



Hospital Value-Based Purchasing (VBP) Program

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

Hospital VBP Program Knowledge Refresher: FY 2023 Overview

Questions and Answers

Speaker

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

Moderator

Brandi Bryant
Business Analyst
Inpatient VIQR Outreach and Education Support Contractor

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

Hospital Value-Based Purchasing (VBP) Program

Inpatient Value, Incentives, and Quality Reporting (VIQR)

Outreach and Education Support Contractor

Question 1: When will the fiscal year (FY) 2023 baseline reports be available?

The reports are currently available to run in the *Hospital Quality Reporting (HQR) System Secure Portal*. CMS made the reports available to hospitals on June 3, 2021.

Question 2: Will the baseline measures report go through the new Managed File Transfer inbox or will we need to manually run the report in the Hospital Quality Reporting (HQR) System?

To access the report, users will need to have the Performance Reports permission for HVBP Access. You will then navigate to the HQR Secure Portal login page: <https://hqr.cms.gov/hqrng/login>. Enter your HARP User ID and Password. Then, select Login. You will be directed to the Two-Factor Authorization page. Select the device you would like to use to retrieve the verification code. Select Continue. Once you receive the code, enter it. Select Continue. Read the Terms and Conditions statement. Select Accept to proceed. You will be directed to the HQR landing page. (If Cancel is selected, the program closes.) On the HQR landing page, select Program Reporting from the left-navigation menu to expand the menu options. From the expanded Program Reporting drop-down menu, select Performance Reports. Select HVBP from the Program selection menu. Select Baseline Measures from the Report selection menu. Select 2023 from the Fiscal Year selection menu. Select your hospital from the Provider selection menu. Select Display Results.

Hospitals can refer to the [How to Read Your FY 2023 Baseline Measures Report document](#) on QualityNet. To access How to Read Your FY 2023 Baseline Measures Report, select the Hospitals – Inpatient option, then select Hospital Value-Based Purchasing (HVBP) from the Hospital Inpatient Quality Programs options. Select the Resources link on the menu bar and select FY 2023 on the left navigation pane.

Question 3: What happens if a facility does not meet the minimum number of 100 completed Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS®) surveys?

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

Hospital Value-Based Purchasing (VBP) Program

Inpatient Value, Incentives, and Quality Reporting (VIQR)

Outreach and Education Support Contractor

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

Question 4: When will the FY 2022 performance reports be available?

We anticipate the Fiscal Year 2022 Percentage Payment Summary Reports will be available before the end of 2021.



Question 5: Our hospital opened in late 2020 and we will begin submitting data with Quarter (Q) 1 2021 discharges. Will we be eligible for the FY 2023 Hospital VBP Program assuming we met minimum case and measure requirements?

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

Question 6: How is the value-based incentive actually paid back to the hospital?

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

For example:

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 0.9850000000 = \$19,700) Adjusted Base Operating MS-DRG Payment - Base Operating MS-DRG Payment (\$19,700 - \$20,000 = -\$300)

Hospital Value-Based Purchasing (VBP) Program

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

Question 7: Which measurement periods are impacted by Extraordinary Circumstances Exceptions (ECEs)?

As finalized in the [Interim final rule with Comment Period \(CMS-3401-IFC\)](#), published on September 2, 2020, CMS will not use claims, infection, and survey data reflecting services provided January 1, 2020–June 30, 2020 (Q1 and Q2 2020) in its calculations for the Medicare quality reporting and VBP programs. The discharge period in the performance period for the Clinical Outcomes domain measures will be updated to reflect this policy. The baseline period dates in FY 2023 are not impacted by ECEs. Hospitals do not need to request an ECE for measures and submissions covered under the COVID-19 exception for Q1 and Q2 2020.

Question 8: What are the minimum data requirements for PSI-90?

Three eligible cases on any one underlying indicator is the minimum requirement for PSI-90 to receive a measure score.

Question 9: Are Critical Access Hospitals (CAHs) exempt from the Hospital VBP Program?

Yes, only subsection (d) hospitals paid through the Inpatient Prospective Payment System (IPPS) are included in the Hospital VBP Program. CAHs are not eligible to participate in the Hospital VBP Program.

Question 10: Can hospitals receive an incentive greater than the 2-percent withhold and a 2-percent incentive payment?

The maximum net reduction that a hospital can incur is 2 percent in FY 2023, if the hospital receives a TPS of 0 out of 100. However, a hospital can earn back more, based on the exchange function slope and the hospital's performance for the fiscal year. In FY 2020, the greatest value-based incentive payment percentage earned by a hospital was 4.93 percent. After accounting for the 2-percent withhold, the hospital will have a net change in payments of 2.93 percent for every applicable claim in FY 2020. The Centers for Medicare & Medicaid Services (CMS) publishes the payment adjustment factors for each fiscal year in the IPPS final rule table, Table 16B. For example, the FY 2020 Table 16B is located on the FY 2020 IPPS final rule tables page.

Hospital Value-Based Purchasing (VBP) Program

Inpatient Value, Incentives, and Quality Reporting (VIQR)

Outreach and Education Support Contractor

Question 11: How are the achievement threshold and benchmark threshold communicated to the hospitals?

The quick reference guide from slide 66 also contains the performance standards for the FY 2023 Hospital VBP Program and is available on the QualityNet and Quality Reporting Center websites. The performance standards are published in the IPPS rules and on the QualityNet website: <https://qualitynet.cms.gov/inpatient/hvbp/performance>. In addition, if the performance standards for any measure need a technical update, a QualityNet news article will be posted and a Hospital VBP Program Listserve will be sent. The performance standards will also be listed on your hospital's baseline measures report.

Question 12: I did not receive an email stating baseline reports were available. I saw it on the home page of the QualityNet website.

CMS sends notifications and reminders for the Hospital VBP Program through the QualityNet Listserve Hospital Inpatient Value-Based Purchasing and Improvement and Hospital Inpatient Quality Reporting and Improvement notification groups. If you aren't signed up for those notification groups, you can register on the QualityNet website: <https://qualitynet.cms.gov/listserv-signup>

Question 13: How can we calculate mortality survival rates to calculate Hospital VBP points?

The survival rate equals 1 minus the mortality rate:
Survival Rate = 1 - mortality rate.
For example, if your mortality rate was 0.10 or 10 percent, your survival rate would be 0.9 or 90 percent (1 - 0.1).

Question 14: Is there a link on the QualityNet website that shows how to calculate the survival rate?

The survival rate equals 1 minus the mortality rate. For example, if your mortality rate was 0.10 or 10 percent, your survival rate would be 0.9 or 90 percent (1 - 0.1). Visit QualityNet for more information: <https://qualitynet.cms.gov/inpatient/asures/mortality/methodology>

Question 15: Could you please review slide 32 again for improvement points?

Hospital Value-Based Purchasing (VBP) Program

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

CMS may award a hospital improvement points if the hospital's performance period rate is better than its own baseline period rate. The maximum point value for improvement points is 9 points. If a hospital's performance period rate is at or better than the benchmark and better than its own baseline period rate, it will receive a maximum 9 improvement points.

Question 16: What should we do to meet minimums for calculations of the healthcare-associated infection (HAI) measures in the Safety domain?

In order to be scored for the HAI measures in the Safety domain, hospitals need at least 1 predicted infection as calculated by the Centers for Disease Control and Prevention (CDC) for a standardized infection ratio (SIR) to be calculated. Note that the minimum is based on predicted infections based on the data submitted into National Healthcare Safety Network (NHSN) by the hospitals. The CDC uses that data in its calculations. The CDC does not use the actual number of infections to determine if the minimum threshold was met to calculate the SIR. For further questions regarding the SIR calculation or a hospital's specific HAI data submitted in the NHSN, contact the NHSN Help Desk at NHSN@cdc.gov.

Question 17: When do you anticipate the sepsis measure to reach the Hospital VBP Program?

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

Question 18: When will electronic clinical quality measures (eCQMs) be included in the Hospital VBP Program?

Like the SEP-1 measure, CMS has not proposed to adopt eCQMs into the Hospital VBP Program. CMS can propose to adopt new measures into the Hospital VBP Program through rule-making.

Question 19: When will PSI-90 be included in the Hospital VBP Program?

Through rulemaking, CMS previously adopted using the PSI-90 measure again in the FY 2023 Hospital VBP Program. CMS removed the PSI-90 measure from the Hospital VBP Program from FY 2019 through FY 2022 due to operational constraints from the ICD-10 transition.

Hospital Value-Based Purchasing (VBP) Program

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

CMS adopted the updated ICD-10 version of the PSI-90 measure beginning with the FY 2023 Hospital VBP Program. For more information on the measure removal and adoption, you can reference the [FY 2018 IPPS/LTCH PPS Final Rule](#) (82 FR 38242 through 38244 and 82 FR 38251 through 38256). In the [FY 2022 IPPS/LTCH PPS Proposed Rule](#), CMS proposed to remove the PSI-90 measure from the Hospital VBP Program beginning with FY 2023 program year.

Question 20: **Will QualityNet (now known as the Hospital Quality Reporting HQR System) fix the issue where the PDF report does not print table row titles after the first page?**

CMS is always working to improve the HQR System and the reports located on it. We will pass along the suggestion to CMS and the HQR Team.

Question 21: **Are the HAI measures in the Hospital VBP Program calculated by NHSN criteria in the same way as the HAI measures under the Hospital-Acquired Condition (HAC) Reduction Program?**

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

Question 22: **Does this report only include the baseline and Care Compare data and not the performance score for the period? What is the facility's "score" called?**

The baseline measures report only includes measure results for the FY 2023 baseline period. We believe you are referring to the Total Performance Score, or TPS, which is provided to hospitals on their Percentage Payment Summary Report later in the year.

Question 23: **How do I receive the benchmark and threshold values for the Medicare Spending per Beneficiary (MSPB) measure?**

The benchmark and achievement threshold values are calculated for the MSPB measure using performance period data instead of baseline period data. As a result, these values will be available when the Percentage Payment Summary Report is added to the user interface.

Hospital Value-Based Purchasing (VBP) Program

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

Question 24: **Is there any overlap payment between each fiscal year? If yes, then how are payments adjusted between each fiscal year?**

There is not an overlap in payment. For example, the Hospital VBP Program fiscal year 2021 is October 1, 2020 through September 30, 2021.

Question 25: **Are the baseline rates on the just-released baseline report our hospital's baseline rates, or are they baseline rates from all hospitals? Where do I find our hospital's baseline rates? Where do I find baseline rates for all hospitals?**

The just-released baseline reports only include baseline period measures data for your hospital and the performance standards (benchmark and achievement threshold, which were calculated from all hospitals' baseline period data). The baseline period rate is your hospital's rate on the measure during the baseline period. A dash (-) will be displayed if your hospital had no eligible discharges during the baseline period. The achievement threshold is the 50th percentile (median) in the measure of hospitals during the baseline period. The achievement threshold is used in determining a hospital's achievement points. Benchmarks are the mean of the top decile (average of the top 10 percent) in the measure of all hospitals during the baseline period. The benchmark is used in determining a hospital's achievement points and improvement points.

Question 26: **Will CMS include PSI-04 in the Hospital VBP Program?**

At this time, the CMS PSI-04 measure (CMS Death Rate Among Surgical Inpatients with Serious Treatable Complications) is not included or proposed to be included in the Hospital VBP Program.

Question 27: **How can I get ICD codes for HAI measures?**

Please email NHSN at nhsn@cdc.gov.