



# Hospital Inpatient Quality Reporting (IQR) Program

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## Support Contractor

### Hospital VBP Program: Overview of the FY 2019 Percentage Payment Summary Reports

#### Presentation Transcript

##### Speaker/Moderator

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**Bethany**

**Wheeler-Bunch:**

Hello, and welcome to our [Hospital] Value-Based Purchasing [VBP] Program Fiscal Year 2019 Percentage Payment Summary Report [PPSR] overview. My name is Bethany Wheeler-Bunch and I'm the Hospital Value-Based Purchasing Program Lead at the [Hospital Inpatient] VIQR [Education and Outreach] Support Contractor. Before we begin, I'd like to make our first few regular announcements. This program is being recorded. A transcript of the presentation along with the questions and answers will be posted to the inpatient website [www.QualityReportingCenter.com](http://www.QualityReportingCenter.com) in the upcoming week. If you registered for this event, a reminder email and the slides were sent out to your email about two hours ago. If you didn't receive that email, you can download the slides at our inpatient website [www.QualityReportingCenter.com](http://www.QualityReportingCenter.com). If you have questions as we move through the webinar, please type your question in the chat window with the slide number, and we will answer as many questions as time allows. Any questions that are not answered during the webinar will be posted to the [www.QualityReportingCenter.com](http://www.QualityReportingCenter.com) website in the upcoming week.

Today's event will provide an overview of the Fiscal Year 2019 Hospital VBP Program, including a discussion of the following: the evaluation of hospitals within each domain and measure, Hospital VBP Program scoring methodology, eligibility requirements of the Hospital VBP Program, and locating Total Performance Scores [TPSs] and value-based incentive payment percentages on the report.

Participants should be able to identify how hospitals will be evaluated within each domain and measure, recall the Hospital VBP Program eligibility requirements, interpret the scoring methodology used in the Hospital VBP Program, locate the TPS and value-based incentive payment percentage on the PPSR, and finally, analyze the PPSR.

I would now like to introduce Maria Gugliuzza to present on the first half of the presentation today. We've split the webinar up into two sections. In the first section, we're going to cover the summary of changes, the baseline and performance periods, performance standards, a general idea

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of how achievement points and improvement points are calculated, a look at the Percentage Payment Summary Reports in detail, and also, information on how to submit a review and correction request. Then, we're going to have a question-and-answer [Q&A] session where we go through some of the questions that you asked during the first half of the presentation. Then, Maria will turn the presentation back over to me and I will run through some scoring examples as more of our technical portion of the presentation. So, if you haven't gone out and run your Percentage Payment Summary Reports yet, they are available on *QualityNet*. You can go out there now and run your report and then have that report with you as we walk through the scoring examples. Then, we will have a second Q&A session following the calculation example. At this time, I would now like to pass the presentation to Maria. Maria, the floor is yours.

**Maria Gugliuzza:** Thanks, Bethany. My name is Maria Gugliuzza and I am the Education and Outreach Lead at the Hospital [Inpatient] VIQR Outreach and Education Support Contractor. The Hospital Value-Based Purchasing Program is required by Congress under Section 1886 (o) of the Social Security Act. The Hospital VBP Program was first adopted for the Fiscal Year 2013 Hospital Value-Based Purchasing Program and CMS has used this program to adjust payments for every fiscal year subsequent. The Hospital Value-Based Purchasing Program is the first national inpatient pay-for-performance program in which hospitals are paid for services based on the quality of care rather than quantity of services provided. Like the second bullet states, the Hospital Value-Based Purchasing Program was built on the Hospital Inpatient Quality Reporting [IQR] Program, which is a pay-for-reporting rather than a pay-for-performance program. All measures in the Hospital VBP Program are collected under the Hospital IQR Program. The Hospital VBP Program pays for care that rewards better value, improved patient outcomes, innovation, and cost efficiency over volume of services. CMS views value-based purchasing as an important driver of change moving towards rewarding better value and improved patient outcomes, which in turn will lead to better care and healthier patients.

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The Hospital Value-Based Purchasing Program is an estimated budget-neutral program and is funded through a percentage withhold from participating hospital DRG [diagnosis related group] payments. Incentive payments will be redistributed based on the hospital's Total Performance Score in the Hospital Value-Based Purchasing Program in comparison to the distribution of all hospitals' Total Performance Scores and total estimated DRG payments. Please note that withholds and incentive payments are not made in a lump sum, but through each eligible Medicare claim made to CMS. The funding from the Fiscal Year 2019 program will come from a 2 percent withhold from participating hospital base operating DRG payment amount. CMS anticipates the total value-based incentive payment will total \$1.9 billion in Fiscal Year 2019.

The Hospital VBP Program adjusts payment for approximately 3,000 hospitals each fiscal year. The program applies to subsection (d) hospitals in 50 states and the District of Columbia. If your hospital is a subsection (d) hospital, your payments will be adjusted unless one of the exclusion reasons listed on this slide applies. Those excluded reasons include: hospitals subject to payment reductions under the Hospital IQR Program, hospitals cited for three or more deficiencies during the performance period that pose immediate jeopardy to the health or safety of patients, hospitals with less than three out of the four domains calculated, hospitals with an approved extraordinary circumstance exception [ECE], and hospitals located in the state of Maryland. If your hospital is excluded from the program, your report will state "Hospital VBP Ineligible" on the first page. Additionally, data for your hospital would not be publicly reported in the Hospital Value-Based Purchasing Program tables on the *Hospital Compare* website. Excluded hospitals will not have their payments adjusted, which includes the 2 percent withhold to payments and the opportunity to receive incentive payments.

This slide provides a timeline of the Hospital VBP Program. As you can see from the "You Are Here" arrow, CMS calculated the achievement points, improvement points, domain scores, the Total Performance Scores, and payment adjustment factor and released that information in a

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Percentage Payment Summary Report, the PPSR. That report was released to hospitals on July 27, 2018.

The next several slides will cover how the hospitals are evaluated.

This slide displays the four domains hospitals will be evaluated on in the Fiscal Year 2019 Hospital VBP Program. Each domain is weighted equally at 25 percent of the Total Performance Score. The Clinical Care Domain contains the 30-day mortality measures for AMI [acute myocardial infarction], heart failure, and pneumonia. In addition, the THA/TKA complication measure. The Person and Community Engagement Domain contains the HCAHPS [Hospital Consumer Assessment of Healthcare Providers and Systems] Survey dimensions. The Safety Domain contains the five CDC [Centers for Disease Control and Prevention] healthcare associated infection [HAI] measures, and the PC-01 measure. The Efficiency and Cost Reduction Domain contains the Medicare Spending per Beneficiary measure.

This slide provides a high-level summary of changes that were made from the Fiscal Year 2018 Hospital VBP Program to the Fiscal Year 2019 Hospital VBP Program. The elective primary total hip arthroplasty (THA) and/or the total knee arthroplasty (TKA) complication rate was added to the Clinical Care Domain. In addition, the Patient- and Caregiver-Centered Experience of Care/Care Coordination Domain was modified to Person and Community Engagement.

The other major changes to the program were the changes to the Safety Domain. Starting with Fiscal Year 2019, the CLABSI [central line-associated bloodstream infection] and CAUTI [catheter-associated urinary tract infection] measures were expanded to include select ward or non-intensive care unit location. In addition, the CDC updated the “standard population data” to ensure National Healthcare Safety Network [NHSN] measures’ number of predicted infections reflected the current state of the healthcare-associated infections in the United States. One last major change was the removal of the PSI [Patient Safety Indicator] 90 measure from the Hospital VBP Program.

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This slide displays the baseline and performance period used to calculate the measure results in the Fiscal Year 2019 Hospital VBP Program. The HCAHPS Survey, HAI measures, PC-01, and MSPB measure are calendar year measures and utilize a performance period of Calendar Year 2017 and a baseline period of Calendar Year 2015. The mortality measures use a performance period of July 1, 2014, through June 30, 2017, and a baseline period of July 1, 2009, through June 30, 2012. The THA/TKA complication measure uses the performance period of January 1, 2015, through June 30, 2017, and a baseline period of July 1, 2010, through June 30, 2013.

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

Hospitals have the opportunity to receive improvement and achievement points on their Percentage Payment Summary Report based upon their performance rates during the baseline period and performance period relative to the performance standard. The performance standards consist of the achievement threshold and benchmarks for all measures and the floor, which is only applicable for the Person and Community Engagement Domain. The achievement threshold is calculated as the median or the 50th percentile of all hospital rates measured during the baseline period. The benchmark is a mean of the top decile, which is the average of the top

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

The measures displayed on this slide will have a higher benchmark value than an achievement threshold because higher rates demonstrate better quality in the measure. The measures that this description is applicable for are the 30-day mortality measures in the Clinical Care Domain and the HCAHPS dimension. A quick reminder: The mortality measures use survival rates in the Hospital VBP Program.

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

The next three slides display the performance standards used in the Fiscal Year 2019 program. These performance standards, with the exception of MSPB, were included in your baseline measures report and will be included on your hospital Percentage Payment Summary Report. Here are the performance standards for the HCAHPS dimension. Please note the addition of the floor that we don't see in the other domain.

Here are the performance standards for the Safety Domain.

Performance standards are first published in the IPPS [Inpatient Prospective Payment System] or OPSS [Outpatient Prospective Payment System] proposed and final rule. Changes and updates to those values are made through technical updates issued by CMS. For the Fiscal Year 2019 Hospital VBP Program, CMS issued one technical update based on the data first finalized in the IPPS rule. The technical update was for the benchmark and achievement threshold for the HAI measures in the

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Hospital VBP Program listed on the slide. The update was included on your baseline measures report and included on the Safety Domain performance standards on the previous slide. For more information on the technical update, please feel free to use the link on the slide.

Achievement points are awarded by comparing an individual hospital 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 tiered rate that is equal to or better than the benchmark, 10 achievement points will be awarded. If the rate is lower than the achievement threshold, the hospital will receive 0 achievement points. If the performance period rate is equal to or better than the achievement threshold, but is still lower than the benchmark, 1 to 9 points will be awarded.

Improvement points are unique to the Hospital VBP Program in relation to other CMS inpatient pay-for-performance programs, such as the HAC [Hospital-Acquired Condition] Reduction Program and the Hospital Readmission Reduction Program [HRRP]. Not only can hospitals be evaluated based on their current performance in comparison to all other hospitals, but they can earn points by improving from the 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 0 points. We will cover more detailed examples of improvement and achievement points in the second half of the webinar.

We will now move into a brief overview of reviewing and reading your reports.

The Percentage Payment Summary Report has five pages. The first page is a summary of your hospital score and the payment adjustment information. The first section contains your hospital's Total Performance Score, the state average, and the national average. The domain scoring section contains each domain's unweighted score, weight, and weighted score.



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The payment summary section contains five values. The base operating DRG payment amount will display 2 percent for all eligible hospitals because that is the amount that is withheld for Fiscal Year 2019. The value-based incentive payment percentage is the incentive percentage a hospital will receive without taking into account the 2 percent withhold. The net change in payment amount is the value-based incentive payment percentage minus the 2 percent withhold. If this value is a positive, your hospital will receive an overall increase in payments due to the Hospital VBP Program. The payment adjustment factor is the number that you can multiply against a DRG to determine what you will be paid for that DRG based on the program. The last value is the exchange function slope. This value is the same for each hospital and is used to calculate the hospital's payment adjustments that we just covered. Please note that the slope displayed on this slide is not the slope that will be used in Fiscal Year 2019.

If your hospital is excluded from the program, the first page will display the reason for your hospital's exclusion in the middle of the page, which is displayed on this slide in the yellow highlighting. In addition, your hospital's TPS and payment adjustment fields will display "Hospital VBP Ineligible."

The second page of the report is the Clinical Care Detail Report. This page will contain the measure-level results such as the number of eligible discharges and the baseline and performance period rates.

In addition, the Clinical Care Detail Report will display the performance standards, improvement points, achievement points, and the measure score. At the bottom of the table, there is a summary of the domain results, which includes the number of measures receiving a measure score, the unweighted domain score, and the weighted domain score.

The third page will display results for the HCAHPS Survey, including the baseline and performance period rate.

In addition, the performance standards, improvement points, achievement points, and dimension scores will also be displayed. Under the table, the

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domain summary is displayed, including the HCAHPS base and consistency score, the unweighted and weighted domain scores, and the number of surveys completed. In addition, there will be a footnote displayed that states which dimension was used to calculate your hospital's lowest dimension rate, which is used in the consistency score calculations.

The fourth page of the report displays the measure results for the Safety Domain, including the baseline and performance period totals for each measure.

The right side of the table displays the performance standards and point calculations.

The summary beneath the table includes the number of measures the hospital scored, the unweighted domain score, and the weighted domain score.

The last page of the report displays the information for the MSPB measure within the Efficiency and Cost Reduction Domain, including the baseline period totals, performance period totals, performance standards and scoring and the domain summary.

This slide displays select values from the report and the precision for those values. For example, the 30-day mortality measures have a baseline and performance period rate that is displayed six places to the right of the decimal on the Percentage Payment Summary Report. I would like to highlight the asterisk on the HCAHPS and PC-01 baseline and performance period rate. Please note that these values have displayed precision of two places and six places to the right of the decimal, respectively. However, a greater precision of those rates is used to calculate the improvement and achievement point values than is displayed. If you have any questions regarding the calculations on your report, please feel free to ask your questions through the inpatient Q&A tool found on [QualityNet.org](http://QualityNet.org).

Now, we're going to move into reviewing your data.

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Hospitals may review their data used in CMS programs in two different stages. The first stage is considered a patient-level data review stage in which hospitals ensure their underlying data or claims are accurate either prior to the submission deadline, the claims pull date, or during the HCAHPS review and correction period, depending on the measure. The second stage of review is the scoring and eligibility review. During the second stage, hospitals can ensure that the data reviewed during Phase 1 is properly displaying on the report and that the scoring, such as the improvement points, measure scores, or domain scores was calculated correctly based on the already finalized measure result, or that your eligibility is correctly applied. Corrections or modifications to the underlying data are not allowed during a Stage 2 review. Examples of Stage 2 reviews include the Hospital IQR Program preview report, the Hospital VBP Program review and correction period, and the claims-based measures review and correction period.

For chart-abstracted and web-entry measures, the Stage 1 review allows hospitals to use the approximate 4.5 months after the quarterly reporting period ends to submit and review their data. Corrections or modifications to the data after the quarterly submission deadline are not allowed.

For CDC NHSN measures, the Stage 1 review also allows hospitals to use the approximate 4.5 months after the quarterly reporting period ends to submit and review the data into NHSN. Corrections or modifications to the data after the quarterly submission deadline will not be reflected in CMS reports or programs, although the data can still be entered or modified into NHSN.

For the HCAHPS Survey Stage 1 review, CMS allows hospitals to have a seven-day period after the submission deadline to access and review the HCAHPS data in a review and corrections report. Please note that new data are not accepted into the warehouse during the review and correction period, just modifications to existing data. After the quarterly HCAHPS review and correction period, no changes can be made to the underlying HCAHPS data.

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Now that we have covered the Stage 1 items, we will discuss the details of Stage 2. The Stage 2 review for the claims-based measures includes 30 days to review and correct scores based on a hospital's claims included in a Hospital-Specific Report [HSR]. If a hospital suspects a calculation error on the report, a request for review with a possibility for correction can be submitted during this 30-day window. Requests for submission of new or corrected claims to the underlying data are not allowed. We do recommend contacting your MAC [Medicare Administrative Contractor] if you identify an error to the underlying data, so the claims are correct during the next claims pull.

Another stage to review is the review and correction period for the Percentage Payment Summary Report. After the release of the report, hospitals will have 30 days to review and request correction of the calculation of scores for each measure, domain, and TPS. Requests for correction of underlying data, such as your baseline or performance period rates, are not allowed during this period and should have been addressed during the Stage 1 review for each of the measure types.

Some best practices for reviewing your data during Stage 1 include having a second person review submitted data for errors, creating a plan for spot checking or sampling the data submitted for errors, reviewing the data a vendor submits for accuracy before submission or prior to the submission deadline, and performing routine coding audits to ensure claims are being coded and billed accurately.

The benefits of having correct data include having usable data quickly that can assist in quality improvement initiatives at the hospital. Also, having accurate data ensures the hospital is assigned a payment adjustment factor that correlates to the hospital's actual performance. For public reporting, having accurate data can help organizations focus on quality improvement priorities and assist consumers with how well a hospital is performing.

So now that we understand when the underlying data should be reviewed versus the review of a hospital score and eligibility, let's move on to the

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process to submit a Percentage Payment Summary Report review and correction request if your hospital identifies a potential scoring error.

Hospitals may review and request recalculation of scores for each measure, domain, and Total Performance Score. Hospitals have 30 days after the Percentage Payment Summary Report is released to request this review. If you would like to submit a request, please submit the completed review and correction form through the secure file exchange on the *QualityNet Secure Portal* to the “HVBP” group.

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

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

Next, we will review the appeals process.

A hospital may appeal the calculation of their scores through an appeal only after receiving an adverse determination from CMS following a request for review and correction. Hospitals will have 30 days in order to request an appeal after receiving the review and correction decision. If your hospital did not submit a review and correction request, you waive your eligibility to submit an appeal request. To submit an appeal, you would follow the same process on sending a completed appeal form to the “HVBP” group through the Secure File Exchange within the *QualityNet Secure Portal*.

To access the appeals form, please use the steps listed on this slide to access the form from *QualityNet*.

When completing the appeals form, please include the information provided on this slide, including the date of your hospital’s review and correction request.

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The topics listed on this slide are the appealable items during the appeals period, including the calculation of scores, incorrect domain weights applied, or if your hospital's open/closed status was incorrectly specified.

The following resources are available to you.

The FY 2019 Percentage Payment Summary Reports were made available through the *QualityNet Secure Portal* starting on July 27, 2018. In order to access the report, you must have the roles listed on this slide assigned to your *QualityNet* account. If you are not able to access the report, and you believe you should, please contact your internal *QualityNet* administrator.

The Percentage Payment Summary Reports were made available on July 27, so please use the steps listed on this slide to run your report. If you are having technical issues accessing the report, please contact the *QualityNet* Help Desk.

To announce the release of the report, CMS will release a ListServe notification in addition to a *QualityNet* news article.

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

The resources available on this slide can be found by clicking on the link in the slide or visiting *QualityReportingCenter.com*. Specifically, as you are reviewing your report and you have questions, please reference the How to Read Your Report Help Guide. I would like to point out a new reference document this year, the Scoring Quick Reference Guide, which was created to help providers with step-by-step calculation.

If you would like to review Hospital VBP Program data from previous fiscal years, you can access that data through the *Hospital Compare* website by clicking on the **HVBP** link on the bottom left side of the page under Additional Information. Data from Fiscal Year 2018 will be posted

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on *Hospital Compare* until January 2019 when the Fiscal Year 2019 program will be refreshed on the page. Fiscal Year 2013 through Fiscal Year 2017 data are also available in the *Hospital Compare* archive.

That concludes my portion of the webinar. Bethany, did we receive any questions?

**Bethany**

**Wheeler-Bunch:** We did. Thank you, Maria. The first question is, “What are the baseline and performance periods?”

**Maria Gugliuzza:** Thank you. The baseline and performance periods for all measures are listed on slide 17. We will move the slide deck there for reference.

**Bethany**

**Wheeler-Bunch:** Thanks, Maria. When will payments be adjusted based on this report?

**Maria Gugliuzza:** The Fiscal Year 2019 Hospital VBP Program will impact payments made by CMS in Fiscal Year 2019, which is from October 1 of 2018 through September 30 of 2019.

**Bethany**

**Wheeler-Bunch:** What happens to the domain weights if a hospital does not meet the Clinical Care Domain due to less than 25 eligible cases in all four measures?

**Maria Gugliuzza:** Great question. If a hospital is unable to receive enough measure scores to receive a domain score, the domain will not be scored. If less than three domains are scored in Fiscal Year 2019, the hospital will be excluded from the Fiscal Year 2019 program. Hospitals excluded from the Hospital VBP Program will not be eligible for that payment adjustment, including the withhold in the incentive payment. We will cover more detailed calculation examples for domain weighting, if only three domains are scored, in the second half of the presentation.

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**Bethany**

**Wheeler-Bunch:** Thank you, Maria. The next question says, “Do the HAI and PC-01 measures carry equal weight in the calculation of the score for the Safety Domain?”

**Maria Gugliuzza:** Thanks, Bethany. Each measure within the Safety Domain carries an equal weight. We will cover how to calculate the Safety Domain score in the second half of the presentation.

**Bethany**

**Wheeler-Bunch:** The next question says, “What happens if 100 HCAHPS surveys are not completed within the two time periods?”

**Maria Gugliuzza:** If a hospital is unable to submit enough completed surveys during the performance period, the Person and Community Engagement Domain will not be scored. If less than the three domains are scored in the Fiscal Year 2019 program, the hospital will be excluded from the Fiscal Year 2019 program. Again, hospitals that are excluded from the Hospital VBP Program will not be eligible for the payment adjustment and, if a hospital does not submit at least 100 HCAHPS surveys during the baseline period but does during the performance period, only achievement points can be awarded as improvement points based on that comparison between the baseline period and the performance period.

**Bethany**

**Wheeler-Bunch:** Thanks, Maria. The next question says, “Are children’s hospitals and critical access hospitals exempt from the Hospital VBP Program?”

**Maria Gugliuzza:** Yes. Only short-term acute care hospitals are included in the Hospital VBP Program. Children’s hospitals with a CMS Certification Number, a CCN, with a third digit that is not a 0 are excluded from the Hospital VBP Program.

**Bethany**

**Wheeler-Bunch:** Thanks, Maria. The next question, I’ve seen this one quite a bit in the chat window. “What happens to the PSI 90 composite measure in the Hospital



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VBP Program? Was it removed? I'm not seeing it on my Percentage Payment Summary Report."

**Maria Gugliuzza:** Excellent question. CMS did finalize the proposal of the removal of the old version of the PSI 90 composite in the Fiscal Year 2019 program in the FY 2018 IPPS final rule. If you would like some more information about the removal of this measure, I recommend reading the Fiscal Year 2018 IPPS final rule to review the CMS decision.

**Bethany**

**Wheeler-Bunch:** Thank you. The next question is regarding slide 46. For claims-based measures, is there a cut-off time to refile a claim with CMS if we discover the first claim was incorrect?

**Maria Gugliuzza:** Yes. CMS generally pulls claims at the end of September following the end of a calculation period for the 30-day mortality measures. For example, if the claims-based measures, the 30-day mortality measures, end on June 30, 2017, CMS will pull those claims in the calculation at the end of September of 2017. The next claims pull for Fiscal Year 2020 results is anticipated for the end of September of 2018. For the MSPB measure, Medicare Spending per Beneficiary, CMS pulls claims around the first week of April, which allows a three-month claim run-up/maturity period. Claims submitted or modified after that time will not be included or revised in the calculation.

**Bethany**

**Wheeler-Bunch:** The next question says, "Is Fiscal Year 2019 really Calendar Year 2017?"

**Maria Gugliuzza:** Great question. Fiscal Year 2019 is the year in which payment adjustments will be made. So, the performance periods and baseline periods range in Fiscal Year 2019. However, the general idea is that, the Fiscal Year 2019 utilizes a performance period of Calendar Year 2017 and a baseline period of Calendar Year 2015. Although this does not apply to the claims-based measures, such as the 30 -ay mortality measures and the complication measure.

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**Bethany**

**Wheeler-Bunch:** Thank you. Can you restate when the Percentage Payment Summary Reports were made available?

**Maria Gugliuzza:** Yes. The reports were released on July 27. An announcement was made through a *QualityNet* news article and also through the ListServe notification. So, I suggest if you are not signed up to receive the ListServe, please go out to *QualityNet* and sign up for the IQR and Hospital VBP ListServe.

**Bethany**

**Wheeler-Bunch:** Thank you. Just one more question: When does the review and correction period end?

**Maria Gugliuzza:** Great question. The review and correction period ends on Monday, August 27.

**Bethany**

**Wheeler-Bunch:** Thank you, Maria. That's all the time we have for the first question-and-answer session. We will now move onto the more technical portion of the presentation with scoring examples. If you would like to follow along with your report, please have the report out in front of you now. Also, calculators are optional if you would like to try out some of the scoring with me.

As Maria covered earlier in the first half of the presentation, the Hospital VBP Program's framework is based on two types of scores: achievement and improvement. 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, 10 achievement points will be awarded and that's the maximum point value you can get for each measure. If the rate is lower than the achievement threshold, the hospital will receive 0 achievement points. If the performance period rate is equal to or better than the achievement threshold, but it's still worse

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than or lower than the benchmark, 1 to 9 points will be awarded. Let's walk through some examples of each of these scenarios.

The first scenario shows a hospital having a performance period rate that is equal to or better than the benchmark. In our example, the hospital has the same performance period rate as the benchmark with a SIR [standardized infection ratio] of 0 for the CAUTI measure. Because the rate is equal to the benchmark, 10 achievement points will be awarded.

If the hospital had a performance period SIR of 1.01, which was worse than the achievement threshold, the hospital would receive 0 points.

If you have a performance period rate that falls in between the benchmark and achievement threshold, you would use the achievement point formula. The formula first has you tracking the achievement threshold from the performance period rate and then dividing that value from the difference of the benchmark and the achievement threshold. You would take that calculated value and multiply by 9 and then finally adding 0.5. We have placed our example numbers in the formula and we receive a result of 5 achievement points after rounding to the nearest whole number.

Now, we will cover the three scenarios for improvement points.

The first scenario shows a hospital whose performance period rate is equal to or better than the benchmark and, and that's an important "and," whose performance period rate is better than the baseline period rate. The result of the scenario is 9 improvement points.

The second scenario shows a hospital whose performance period rate is equal to or worse than the baseline period rate, regardless of the performance period rate in comparison to the benchmark. Because the performance period rate is equal to the baseline period rate, no improvement was realized. So, 0 points were awarded. I would like to point out, though, that this scenario would be awarded 10 achievement points because the performance period rate is equal to or better than the benchmark.

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The following example shows a hospital whose performance period rate is worse than their baseline period rate. This example would also result in 0 points.

The last example comes from a hospital whose performance period rate falls in between the benchmark and the baseline period rate. Under this scenario, we would use the improvement point formula that is calculated by dividing the difference of the performance period rate and the baseline period rate by the benchmark less the baseline period rate, multiplying that result by 10 and subtracting 0.5. We've plugged in our example numbers into the formula and received a result of 5, once rounding to the nearest whole number. So, if you want to follow along with this example, you would first subtract 0.4 from 0.2. So, 0.2 minus 0.4 is negative 0.2. You would then take the denominator for that and you would subtract 0 minus 0.4. That would give you negative 0.4. You then divide your numerator, which was negative 0.2, by your denominator, which was negative 0.4. When you do that, you get a result of 0.5 and that's positive not negative, so 0.5. You then multiply your 0.5 value by 10, which gives you 5, and then you subtract 0.5, which gives you 4.5. Using normal rounding rules, you round that to the nearest whole number, which is 5, which is how we got that result on the screen.

Once we have calculated both achievement and improvement points for every measure, we identify which value should be used for the measure score. The measure score is defined as the greater of achievement points and improvement points. On this slide, the hospital received a measure score of 10 for the 30-day mortality measure of AMI. This resulted from the hospital receiving 10 achievement point versus the 9 improvement points. In the heart failure measure, the hospital received five achievement points, but had a dash for improvement points. This would mean that the hospital had met the minimum number of cases for measure calculation for the performance period that led to 5 achievement points but did not meet the minimum of 25 cases during the baseline period. So, improvement points were not calculated. Under the scenario, the achievement point value is automatically awarded. The pneumonia and

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THA/TKA measures display dashes for each scoring value. This indicates that there were not enough cases in the performance period for scores to be calculated.

After calculating each measure score, we can calculate the unweighted domain score. The unweighted domain scores for the Clinical Care, Safety and Efficiency and Cost Reduction Domains are normalized to account for only the measures the hospital met the minimum requirements for. To normalize the domain, you sum the measure scores in the domain. In our example, the sum of the measure scores is 15 points, which is the 10 from AMI added to the 5 from heart failure. You then multiply the eligible measures by the maximum point value per measure. In our example, the hospital did not have the minimum data required for the pneumonia and THA/TKA measures. So, instead of four total measures, this hospital is only scored on two. We then multiply the number 2 by 10 points possible for each measure for a total of 20. To create a percent of scores a hospital earned in relation to points possible, we divide the sum of the measure scores of 15 by the maximum points possible, 20, which equals 0.75. Lastly, we multiply the result by 100 and that equals 75.

The dimension score is calculated the same as the measure score, which is the greater of achievement and improvement points.

In order to calculate the unweighted domain score for the Person and Community Engagement Domain, you would use the sum of the eight dimension scores, which becomes your hospital's base score. You then add the consistency score. In this example, the sum of our dimension scores is 42, which is then added to the 20-point consistency score, which results in 62 points. The maximum score a hospital can receive is 100 points, 80 for the base score and 20 for the consistency score.

So, you may have been asking on the last slide, "How did she determine that the hospital's consistency score was 20?" Similar to the achievement and improvement point formulas, the consistency score has a list of criteria that you use to determine your score. If all of your hospital's dimension rates are greater than or equal to the achievement threshold,

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your hospital will get the maximum of 20 points. If your hospital has any dimension rate that is less than or equal to the floor, which is the worst performing hospital's dimension rate, then your hospital will receive 0 consistency points. If your hospital's lowest dimension rate is greater than the floor but less than the achievement threshold, your hospital will receive 0 to 20 points based on the consistency point formula. So, your next question is, "How do I determine my lowest dimension score?"

The lowest dimension score may not be your hospital's lowest actual performance period rate. CMS uses the formula listed at the top of the slide to calculate which dimension had the lowest value. In this example, our discharge information is the lowest dimension score with a result of 0.735, even though the rate of 80.4 is actually the highest in comparison to the other dimensions. For the performance period rates that were higher than the achievement threshold, I put "NA" as the result so we could see the results that were just less than 1. Remember, if your hospital had performance period rates that were all higher than the achievement threshold, your hospital would automatically receive 20 consistency points and you would not use this formula. Also, as a tip, your lowest dimension score is listed on the Person and Community Engagement page on your Percentage Payment Summary Report.

Once you have identified your hospital's lowest dimension rate, you input the lowest dimension score value into the formula. You then multiply that value by 20 and then subtract 0.5. Our example of discharge information with a lowest dimension score of 0.735 results in a score of 14.2, which rounds to 14. So, again, this calculation would have been 20 times 0.735. That's 14.7. You subtract 0.75 [0.5]. That gives us the 14.2. Using normal rounding rules, we round to 14.

Moving into the Safety Domain, there is one variance to the calculation of the SSI measure score to be aware of. In the Fiscal Year 2014 IPPS final rule, CMS finalized the policy in which CMS will award achievement and improvement points to each stratum of the SSI measure, then compute a weighted average of the points awarded to each stratum by the predicted infections during the performance period. This weighted average becomes

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the hospital's SSI measure score. If you think that's complicated, it's really not, and I will show you an example of how to do that calculation in the next slide.

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

All but this scenario, in which neither stratum met the minimum of one predicted infection, results in the hospital receiving the score. When just one stratum is scored, that stratum will receive 100 percent of the weight within the combined score calculation. So, all that really means is, if your colon surgery stratum had a measure score of 8 and you didn't have at least one predicted infection in the abdominal hysterectomy stratum, your measure score for the SSI combined measure would simply be that 8 that you received in the colon surgery stratum.

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

Similar to the Clinical Care Domain, the Safety Domain is normalized to account for only the measures the hospital met the minimum data requirement. In our example, the hospital met the minimum data requirement in all but the CDI [*Clostridium difficile* infection] measure.

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The sum of the measure scores is 25 in our example, which is divided by the maximum points possible for the domain. In our example, that is calculated by multiplying 5 measures by 10 points. Then, divide 25 by 50 to equal 0.50 and multiply by 100 to equal a score of 50.

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

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

Once you have each of the unweighted domain scores, you can calculate the weighted domain scores. If your hospital received an unweighted domain score in each of the domains, you will use the original billing weight. In FY 2019, each domain holds a weight of 25 percent.

For FY 2019, CMS allows hospitals to still have a Total Performance Score calculated if the hospital received domain scores in three out of the four domains. If only three domains are scored, the remaining domain weights are proportionally re-weighted to equal 100 percent. To reweight the domains proportionately, you first subtract the domain weight not receiving a score from 100 percent. In this fiscal year, because all of the domains are weighted at 25 percent, the resulting value will always be 75 percent. You then divide the remaining domain weights by 75 percent. So, in our example, you would divide each of the original weights of 25 percent by 75 percent, which equals a new weight of 33.3 percent.

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



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

There are three steps to get from a Total Performance Score to the adjustment factor. The first step is calculating the value-based incentive payment percentage. To do that, you multiply the number 2, which is the Fiscal Year 2019 base operating DRG payment reduction by your hospital's TPS divided by 100, and by the exchange function slope. Please note that the 3 value is a placeholder and is not the actual slope for Fiscal Year 2019. So, 2 multiplied by 73 over 100, by 3, gives us 4.38 percent. This would be the percentage of incentive payments your hospital will receive without accounting for the 2 percent reduction or withhold. The next step is to calculate the net change and to take into account that 2 percent. You take your value-based incentive payment percentage and subtract 2 percent. In our example, 4.38 percent minus 2 percent equals 2.38 percent. This means that the base operating DRG payments for this hospital will be adjusted upward by 2.38 percent in Fiscal Year 2019. To calculate the payment adjustment factor, you then take the net change, our 2.38, and divide by 100, and add that result to 1. This gives us 1.0238 for our payment adjustment factor.

The payment adjustment factor is the value your MAC will use to adjust your payment. Here are a couple examples using a \$20,000 base operating DRG payment. The first example of the adjustment factor that we calculated on the last slide is used. You multiply 20,000 by 1.0238 and get a value of 20,476. When comparing that result to the original DRG amount, the hospital will have an increase of \$476 on that DRG. The second example shows a net reduction instead of a net increase, meaning your incentive payment percentage is less than the two percent reduction. In this example, the net change is negative 1.5 percent or a factor of 0.985.

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The \$20,000 DRG is multiplied by 0.985 and we receive a result of \$19,700 or a net reduction of \$300 for this DRG.

That concludes my portion of the presentation. Maria, did we receive any questions regarding the calculation?

**Maria Gugliuzza:** Thanks, Bethany. We did receive some questions. The first question: Is there someone we can reach out to who can assist us with calculating the scores from the domain in case we need any help?

**Bethany**

**Wheeler-Bunch:** Great question. Questions that you have regarding the calculations can be submitted through the inpatient question-and-answer tool on *QualityNet*. The link is also available on slide 62. We would be more than happy to answer the questions you have regarding calculations.

**Maria Gugliuzza:** Great, our next question: How do we determine the monetary impact with TPS? We have executives that are interested in the dollar amount impacted by the VBP scores.

**Bethany**

**Wheeler-Bunch:** Thanks, Maria. This is a question that we get quite frequently through the inpatient Q&A tool. You may use the payment adjustment factor listed on your hospital Percentage Payment Summary Report. This value is multiplied against your hospital's base operating DRG payment amount similar to how we just did it on the last couple slides that we covered. You may estimate the total impact of value-based purchasing by multiplying the factor by an estimated base operating DRG payment amount and then determining the difference between the result and the original DRG payment amount.

Also, another helpful hint is, if you're trying to figure out what your score could have been and trying to figure out how much money you could have had if your score was higher, you can also take the formulas listed on slide 94 that we covered and input a different TPS. You don't have to use the TPS that is listed on your Percentage Payment Summary Report. Input a different TPS and determine what the difference would be in your net

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change in payments, and you can see how much money you could have had based on a higher Total Performance Score.

**Maria Gugliuzza:** Next question: On slide 80, what is the HCAHPS score percent?

**Bethany**

**Wheeler-Bunch:** The floor is the score of the lowest performing hospital during the baseline period. The floor is used to determine a hospital's lowest dimension score and then, subsequently, the consistency score. The floor is only used in the Person and Community Engagement Domain and those floor values can be found on that page of the Percentage Payment Summary Report.

**Maria Gugliuzza:** Next question is on slide 83. If a hospital does not have an SSI for colon, are they eligible for points?

**Bethany**

**Wheeler-Bunch:** The hospital only has to meet a minimum of one predicted infection in one of the two strata, either colon surgery or abdominal hysterectomy. If only the abdominal hysterectomy minimum is met, the measure score will be weighted at 100 percent to the abdominal hysterectomy stratum. This is also true for the colon surgery stratum if the minimums are only met for that stratum. If both stratum meets the minimum, the measure scores will be weighted by the number of predicted infections during the performance period and that's the formula that we ran through on slide 84. The only scenario in which a surgical site infection measure score will not be generated is when the hospital does not meet the minimum of one predicted infection in either stratum, and you can see the scenario breakdown on slide 85.

**Maria Gugliuzza:** Great. We have time for one more question. On slide 87, can you cover normalization one more time?

**Bethany**

**Wheeler-Bunch:** Sure. The normalization is the scoring process that CMS takes to score a hospital on only the measures that met the minimum requirements in order to compare hospitals. So, they do this because it wouldn't necessarily be fair to just take a sum of the measure scores for a hospital that receives

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scores in all six of the measures, in a comparison to a hospital that only receives scores in two or three of the measures, for example. So, to normalize, you first sum the measure scores and divide it by the total maximum points for the hospital. The total maximum points will vary by hospital based on the number of measures that they met the minimums for. So, in our example, on the slide, the hospital had the minimum required data in five of the six measures. So, the maximum points possible would be 50, which is 10 points per measure multiplied by five measures. You would divide the sum of the measure scores, in our case that's 25. You take the 0, the 3, the 10, the 7, and 5. That all summed together equals 25. Divide that by 50, which is our total possible points. So, 25 divided by 50 is 0.5. You multiply that result by 100 and you get 50. If you would like more assistance in understanding normalization on your report or any other calculation, please feel free to submit your specific questions to the inpatient Q&A tool on *QualityNet*.

**Maria Gugliuzza:** Thank you, Bethany. That is all the time we have for questions today. I would like to thank everyone for their participation in today's webinar. I would now like to pass the presentation over to Deborah Price for the continuing education credit [CE]. Thank you.

**Deborah Price:** Well, thank you very much. Today's webinar has been approved for one continuing education credit by the boards listed on this slide. We are now a nationally accredited nursing provider and, as such, all nurses report their own credits to their boards using the national provider number 16578. It is your responsibility to submit this number to your own accrediting body for your credits.

We now have an online CE certificate process. You can receive your CE certificate two ways. The first way is, if you registered for the webinar through ReadyTalk, a survey will automatically pop up when the webinar closes. The survey will allow you to get your certificate. We will also be sending out the survey link in an email to all participants within the next 48 hours. If there are others listening to the event that are not registered in ReadyTalk, please pass the survey to them.

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After completion of the survey, you'll notice, at the bottom right-hand corner, a little gray box that says Done. You will click the Done box and then another page opens up. That separate page will allow you to register on our Learning Management Center. This is a completely separate registration from the one that you did in ReadyTalk. Please use your personal email for this separate registration so you can receive your certificate. Healthcare facilities have firewalls that seem to be blocking our certificates from entering your computer.

If you do not immediately receive a response to the email that you signed up with the Learning Management Center, that means you have a firewall up that's blocking the link into your computer. Please go back to the New User link and register a personal email account. Personal emails do not have firewalls up. If you can't get back to your New User link, just wait 48 hours because, remember, you're going to be getting another link and another survey sent to you within 48 hours.

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This is what the New User screen looks like. Please register a personal email account like Yahoo, or Gmail, or ATT, since these accounts are typically not blocked by hospital firewalls. Remember your password, however, since you will be using it for all of our events. You notice you have a first name, a last name, and the personal email, and we're asking for a phone number in case we have some kind of back side issues and we need to get in contact with you.

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