000000000

# Payment Calculation Example

Value-Based Incentive Payment Percentage

$$2.00 \times \left( \frac{\text{TPS}}{100} \right) \times \text{Exchange Function Slope}$$

$$2.00 \times \left( \frac{30}{100} \right) \times 3.0000000000 = 1.8000000000\%$$



Net Change in Base Operating MS-DRG Payment

Value-Based Incentive Payment Percentage - 2.00%

$$1.8000000000\% - 2.00\% = -0.2000000000\%$$



Value-Based Incentive Payment Adjustment Factor

$$1 + \left( \frac{\text{Net Change in Base Operating MS-DRG Payment Amount}}{100} \right)$$

$$1 + -0.2000000000\% = 0.9980000000$$

# Calculating Change in Payments

Example #1  
Net Change in a Base  
Operating MS-DRG  
Claim of \$20,000



Base Operating MS-DRG Payment Amount x Incentive Payment Adjustment  
( \$20,000 x 1.0238000000 = \$20,476 )

Adjusted Base Operating MS-DRG Payment - Base Operating MS-DRG Payment  
( \$20,476 - \$20,000 = \$476 )

Example #2  
Net Change in a Base  
Operating MS-DRG  
Claim of \$20,000



Annual Base Operating MS-DRG Payment Amounts x Incentive Payment Adjustment  
( \$20,000 x 0.9980000000 = \$19,960 )

Adjusted Base Operating MS-DRG Payment - Base Operating MS-DRG Payment  
( \$19,960 - \$20,000 = -\$40 )

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

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## **Review and Corrections**

# Overview

- Hospitals may **review and request recalculation of scores** on each condition, domain, and TPS.
- Hospitals may submit a review and corrections request regarding their reports no later than **11:59 p.m. Pacific Time (PT), August 31, 2020.**
- Submit the completed form through the following methods:
  - Secure Message to [QRFormsSubmission@hsag.com](mailto:QRFormsSubmission@hsag.com) through [Managed File Transfer](#) in the QualityNet HQR Secure Portal
  - Secure Fax to (877) 789-4443
  - Email to [QRFormsSubmission@hsag.com](mailto:QRFormsSubmission@hsag.com)
  - **Note:** Please ensure that data containing personally identifiable information (PII) or protected health information (PHI) are not submitted when emailing the form, as this is not a secured method and would be a security violation.



# Access

## Review & Correction Request Form

1. Visit [www.QualityNet.org](http://www.QualityNet.org).
2. From the **[Hospitals – Inpatient]** box, select **[Hospital Value-Based Purchasing(HVBP) Learn more]**.
3. When the screen refreshes, select **[Payment]** from the top navigation pane and **[Review and Corrections/Appeals]** on the left hand navigation pane. Then, select **[Review and Corrections Request Form]** toward the bottom of the page.

Direct link: <https://www.qualitynet.org/inpatient/hvbp/payment#tab2>

Forms and Additional Reference Material			
For assistance in completing and submitting the Review and Corrections, Appeals, or CMS Independent Review forms, refer to the following:			
File Name	File Type	File Size	
Review and Corrections Quick Reference Guide (06/27/17)	PDF	28 KB	<a href="#">Download</a>
Review and Corrections Request Form (01/31/20)	PDF	267 KB	<a href="#">Download</a>
Appeal Quick Reference Guide (06/27/17)	PDF	29 KB	<a href="#">Download</a>
Appeal Request Form (01/31/20)	PDF	293 KB	<a href="#">Download</a>
Independent CMS Review Quick Reference Guide (06/27/17)	PDF	29 KB	<a href="#">Download</a>
Independent CMS Review Request Form (01/31/20)	PDF	261 KB	<a href="#">Download</a>
Review and Corrections, Appeal, and Independent CMS Review User Guide (07/11/17)	PDF	951 KB	<a href="#">Download</a>

# Request Form

Complete the request form with the following information:

- Date of review and corrections request
- Hospital CMS Certification Number (CCN)
- Hospital contact information
  - Hospital name/address (must include physical street address)
  - Hospital chief executive officer (CEO) and *QualityNet* Security Administrator/Security Official (name, address, telephone, and email)
- Specify reason(s) for request
  - Condition-specific score
  - Domain-specific score
  - TPS
- Detailed description for each of the reason(s) identified

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

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## **Resources**

# Available on *QualityNet*

- Webinars/Calls/Educational Materials
  - From **[Hospitals – Inpatient]**, select the **[Hospital Value-Based Purchasing (HVBP) Program Learn More]** option. Then, select **[Webinars]** from the top navigation pane.
  - Also available at <https://www.qualityreportingcenter.com/en/inpatient-quality-reporting-programs/hospital-value-based-purchasing-vbp-program/vbp-archived-events/>.
- Hospital VBP Program General Information
  - From the **[Hospitals – Inpatient]** menu, select **[Hospital Value-Based Purchasing (HVBP) Program Learn More]**.
- Frequently Asked Questions
  - From the home page, select **[Help]** on the upper right-hand side, and then select **[Hospitals – Inpatient]**.
    - **Direct link:** [https://cmsqualitysupport.service-now.com/qnet\\_qa?id=ask\\_a\\_question](https://cmsqualitysupport.service-now.com/qnet_qa?id=ask_a_question)

# FY 2021 Help Guides and Quick Reference Guides

**How to Read Your Fiscal Year (FY) 2021 Hospital Value-Based Purchasing (VBP) Program Percentage Payment Summary Report (PPSR)**

**Program Summary**  
Understanding the Fiscal Year 2020 Hospital Value-Based Purchasing Program

**Overview**

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

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

- Eliminating or reducing the occurrence of adverse events (e.g., healthcare errors resulting in patient harm).
- Adopting evidence-based care standards and protocols that result in the better outcomes for the greatest number of patients.
- Re-engineering hospital processes that improve patient experience of care.
- Increasing the transparency of care quality for consumers, clinicians, and others.
- Recognizing hospitals that are involved in the provision of high quality care at a lower cost to Medicare.

**Hospital VBP Program Background**

Section 1886(f) of the Social Security Act sets forth the Hospital VBP Program requirements, offering Medicare fee-for-service payment for inpatient stays at approximately 1,000 hospitals across the country. This program is part of CMS' larger quality strategy to reduce low health care as delivered and paid for by rewarding hospitals with incentive payments for the quality of care provided in the inpatient hospital setting.

**Step-by-Step Calculations for Value-Based Purchasing**  
Understanding the Fiscal Year (FY) 2020 Hospital Value-Based Purchasing (VBP) Program Percentage Payment Summary Report (PPSR)

**Overview**

Hospitals participating in the Hospital VBP Program have the opportunity to review their FY 2020 PPSR. This quick reference guide offers an overview of how CMS calculates scores and awards points based on performance results. The step-by-step process below summarizes scoring methods for determining the Total Performance Score (TPS) located as a hospital's PPSR. The PPSR displays the hospital's TPS and value-based incentive payment adjustment factor that will be applied in FY 2020.

- Step 1. Calculate Achievement Points and Improvement Points for Each Measure
- Step 2. Determine the Measure or Domain Score
- Step 3. Calculate the Unweighted Domain Score
- Step 4. Determine the Domain Weight
- Step 5. Calculate the Weighted Domain Score
- Step 6. Calculate the Total Performance Score

Please note the values displayed in this guide serve as examples and are not reflective of any specific hospital's PPSR.

**Step 1: Calculate Achievement Points and Improvement Points for Each Measure**

Hospitals will receive two scores on each measure and statistic: one for achievement and one for improvement. When calculating achievement points and improvement points, CMS results the resulting value to the lowest whole number. CMS will only score the measures that report the assessment data requirements. The assessment data requirements are found on the [QualityNet](#) [Step-by-Step Process](#) page on QualityNet. If a hospital only reports the assessment data required during the performance period (and not the baseline period), only achievement points will be scored. CMS has built a modified version of achievement and improvement point formulas for calculating the Medicare Spending per Beneficiary (MSBP) measure in the FY 2021 incentive payment system (IPSS) tool suite (OIG FR-16164-16166).

**Achievement Points**

Achievement points are awarded by comparing an individual hospital's score during the performance period to all hospital's scores from the baseline period.

**FY 2021 Hospital Value-Based Purchasing Guide**  
Report adjustment details for hospitals on October 1, 2020 and September 30, 2021

Baseline Period	Performance Period	Baseline Period	Performance Period
July 1, 2017 - June 30, 2019	July 1, 2019 - June 30, 2021	January 1 - December 31, 2017	January 1 - December 31, 2019
Measure	Threshold	Baseline	Threshold
IC-20a Monthly Acute Inpatient Vector (MOPV-30-40)	0.0000	0.0000	0.0000
IC-20a Monthly Heart Failure (MOPV-30-40)	0.0000	0.0000	0.0000
IC-20a Monthly COPD (MOPV-30-40)	0.0000	0.0000	0.0000
Measure	Threshold	Baseline	Threshold
July 1, 2017 - June 30, 2019	September 1, 2017 - August 31, 2019	January 1 - December 31, 2017	January 1 - December 31, 2019
Measure	Threshold	Baseline	Threshold
IC-20a Monthly Pneumonia (MOPV-30-40)	0.0000	0.0000	0.0000
IC-20a Monthly Stroke (MOPV-30-40)	0.0000	0.0000	0.0000
Measure	Threshold	Baseline	Threshold
April 1, 2018 - March 31, 2019	April 1, 2019 - March 31, 2020	January 1 - December 31, 2017	January 1 - December 31, 2019
Measure	Threshold	Baseline	Threshold
Stroke Free High Intensity (HF) under 7000	0.0000	0.0000	0.0000
Stroke Free High Intensity (HF) under 7000	0.0000	0.0000	0.0000
Stroke Free High Intensity (HF) under 7000	0.0000	0.0000	0.0000

**Clinical Outcomes** 25% | **Person and Community Engagement** 25% | **Safety** 25% | **Efficiency and Cost Reduction** 25%

FY 2021 Value-Based Payments Funded by 2.0% Withhold | Lower Values Indicate Better Performance

Access FY 2021 How to Read Your Report Help Guide, Program Summary, Scoring Quick Reference Guide, and Domain Weighting Quick Reference Guide on *QualityNet*.

**Direct Link:** <https://qualitynet.org/inpatient/hvbp/resources#tab2>

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

## **Q&A Session**

# Webinar Chat Questions

Please email any questions that are pertinent to the webinar topic to [WebinarQuestions@hsag.com](mailto:WebinarQuestions@hsag.com) with the following information:

- Subject Line: What's My Payment? Understanding the FY 2021 Hospital VBP Program Calculations Step-By-Step in the Percentage Payment Summary Report
- Email Body: If your question pertains to a specific slide, please include the slide number

If you have a question unrelated to the current webinar topic, we recommend that you first search for it in the [QualityNet](#) Inpatient Questions and Answers tool, at [https://cmsqualitysupport.servicenowservices.com/qnet\\_qa](https://cmsqualitysupport.servicenowservices.com/qnet_qa).

If you do not find an answer, then submit your question to us via the same tool.

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# Survey

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