

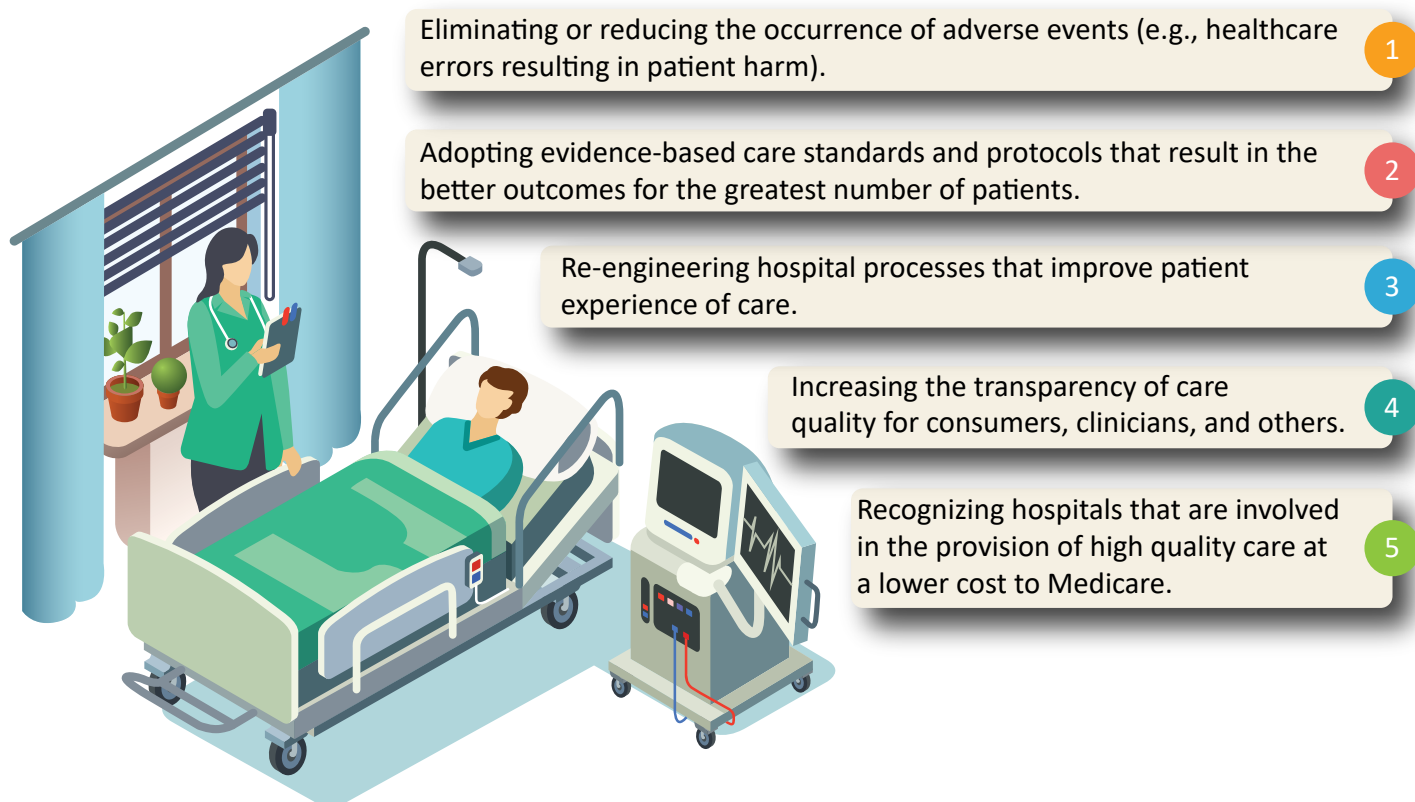
# Program Summary

## Understanding the Fiscal Year 2019 Hospital Value-Based Purchasing Program

### Overview

This program summary highlights the major elements of the fiscal year (FY) 2019 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:



### Hospital VBP Program Background

Section 1886(o) of the Social Security Act sets forth the Hospital VBP Program requirements, affecting Medicare fee-for-service payment for inpatient stays at approximately 3,000 hospitals across the country. This program is part of CMS' larger quality strategy to reform how health care is delivered and paid for by rewarding hospitals with incentive payments for the quality of care provided in the inpatient hospital setting.

# Program Summary

## Understanding the Fiscal Year 2019 Hospital Value-Based Purchasing Program

In the Hospital VBP Program, CMS rewards hospitals based on the **quality** of care provided to patients, not just **quantity** of services provided. Under the Hospital VBP Program, Medicare makes incentive payments to hospitals based on one of the following:

- **Achievement:** How well they perform on each measure compared to other hospitals' performance during a baseline period
- **Improvement:** How much they improve their performance on each measure compared to their performance during a baseline period

### Funding

The Social Security Act requires CMS to fund the Hospital VBP Program incentive payments by reducing the base operating Medicare Severity diagnosis-related group (MS-DRG) payment amounts that determine the Medicare payment for each hospital inpatient discharge by two percent and to redistribute the entire amount back to hospitals based on their performance under this program. CMS estimates \$1.9 billion is available for the FY 2019 value-based incentive payments.

### Payments

Hospital VBP Program payment adjustments are applied to the base operating MS-DRG payment amount for each discharge occurring in the applicable fiscal year on a per claim basis. For example, the FY 2019 Hospital VBP Program adjusts payments for discharges in FY 2019 (October 1, 2018–September 30, 2019). Based on a hospital's TPS in comparison to the Total Performance Scores from the other hospitals and estimated funds available, CMS redistributes the available funding. The result of the redistribution could be a net increase in payments (i.e., a hospital gets back its two percent reduction, plus additional incentive payments) or a net reduction in payments (i.e., a hospital receives incentive payments that are less than the two percent reduction, or further reduced).

### Purpose of the PPSR

The PPSR provides hospitals participating in the Hospital VBP Program with the opportunity to review their Total Performance Score and value-based incentive payment adjustment factor that will be applied in FY 2019.

### Performance Measurement

CMS bases hospital performance on an approved set of measures and dimensions grouped into specific quality domains. Domains are assigned weights (percentages) of the TPS.

# Program Summary

## Understanding the Fiscal Year 2019 Hospital Value-Based Purchasing Program

### Domains

A hospital's performance in the FY 2019 Hospital VBP Program is based on its performance in four quality domains: Clinical Care, Person and Community Engagement, Safety, and Efficiency and Cost Reduction.







1. The **Clinical Care Domain** is comprised of three mortality measures and one surgical complication measure that are weighted together at 25 percent of the TPS.
2. The **Person and Community Engagement Domain** is comprised of eight dimensions of the Hospital Consumer Assessment of Healthcare Providers and Systems® (HCAHPS®) patient experience survey that are weighted together at 25 percent of the TPS.
3. The **Safety Domain** is comprised of five healthcare-associated infection (HAI) measures and one perinatal care measure that are weighted together at 25 percent of the TPS.
4. The **Efficiency and Cost Reduction Domain** is comprised of one Medicare spending measure that is weighted at 25 percent of the TPS.

CMS determined that a hospital may still receive a TPS if at least three of the four domains received scores. When a hospital receives scores in at least three, but less than four domains, the TPS will be re-weighted proportionately to the scored domains. The TPS will be scored out of a possible 100 points, and the relative weights for the scored domains will remain equivalent.

# Program Summary

## Understanding the Fiscal Year 2019 Hospital Value-Based Purchasing Program

### Measures





Domain	Measure ID	Measure Name
 Clinical Care	MORT-30-AMI	Acute Myocardial Infarction (AMI) 30-Day Mortality Rate
	MORT-30-HF	Heart Failure (HF) 30-Day Mortality Rate
	MORT-30-PN	Pneumonia (PN) 30-Day Mortality Rate
	THA/TKA	Elective Total Hip Arthroplasty (THA) and/or Total Knee Arthroplasty (TKA) Complication Rate
 Person and Community Engagement	HCAHPS	Communication with Nurses
	HCAHPS	Communication with Doctors
	HCAHPS	Responsiveness of Hospital Staff
	HCAHPS	Communication about Medicines
	HCAHPS	Cleanliness and Quietness of Hospital Environment
	HCAHPS	Discharge Information
	HCAHPS	Overall Rating of Hospital
	HCAHPS	Care Transition
 Safety	CLABSI	Central Line-Associated Bloodstream Infection
	CAUTI	Catheter-Associated Urinary Tract Infection
	CDI	<i>Clostridium difficile</i> Infection
	MRSA	Methicillin-Resistant <i>Staphylococcus aureus</i> Bacteremia
	SSI	Surgical Site Infection (SSI): <ul style="list-style-type: none"> <li>• Colon Surgery</li> <li>• Abdominal Hysterectomy</li> </ul>
	PC-01	Elective Delivery Prior to 39 Completed Weeks Gestation
 Efficiency and Cost Reduction	MSPB	Medicare Spending per Beneficiary

# Program Summary

## Understanding the Fiscal Year 2019 Hospital Value-Based Purchasing Program

### Baseline and Performance Periods

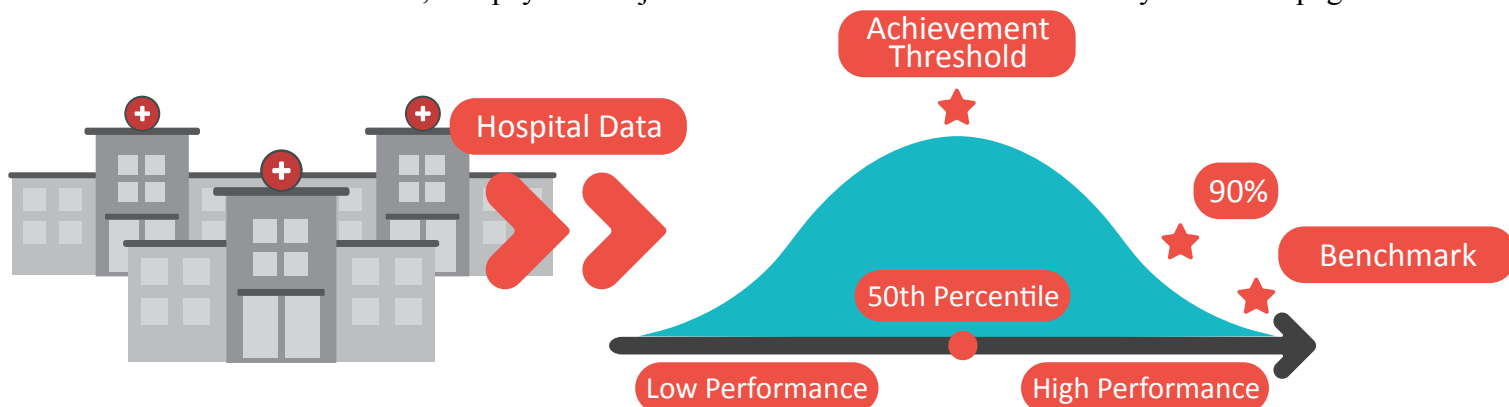
A Hospital VBP Program *baseline period* is a designated time span when data are captured. The data captured during the baseline period are compared to data captured during a later time period known as the performance period. The data indicate how well a hospital is performing on an established set of quality measures. Data collected during the *performance period* are compared to data collected for each participating hospital during a baseline period, as well as to all other eligible hospitals in the Hospital VBP Program during the performance period. CMS uses this comparison to determine achievement and improvement in quality.

Domain	Measure	Baseline Period	Performance Period
 Clinical Care	Mortality Measures	July 1, 2009–June 30, 2012	July 1, 2014–June 30, 2017
	THA/TKA Complication Measure	July 1, 2010–June 30, 2013	January 1, 2015–June 30, 2017
 Person and Community Engagement	HCAHPS Survey	July 1, 2010–June 30, 2013	January 1–December 31, 2017
 Safety	HAI Measures	January 1–December 31, 2015	January 1–December 31, 2017
	PC-01	January 1–December 31, 2015	January 1–December 31, 2017
 Efficiency and Cost Reduction	MSPB*	January 1–December 31, 2015	January 1–December 31, 2017

\*CMS finalized a modified version of achievement and improvement point formulas for calculating the MSPB measure in the FY 2012 IPPS final rule (76 FR 51654-51656)

### Scoring Methodology

CMS assesses each hospital's performance by comparing its **achievement** and **improvement** scores for each applicable Hospital VBP Program measure. CMS uses an achievement threshold and benchmark to determine how many points to award for the achievement and improvement scores. *QualityNet* has [Domain Weighting Quick Reference Guides](#) available which include the domain, measures, baseline and performance periods, threshold and benchmark rates, and payment adjustment effective dates for each fiscal year on one page.



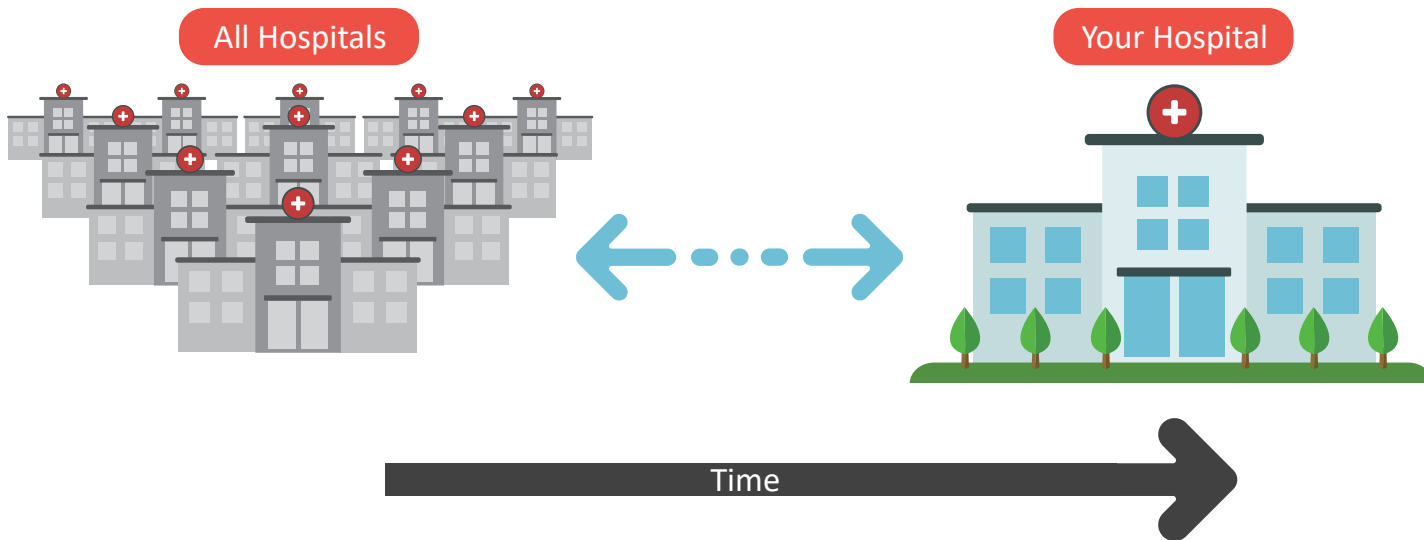
**Benchmark:** Average (mean) performance of the top 10 percent of hospitals during the baseline period  
**Achievement Threshold:** Performance at the 50th percentile (median) of hospitals during the baseline period

# Program Summary

## Understanding the Fiscal Year 2019 Hospital Value-Based Purchasing Program

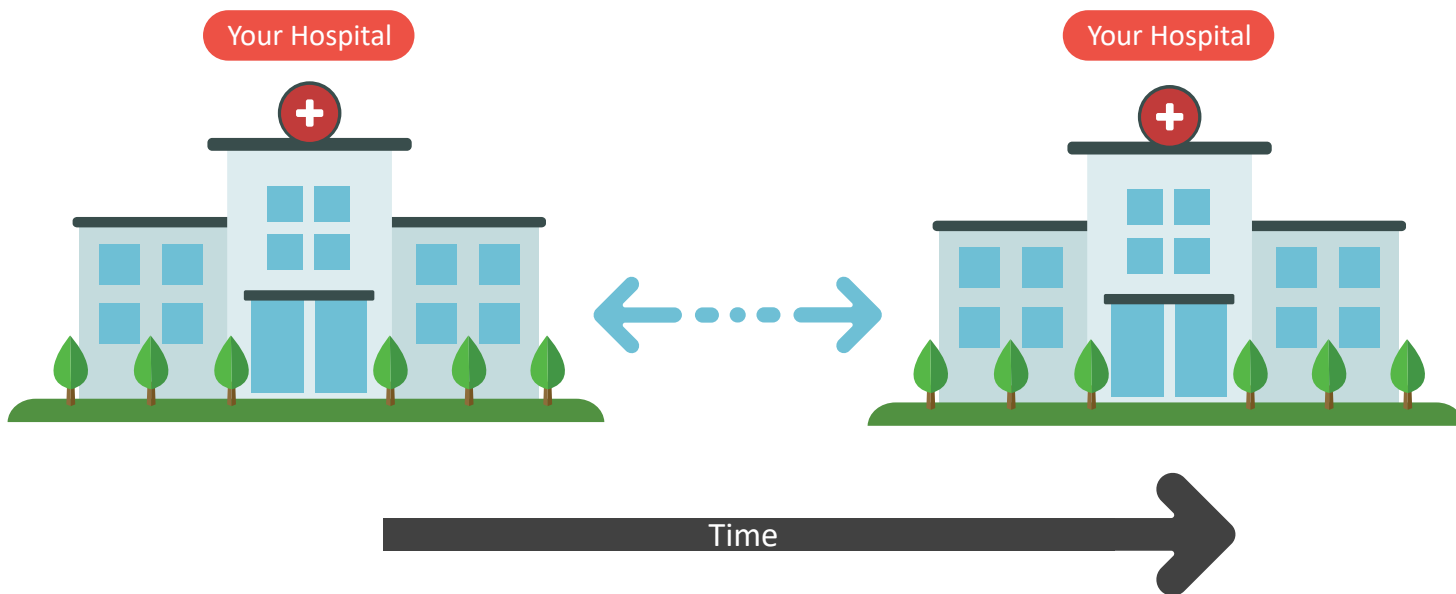
**Achievement points** are awarded for each measure by comparing an individual hospital's rates during the performance period to all hospital's rates from the baseline period:

- Hospital rate at or above the benchmark = 10 achievement points
- Hospital rate below the achievement threshold = 0 achievement points
- Hospital rate is equal to or greater than the achievement threshold but less than the benchmark = 1–9 achievement points



**Improvement points** are awarded for each measure by comparing an individual hospital's rates during the performance period to that same individual hospital's rates from the baseline period:

- Hospital rate at or above the benchmark = 9 improvement points
- Hospital rate at or below the baseline period score = 0 improvement points
- Hospital rate is greater than the baseline period score but below the benchmark = 0–9 improvement points



# Program Summary

## Eligibility

The Hospital VBP Program applies to subsection (d) hospitals located in the 50 states and the District of Columbia, as defined in Social Security Act section 1886(d)(1)(B). Subsection (d) hospitals that are determined to be ineligible in FY 2019 based on **one** of the following exclusion criteria will still receive a PPSR:



- The hospital is subject to a payment reduction under the Hospital Inpatient Quality Reporting (IQR) Program.
- The hospital has been cited for three or more deficiencies during the performance period that pose immediate jeopardy to patients' health or safety.
- The hospital is located in the state of Maryland and has received a waiver to participate in the Maryland All-Payer Model.
- The hospital has received an Extraordinary Circumstance Exemption for the Hospital VBP Program from CMS.
- The hospital did not meet the minimum number of measures/dimensions in at least three domains based on the minimum data requirements.

Hospitals excluded from the IPPS (e.g., psychiatric, rehabilitation, long-term care, children's, and the 11 Prospective Payment System-exempt cancer hospitals) are not eligible to participate in the Hospital VBP Program and will not receive a PPSR.

**Note:** Hospitals that are excluded from the Hospital VBP Program will **not** have their base operating MS-DRG payments reduced by two percent nor be eligible for incentive payment adjustments.

## Review and Correction Period

Hospitals may review and request recalculation of the performance scores on each condition, domain, and TPS **within 30 calendar days** of the posting date of the PPSR on *QualityNet*. Neither the review and corrections process nor the appeal process allows hospitals to submit additional corrections related to the underlying data or claims, or add new data or claims, to the data extract used to calculate the measure rates.

# Program Summary

## Understanding the Fiscal Year 2019 Hospital Value-Based Purchasing Program

### Appeal Period

Hospitals can only request an appeal after first requesting a review and correction of their performance scores. Hospitals that do not submit this formal request within 30 calendar days waive eligibility to submit CMS Hospital VBP Program appeals request(s) for the applicable fiscal year. Hospitals must receive an adverse determination from CMS of their review and correction calculation request prior to requesting an appeal.

### Resources

Additional information on the [Review and Corrections and Appeals](#) processes is available on *QualityNet*.

A separate document providing details on *How to Read Your FY 2019 Hospital VBP Percentage Payment Summary Report* is available on *QualityNet*. Select the **Hospital Value-Based Purchasing (HVBP)** link from the [Hospitals – Inpatient] tab drop-down list. Then, select the **Resources** link from the left-side navigation pane. The direct link is: <https://www.qualitynet.org/dcs/ContentServer?c=Page&pagename=QnetPublic%2FPage%2FQnetTier3&cid=1228772237202>

For an in-depth explanation and examples of the scoring methodology, review the [FY 2019 Hospital VBP Program Scoring Quick Reference Guide](#).

### Questions

For further assistance regarding the Hospital VBP Program, contact the Hospital Inpatient Value, Incentives, and Quality Reporting (VIQR) Outreach and Education Support Contractor (SC) through the Hospital Inpatient Questions and Answers tool at <https://cms-ip.custhelp.com/>, or by calling, toll-free, (844) 472-4477 or (866) 800-8765, weekdays from 8 a.m. to 8 p.m. ET.

To search for answered questions on the Hospital Inpatient Questions and Answers tool, provide a search word/phrase or select the **Find an Answer** button. Then, select a link under a topic header. New questions can be submitted by using the **Ask a Question** button. This requires a one-time registration.

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