



## **Inpatient and Outpatient Healthcare Quality Systems Development and Program Support**

### **FY 2027 Baseline Measures Report Overview Presentation Transcript**

#### **Speakers**

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#### **Moderator**

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**Brandi Bryant:** Hello and welcome to the Hospital Value-Based Purchasing Program, Fiscal Year 2027 Baseline Measures Overview. My name is Brandi Bryant, and I am with the Center's for Medicare and Medicaid Services Division of Value, Incentives, and Quality Reporting Program Support (DPS) Contract and I will be the moderator for today's event.

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

Please use the Chat tool for any questions related to today's topic. We will answer as many as we can at the end, and any we miss will be included in a follow-up Q&A document.

We do not use the raised-hand feature during webinars. If you have questions afterward or on a different topic, use the QualityNet Q&A Tool and include the webinar name and slide number.

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

Today's event will provide an overview of the fiscal year 2027 Hospital Value-Based Purchasing Program, including the following: updates on the domains and measures, Review of performance standards and measurement periods, and Highlights of resources.

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

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

**Maria Gugliuzza:** The Hospital Value-Based Purchasing Program operates on a budget-neutral basis, funded by withholding a percentage of participating hospitals' DRG payments. Incentive payments are determined by a hospital's Total Performance Score relative to all hospitals' scores and the total DRG payments for the fiscal year. For 2027, funds will be withheld at two percent from hospitals' base operating DRG payments.

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In the program, hospitals face a 2% withhold, pooled by CMS for incentive payments. A hospital may receive a 3% incentive, resulting in a net gain of 1% per claim. Conversely, if a hospital earns only a 1% incentive, there is a net reduction of 1%. Typically, half of participating hospitals see payment increases while the other half see decreases annually. Payments and reductions are applied to each claim throughout the fiscal year.

Our first stop, program eligibility, can now be seen on this slide. 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.

In addition, hospitals not paid through IPPS will not be eligible for the program, including Critical Access Hospitals.

Excluded or ineligible hospitals will not have their payments adjusted which includes the 2% withhold to payments and the opportunity to receive incentive payments. Additionally, data for your hospital would not be publicly reported in the Hospital Value-Based Purchasing tables on the Hospital Compare website.

The Domains and Measures for Fiscal Year 2027 are displayed on this slide. We have the Clinical Outcomes domain containing the 30-day mortality measures for AMI, CABG, COPD, Heart Failure, and Pneumonia in addition to the THA/TKA Complication Rate. The Efficiency and Cost Reduction domain contains the Medicare Spending per Beneficiary Measure. The Person and Community Engagement Domain contains the HCAHPS Survey dimensions that you see listed on this slide. The Safety Domain currently contains the Healthcare Associated Infection measures collected under NHSN, the National Healthcare Safety Network and the SEP-1 measure. Each domain in Fiscal Year 2027 is weighted at 25 percent of the Total Performance Score.

In the FY 2025 IPPS/LTCH final rule, CMS announced that for FY 2027 through FY 2029, two HCAHPS dimensions—Responsiveness of Hospital Staff and Care Transition—will be excluded from scoring.

During those years, hospitals will be scored only on the six remaining dimensions: communication with nurses and doctors, communication about medicines, discharge information, cleanliness and quietness, and overall hospital rating.

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

A few slides back, we discussed a hospital being excluded if they had fewer than three of the four domain scores calculated. To have at least three domains calculated, a hospital would have to meet the minimum data requirements within at least three of the domains. For the Clinical Outcomes domain, a hospital must have at least two measures with at least 25 eligible discharges. For the Person and Community Engagement domain, a minimum of 100 complete HCAHPS Surveys is required. In the Safety domain, a hospital would need to have at least two measures with one predicted infection as calculated by the CDC, for the Sep-1 measure Minimum of 25 cases accepted and used in the denominator. Please note that the minimum requirement for the HAI measures is one predicted infection as calculated by the CDC and not an actual observed infection. For the Efficiency and Cost Reduction domain, at least 25 episodes of care are required.

In the Hospital VBP Program, for any given fiscal year, we have a baseline period and a performance period. If you recall from a couple slides ago, the baseline period is an earlier time period than the performance period, so a comparison of improvement can be made at the individual hospital. CMS provides hospitals with a Baseline Measures Report that contains a hospital's baseline period rates and the performance standards calculated by CMS that will be used to calculate improvement and achievement points. We are currently at that point on the timeline. CMS released the FY 2027 Baseline Measures Reports in March of 2025.

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

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Please note that the performance standards are calculated based on baseline period data for all measures except for the Medicare Spending per Beneficiary measure which uses the performance period. As a result, you will not see performance standards listed for the MSPB measure on the Baseline Measures Report.

This slide displays the measures that will have a higher benchmark value than an achievement threshold because higher rates demonstrate better quality in the measure. This description applies to the 30-day mortality measures in the Clinical Outcomes domain, the HCAHPS dimensions in the Person and Community Engagement domain, and the Sep-1 measure in the Safety domain. The mortality measures use survival rates in the Hospital VBP Program.

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

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

These performance standards will also be displayed on the Baseline Measures Report.

There are two scores that a hospital can receive in every measure in the Hospital VBP Program, achievement points and improvement points. These next two slides provide a summary of those scores.

Achievement points are awarded by comparing an individual hospital's rate during the performance period with all hospital rates from the baseline period by using two performance standards, the achievement threshold, and the benchmark.

If a hospital has a performance period rate that is equal to or better than the benchmark, ten achievement points will be awarded. If the rate is worse than the achievement threshold, the hospital will receive zero achievement points. If the performance period rate is equal to or better than the achievement threshold, but is still worse than the benchmark, one to nine points will be awarded based on the achievement point formula.

Improvement points are unique to the Hospital VBP Program in relation to CMS' other inpatient pay-for-performance programs, such as the HAC Reduction Program and the Hospital Readmission Reductions Program. Not only can hospitals be evaluated based on their current performance in

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comparison to all hospitals, but they can earn the points by improving from their own baseline period. CMS may award hospitals improvement points if the hospital's performance period rate is better than their baseline period rate. The maximum point value for improvement points is nine. If your hospital had a performance period rate that was equal to or worse than its own baseline period rate, 0 improvement points would be awarded.

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

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

To access your hospital's FY 2027 Hospital VBP Program baseline data, log into the HQR Secure portal by clicking the link on this slide. Then enter your Health Care Quality Information Systems (HCQIS) Access Roles and Profile (HARP) User ID and Password. Then, select Login.

You will then be directed to the Two-Factor Authorization page. Select the device you would like to retrieve the verification code and select Next.

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

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

Select HVBP from the Program selection menu; select 2027 from the Fiscal Year selection menu; and select your hospital from the Provider(s) selection menu if the option is displayed. Select Display Results.

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

This slide provides step-by-step instructions on how to access the baseline measures reports.

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

The Clinical Outcomes Domain provides details on the Clinical Outcomes measures, including the number of eligible discharges and the baseline period rates.

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The achievement threshold and benchmark for each Clinical Care measure are also displayed.

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

The Person and Community Engagement Domain provides details on the eight HCAHPS dimensions, including baseline period rates, floor values, achievement thresholds, and benchmarks.

The Safety Measures Domain provides details on the HAI measures, including Catheter- Associated Urinary Tract Infection (CAUTI), Central Line-Associated Bloodstream Infection (CLABSI), Clostridium difficile Infection (CDI), Methicillin-Resistant Staphylococcus aureus (MRSA) Bacteremia, Surgical Site Infection (SSI)-Abdominal Hysterectomy, and SSI- Colon Surgery. These details include the number of observed infections, number of predicted infections, standardized infection ratios (SIRs), achievement thresholds, and benchmarks.

Note: The SSI measure is a single measure stratified by surgery site for colon surgeries and abdominal hysterectomies. For the purpose of the Hospital VBP Program, CMS scores the measure as a weighted average of each of the stratum’s measure scores by predicted infections per stratum.

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

Earlier in the presentation, we said that to view the baseline measures report, you need performance reports permission for Hospital VBP program access. The next several slides will provide detailed instructions on how to request performance reports permission for Hospital VBP program access.

Again, Reports are only available to users associated with a hospital that have the Performance Reports permission for HVBP Program Access. If you don’t have access to your hospital’s Hospital VBP Program reports in the drop-down, you may not have the required Hospital VBP program access for Performance Reports permission in your profile. We will now provide instructions on how to gain access to the reports.

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

From the expanded drop-down menu, select My Profile



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

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

Confirm Basic or Security Administrator/Official User Type selection. Click the Add Program Access on the Performance Reports line

Select the checkbox for Hospital Value-Based Purchasing (HVBP) access.

Click the Apply & Close button.

Click the Review button at the bottom of the form

Click the Submit button at the bottom of the form

This slide provides step-by-step instructions on how to request permission for the Hospital VBP access for performance reports.

I would now like to point out some resources available.

If you have questions about the data on your report, calculations, or general Hospital VBP Program questions, please check out the frequently asked questions in the Inpatient Question and answer tool on QualityNet. If there is no answer to your question, please submit it through the inpatient Question and Answer tool.

If you have questions or would like another reference point when looking through your Baseline Measures Report, we have developed a Baseline Measures Report User Guide available on QualityNet.

This resource, the Hospital VBP Program Quick Reference Guide, is our most requested resource. The quick reference guide contains many of the details for the fiscal year 2027 Hospital VBP Program on one page, including the domains, the domain weights, the measures, the baseline and performance periods, the performance standards, and the fiscal year payment adjustment dates. This resource is available on QualityNet.

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

**Brandi Bryant:**

Thank you, Maria. We will now answer some of the questions submitted during the webinar. If you would like to submit additional questions at this



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time, please include the slide number associated with your question. The first question. Can you explain the baseline period rate, achievement threshold, and benchmark again? Which is our score compared to where we should be to achieve points?

**Maria Gugliuzza:** The baseline period rate represents a hospital's performance for each measure during the baseline period, which is used as input for scoring improvement points. The achievement threshold is the 50th percentile of all hospitals' performance on each dimension during the baseline period. The benchmark is the mean of the top decile of all hospitals' performance on each dimension during the baseline period. Achievement points are points awarded to a hospital by comparing its performance on a measure during the performance period with all hospitals' performance during the baseline period.

**Brandi Bryant:** When will fiscal year (FY) 2027 baseline reports become available?

**Maria Gugliuzza:** The reports are currently available to run in the Hospital Quality Reporting (HQR) System. CMS made the reports available to hospitals in March 2025.

**Brandi Bryant:** Will the baseline measures report go through the Managed File Transfer inbox, or will we need to manually run the report in the HQR System?

**Maria Gugliuzza:** To access the report, users will need to have the Performance Reports permission for HVBP Access and navigate to the *HQR Secure Portal* login page at <https://hqr.cms.gov/hqrng/login>. Enter your Health Care Quality Information Systems Access Roles and Profile (HARP) User ID and Password. Then, select Login. The Two-Factor Authorization page will appear. Select the device you would like to use to retrieve the verification code and select Continue. Once you receive the code, enter it, and select Continue. Read the Terms and Conditions statement. Select Accept to proceed, and the HQR landing page will appear. (If you select Cancel, 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 2027 from the Fiscal Year selection menu. Select the hospital from the Provider menu. Then, select Display Results.

Hospitals can refer to the [How to Read Your FY 2026 Baseline Measures Report document](#) on the QualityNet website at [qualitynet.cms.gov](https://qualitynet.cms.gov).

To access the document, select the Hospitals – Inpatient option. Then, select HVBP from the Hospital Inpatient Quality Program options. Select

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the Resources link on the menu bar. Then, select FY 2027 on the left navigation pane.

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

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

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. In addition, hospitals can still earn improvement points by comparing a hospital's performance on a dimension during the performance period with its own performance on the same dimension during the baseline period.

**Brandi Bryant:** When will the FY 2026 performance reports become available?

**Maria Gugliuzza:** We anticipate the FY 2026 Percentage Payment Summary Reports (PPSRs) to become available around August 1, 2025.

**Brandi Bryant:** Are critical access hospitals (CAHs) exempt from the Hospital VBP Program?

**Maria Gugliuzza:** 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.

**Brandi Bryant:** I did not receive an email stating baseline reports were available, but I saw a notice for them on the QualityNet website home page.

**Maria Gugliuzza:** CMS sends notifications and reminders for the Hospital VBP Program through the two QualityNet Listserve notification groups.

They are the Hospital Inpatient Value-Based Purchasing and Improvement notification group and the Hospital Inpatient Quality Reporting and Improvement notification group. If you aren't signed up for those notification groups, you can register on the QualityNet website: <https://qualitynet.cms.gov/listserv-signup>

**Brandi Bryant:** What is the payment year that corresponds to FY 2027?

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**Maria Gugliuzza:** The payment adjustment is effective for discharges from October 1, 2026, to September 30, 2027.

**Brandi Bryant:** That concludes our webinar for today. If your question was not answered and you still have questions regarding the FY 2027 Program or the Baseline Reports, please submit your question using the Question and Answer Tool on QualityNet. Thank you again for joining. We hope you have a great day.