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To: Hospital CFOs
Cc: Hospital Quality Liaisons, Case-Mix Liaisons
From: HSCRC Quality/Performance Measurement Team
Date: January 20, 2023, Updated May 3, 2023
Re: Maryland Rate Year 2025 Quality Based Reimbursement Program Measure Standards, Scaling Determination, and other Methodology Changes

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This memo summarizes the changes to the Quality Based Reimbursement (QBR) Program that will impact hospital rates in Rate Year (RY) 2025. Updates to the performance standards from the original memo, including Figure 4, are included in red in this memo.

Introduction

On November 9, 2022, the Commission approved the staff recommendations for revising the Quality-Based Reimbursement (QBR) Program for RY 2025. Consistent with the RY 2024 policy, the preset scale for RY 2025 uses a full distribution of potential scores (scale of 0-80%), and a score cut point of 41% for rewards and penalties. The maximum reward will remain at 2%, and the maximum penalty remains at 2%. The preset scale is included as Appendix A of this memorandum.

The RY 2025 policy continues to incorporate QBR Redesign Subgroup recommendations made in 2021 and outlines strategies for future work to respond to concerns raised by Centers for Medicare and Medicaid Services (CMS) in response to Maryland's annual QBR exemption requests. The changes target better performance on HCAHPS in the Person and Community Engagement (PCE) domain and expansion of

other QBR measures for monitoring purposes in advance of future consideration for adoption in the QBR payment program.

More information is provided in the sections that follow.

Exemptions from CMS Hospital Quality Programs

Exemptions from the CMS hospital quality programs enable Maryland to operate programs with incremental revenue adjustment scales established prospectively, wherein all hospitals have the opportunity to earn rewards based on their performance. As required, the HSCRC has submitted Maryland's QBR program reports and requests for exemptions from the federal Value-Based Purchasing (VBP) program to CMS since FY 2013. Beginning in FY 2021, HSCRC has also sought and received exemptions from CMS for the HAC Reduction and Hospital Readmission Reduction Programs. CMS has approved Maryland's exemption request for the FY 2023 quality programs allowing the state to continue to operate the QBR, Maryland Hospital Acquired Conditions, and Readmission Reduction Incentive programs.

In response to the FY 2023 VBP exemption request, CMS noted that Maryland's performance continues to lag behind the nation on HCAHPS in the PCE domain, and that the state must continue to strategically target improvement on hospital quality as well as population health and health equity. Staff notes that in order for Maryland to maintain its exemptions from federal pay-for-performance quality programs under the TCOC Model, the State must ensure that there is no backsliding on the progress made under the All-Payer Model, and the policies must continue to be aggressive and progressive, as reflected in annual reports submitted to CMS along with our exemption request.

QBR Redesign

HSCRC staff convened the QBR Redesign Subgroup during the first half of CY 2021. The state submitted a QBR Redesign Subgroup report on August 16, 2021 to CMS, and CMS generally agreed with the State's approach to redesign the QBR program for implementation in RY 2024

and beyond. The approved RY 2025 QBR policy vetted by the Performance Measurement Workgroup (PMWG) continues the incremental adoption of the QBR updates recommended by the QBR Redesign Subgroup.

RY 2025 Methodology and Strategic Updates

- The timely follow-up measure used in the QBR PCE domain assesses the percentage of patients who receive follow-up after an acute exacerbation (ED visit, observation stay, or inpatient admission) for one of six chronic conditions within the specified timeframes. The RY 2025 QBR policy included recommendations to expand the measure to include chronic condition follow-up for persons covered by Medicaid.[1]
- Develop the following monitoring reports for measures that will be considered for adoption after RY 2025:
  - 30-day all-payer, all-cause mortality (claims based)
  - Timely Follow-Up for Behavioral Health
  - Disparity gaps for Timely Follow-Up
- Implement the HCAHPS improvement framework with key stakeholders during CY 2023.
- Continue collaboration with CRISP on infrastructure to collect hospital electronic clinical quality measures and core clinical data elements; For CY 2023 require submission of:
  - ED-2 eCQM for monitoring; consider for re-adoption after RY 2025 (in CY 2024)
  - Safe Opioid Use eCQM for monitoring
  - Four additional eCQM measures aligned with the SIHIS goals and hospital improvement priorities
  - Clinical data elements for 30-day mortality and readmission hybrid measures beginning July 2023 (see Figure 1).

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[1] The measure currently assesses the percentage of ED visits, observation stays, and inpatient admissions for one of six conditions in which a follow-up was received within the time frame recommended by clinical practice: Hypertension (follow-up within seven days), Asthma (follow-up within 14 days), Heart failure (follow-up within 14 days), Coronary artery disease (follow-up within 14 days), Chronic obstructive pulmonary disease (follow-up within 30 days), Diabetes (follow-up within 30 days),

,

Figure 1. CMS-Maryland eCQM Reporting Measures

Reporting Period/ payment determination	CMS Measures	Maryland Measures
CY 2022/ FY 2024	**Three self-selected eCQMs plus** -Safe Use Opioids	**Four eCQMs:** **Two self-selected eCQMs** **Two required measures:** -Safe Opioids -ED-2
CY 2023/ FY 2025	**Three self-selected eCQMs** plus Safe Use Opioids Concurrent Prescribing **Clinical data elements for two hybrid measures** (beginning July 2023) -30-day mortality -30-day readmissions	**Six required eCQMs:** -Safe Opioids -ED-2 -hyperglycemia -hypoglycemia -Cesarean Birth -Severe Obstetric complications **Clinical data elements for two hybrid measures** (beginning July 2023) -30-day mortality -30-day readmissions
CY 2024/ FY 2026	**Three self-selected eCQMs;** **Three required eCMQs-** -Safe Use of Opioids -Cesarean Birth -Severe Obstetric Complications **Clinical data elements for two hybrid measures** -30-day mortality -30-day readmissions	**Number of eCQMs TBD** **Required eCQMs-** -Safe Opioids -ED-2 -hypoglycemia -hyperglycemia -Cesarean Birth -Severe Obstetric complications **Clinical data elements for two hybrid measures** -30-day mortality -30-day readmissions

Domain Weights

The final RY 2025 measures, domain weights and data sources for the QBR program, as compared with the VBP Program, are listed below in Figure 2.

Figure 2. CMS VBP Vs. QBR Measures, Domain Weights and Data Sources

	Clinical Care	Person and Community Engagement	Safety	Efficiency
QBR RY 25	15 percent 2 measures ☐ Inpatient Mortality (HSCRC case-mix data) ☐ THA TKA (CMS Hospital Compare, Medicare claims data)	50 percent 9 measures ☐ 8 HCAHPS measures (CMS Hospital Compare patient survey) top box performance (35%) ☐ 4 HCAHPS measures' linear scores (CMS Hospital Compare patient survey) linear performance (10%) ☐ Follow up after acute exacerbation of Chronic Conditions (CCLF, Medicare claims, Medicaid claims) (5%)	35 percent 6 measures ☐ 5 CDC NHSN HAI measures (CMS Hospital Compare chart-abstracted) ☐ PSI-90 All-payer (HSCRC case-mix data)	N/A
VBP FY 25	25 percent 5 measures ☐ 4 measures- 30-day condition-specific Inpatient Mortality ☐ 1 measure- THA TKA (CMS Hospital Compare, Medicare claims data)	25 percent 8 measures ☐ 8 HCAHPS domains (CMS Hospital Compare patient survey)	25 percent 6 measures ☐ 5 CDC NHSN HAI measures (CMS Hospital Compare chart abstracted) ☐ PSI-90 Medicare (CMS Hospital Compare Medicare Claims data)	25 percent 1 measure ☐ Medicare Spending Per Beneficiary (CMS Hospital Compare Medicare Claims data)

COVID 19 Public Health Emergency Updates

The RY 2025 approved policy included retrospectively evaluating the revenue adjustment scale cut point to allow for national comparison and to take into account any COVID issues (i.e., rather than adjusting measurement, focus on how measures are converted to revenue adjustments).

Measurement Periods

The base and performance measurement periods used for the QBR program for RY 2025 are illustrated below in Figure 3

Figure 3. RY 2025 (July 2024 through June 2025) QBR Program Base and Performance Periods

Rate year (MD fiscal year)	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24
Calendar year	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24
QBR base and performance periods	BASE- CMS Hospital Compare base period (HCAHPS measures, all CDC NHSN measures)*																					
																PERFORMANCE: CMS Hospital Compare performance period (HCAHPS measures, all CDC NHSN measures)						
											BASE- inpatient mortality, PSI-90, follow-up chronic conditions											
																	PERFORMANCE: inpatient mortality, PSI-90, follow-up chronic conditions					
							PERFORMANCE: THA/TKA Complications**															

*As described more fully in section V.I.4.b. of the preamble of this final rule, we are finalizing our proposals to update the baseline periods for the measures included in the Person and Community Engagement and Safety domains for FY 2025.

**In accordance with the CMS ECE granted in response to the COVID-19 PHE and the policies finalized in the September 2, 2020 interim final rule with comment titled "Medicare and Medicaid Programs, Clinical Laboratory Improvement Amendments(CLIA), and Patient Protection and Affordable Care Act; Additional Policy and Regulatory Revisions in Response to the COVID–19 Public Health Emergency," (85 FR 54820), we will not use Q1 and Q2 2020 data that was voluntarily submitted for scoring purposes under the Hospital VBP Program.

Maryland Extraordinary Circumstances Exception Process

HSCRC notes that CMS has developed an Extraordinary Circumstances Exception (ECE) process for hospitals under the Inpatient Prospective Payment System (IPPS) that experience circumstances beyond their control that impacts the hospital's ability to meet quality reporting or payment program requirements. Since the CMS ECE process is not applicable for Maryland hospitals, HSCRC has developed a similar process for Maryland facilities under the purview of the HSCRC Rate Setting system to request an exception from HSCRC or CMS quality reporting and payment program requirements due to extraordinary circumstances beyond the control of the facility. This process and form may be found here on the HSCRC website.

QBR Data Sources, Score Calculations and Performance Standards for RY 2025

To the extent possible, HSCRC has aligned the QBR program data, scoring calculations, measures list and performance standards with the VBP program. Appendix B provides an overview of the QBR methodology. Key points regarding this methodology are outlined below.

- HSCRC will use the data submitted to CMS for the Inpatient Quality Reporting program and posted to Care Compare, formerly Hospital Compare, for calculating hospital performance scores for all measures with exception of: the in-hospital mortality measure and the PSI-90 all-payer measure, which are calculated using HSCRC case-mix data; and, the follow-up after discharge for acute exacerbation of chronic conditions, calculated from Medicare Claims and Claims-Line Feed (CCLF) and Medicaid claims data.
    - NOTE: If NHSN data are unavailable on CMS Care Compare for the relevant time periods for some or all hospitals, the HSCRC may obtain these data directly from CMS, or may download the data directly from the NHSN by MHCC. Results from MHCC may be pulled at a different time and may not match CMS data.
- CMS rules will be used when possible for minimum measure requirements for scoring a domain. HSCRC will proportionally readjust domain weighting if a measurement domain is missing for a hospital. Hospitals must be eligible for a score in the HCAHPS domain (i.e., must have at least 100 completed surveys in the performance period) to be included in the program.

- Hospital Inpatient Mortality summary reports and case-level data are provided to hospitals quarterly based on preliminary and final data. Reports are available on the CRS Portal. Appendix C contains the specifications for the Maryland Mortality measure.
- For hospitals with measures that have no data in the base period, staff reserves the right to assess hospitals on attainment-only, since the HSCRC will be unable to calculate improvement scores.
- For hospitals that have measures with data missing from Care Compare for the base and performance periods, staff reserves the right to give hospitals a score of zero for these measures. It is imperative, therefore, that hospitals review their data as soon as it is available and contact CMS with any concerns related to preview data or issues with posting data to Care Compare, and to alert HSCRC staff in a timely manner if issues cannot be resolved.
- ~~With the exception of the linear HCAHPS, PSI-90, Inpatient Mortality, and Chronic Conditions Timely Follow-up measures,~~ The performance standards for each of the Safety, Clinical Care, and Person and Community Engagement measures for RY 2025 are listed below in Figure 4.
    - NOTE: In prior years, CMS has adjusted the VBP thresholds and benchmarks mid-year for certain measures. ~~Should any~~ VBP NHSN HAI measure standards included in the RY 2025 QBR program ~~be~~ are updated (see Figure 4). HSCRC ~~will notify industry and~~ will provide an updated calculation sheet ~~at that time~~ within the near term on the CRISP Reporting Services (CRS) Portal.
- Staff anticipates that the following will be provided via the (CRS) Portal, and will also be posted to the HSCRC Website no later than July, with some components published sooner:
    - An excel workbook with base year data.
    - A score calculation workbook containing a worksheet for each domain for hospitals to use to calculate and monitor their scores, current (included) mortality DRGs, and associated thresholds/benchmarks.
    - For the measures where the standards indicated TBD in Figure 4 below, the final standards for the linear HCAHPS, all-payer PSI 90, Inpatient Mortality, and Timely

Follow-up after Exacerbation of Chronic Conditions measures for Medicare and Medicaid are now added.

Figure 4. QBR Performance Standards for RY 2025

Previously Established and Newly Established Performance Standards for the FY 2025 Program Year		
Measure Short Name	**Achievement Threshold**	**Benchmark**
Safety Domain		
CMS PSI 90*^ **(all payer)**	1.0381 ~~TBD~~	0.6812 ~~TBD~~
CAUTI*+	0.650 ~~0.735~~	0
CLABSI*+	0.589 ~~0.918~~	0 ~~0.013~~
CDI*+	0.520 ~~0.427~~	0.014 ~~0.047~~
MRSA Bacteremia*+	0.726 ~~0.969~~	~~0.026~~
Colon and Abdominal Hysterectomy SSI*+	0.717 ~~0.716~~ 0.738 ~~0.824~~	0 0
Clinical Outcomes Domain		
Inpatient Mortality	93.6299 ~~TBD~~	95.3783 ~~TBD~~
COMP-HIP-KNEE*#	0.025332	0.017946

* Lower values represent better performance.
^Calculated using CY 2019 data.
Previously established performance standards
\+ The performance standards displayed in this table for the CDC NHSN measures (CAUTI, CLABSI, CDI, MRSA Bacteremia, and Colon and Abdominal Hysterectomy SSI) were published in CMS FY 2023 IPPS Final Rule and calculated using four quarters of CY 2019 data.

	Person and Community Engagement Domain	
Follow Up Measures	**Achievement Threshold**	**Benchmark**
Follow Up after Exacerbation for Chronic Conditions- Medicare	69.93 ~~TBD~~	77.67 ~~TBD~~
Follow Up after Exacerbation for Chronic Conditions- Medicaid	51.04 ~~TBD~~	64.41 ~~TBD~~

HCAHPS Survey Dimension	Floor (minimum)	Achievement Threshold (50th percentile)	Benchmark (mean of top decile)
Communication with Nurses	53.50	79.42	87.71
Communication with Doctors	62.41	79.83	87.97
Responsiveness of Hospital Staff	40.40	65.52	81.22
Communication about Medicines	39.82	63.11	74.05
Hospital Cleanliness & Quietness	45.94	65.63	79.64
Discharge Information	66.92	87.23	92.21
Care Transition	25.64	51.84	63.57
Overall Rating of Hospital	36.31	71.66	85.39

± As discussed in section V.I.4.b.(2). of this final rule, we are finalizing our proposal to update the FY 2025 baseline periods for measures included in the Person and Community Engagement and Safety domains to use CY 2019 data. Therefore, the performance standards displayed in this table for the Person and Community Engagement domain measures were calculated using CY 2019 data.

In addition to the above, the HCAHPS linear standards ~~will be~~ are added below as well as published on the CRS Portal for the following four HCAHPS dimensions:

HCAHPS Linear Dimension	Threshold Score	Benchmark Score
Communication with Nurses	92.00	94.55
Communication with Doctors	91.00	94.67
Responsiveness of Hospital Staff	85.00	90.31
Care Transition	82.00	84.79

For any questions, please email hscrc.quality@maryland.gov.

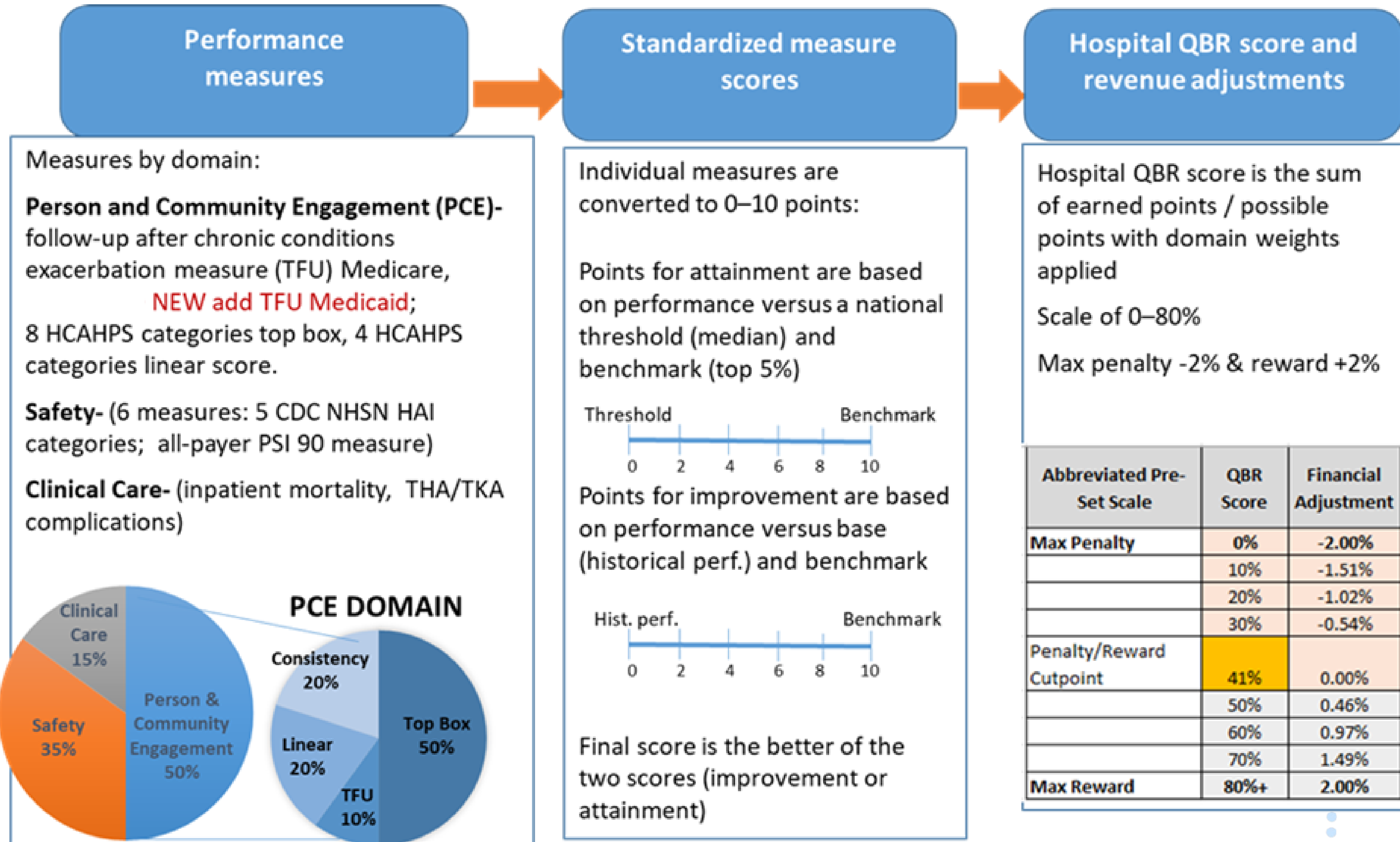
Appendix A: RY 2025 QBR Preset Payment Scale

Final QBR Score		QBR Preset Scale
Scores less than or equal to	**0%**	**-2.00%**
	1%	-1.95%
	2%	-1.90%
	3%	-1.85%
	4%	-1.80%
	5%	-1.76%
	6%	-1.71%
	7%	-1.66%
	8%	-1.61%
	9%	-1.56%
	10%	-1.51%
	11%	-1.46%
	12%	-1.41%
	13%	-1.37%
	14%	-1.32%
	15%	-1.27%
	16%	-1.22%
	17%	-1.17%
	18%	-1.12%
	19%	-1.07%
	20%	-1.02%
	21%	-0.98%
	22%	-0.93%
	23%	-0.88%
	24%	-0.83%
	25%	-0.78%
	26%	-0.73%
	27%	-0.68%
	28%	-0.63%
	29%	-0.59%
	30%	-0.54%
	31%	-0.49%
	32%	-0.44%
	33%	-0.39%
	34%	-0.34%
	35%	-0.29%
	36%	-0.24%
	37%	-0.20%
	38%	-0.15%
	39%	-0.10%
	40%	-0.05%
	41%	0.00%

Final QBR Score		QBR Preset Scale
	42%	0.05%
	43%	0.10%
	44%	0.15%
	45%	0.20%
	46%	0.26%
	47%	0.31%
	48%	0.36%
	49%	0.41%
	50%	0.46%
	51%	0.51%
	52%	0.56%
	53%	0.62%
	54%	0.67%
	55%	0.72%
	56%	0.77%
	57%	0.82%
	58%	0.87%
	59%	0.92%
	60%	0.97%
	61%	1.03%
	62%	1.08%
	63%	1.13%
	64%	1.18%
	65%	1.23%
	66%	1.28%
	67%	1.33%
	68%	1.38%
	69%	1.44%
	70%	1.49%
	71%	1.54%
	72%	1.59%
	73%	1.64%
	74%	1.69%
	75%	1.74%
	76%	1.79%
	77%	1.85%
	78%	1.90%
	79%	1.95%
	80%	2.00%
Scores greater than or equal to	**80%**	**2.00%**

*For RY 2025, hospitals receiving a score of less than 41% (0.41) will receive a penalty, and hospitals receiving 0.42 and above will receive a reward. Any hospital receiving a score of 0.80 or higher will receive the maximum reward of 2% of their inpatient revenue. This “cut point” will be re-evaluated in light of the COVID-19 Public Health Emergency, as outlined in the approved RY 2025 QBR Policy.

Appendix B: RY 2025 QBR Methodology: Converting Performance Scores to Payment Adjustments



Abbreviated Pre-Set Scale	QBR Score	Financial Adjustment
Max Penalty	0%	-2.00%
	10%	-1.51%
	20%	-1.02%
	30%	-0.54%
Penalty/Reward Cutpoint	41%	0.00%
	50%	0.46%
	60%	0.97%
	70%	1.49%
Max Reward	80%+	2.00%

Appendix C: RY 2025 Maryland Mortality Measure Specifications

Inpatient Mortality Rates using 3M, Health Information Systems Risk of Mortality Adjustment

As 3M Risk of Mortality (ROM) categories--which comprise four levels similar to severity of illness classifications used in the All Patient Refined Diagnosis Related Group (APR DRG) payment classification system-- account for risk adjustment for deaths in the hospital, the ROM may provide an appropriate measure of hospital mortality with a broader focus. 3M APR DRGs and ROM are also used as the risk adjustment methodology for other mortality measures, such as those developed by the Agency for Healthcare Research and Quality.

Exclusions

The following categories are removed from the denominators and therefore not included in the mortality rate calculations (excluded from both mortality counts and denominator):

1. APR-DRGs that are NOT in the 80% of cumulative deaths after removing all the exclusions. DRGs are chosen without palliative care discharges and then discharges with palliative care for selected DRGs are added back. All DRGs in the measure that have same number of observed deaths as the DRG at the 80 percent cut point are included.
2. APR-DRG ROM with a state-wide cell sizes below 20 after removing all the exclusions
3. Rehab hospitals (provider IDs that start with 213)
4. Hospitals without HCAHPS (RY 2021: Levindale, UMROI, McCready)
5. Transfers to other acute hospitals (PAT_DISP=discharge destination 02,05)
6. Age and sex unknown
7. Hospice (Daily service of 10, DAILYSER=10)
8. University of Maryland Shock Trauma Patients (daily service=02, and trauma days>0)
9. Left Against Medical Advice admissions: (PAT_DISP=07).
10. Trauma and Burn admissions: Admissions for multiple significant trauma (MDC=25) or extensive 3rd degree burn (APR DRG = 841 “Extensive 3rd degree burns with skin graft” or 843 “Extensive 3rd degree or full thickness burns w/o skin graft”)
11. Error DRG: Admissions assigned to an error DRG 955 or 956
12. Other DRG: Admissions assigned to DRG 589 (Neonate BWT <500G or GA <24 weeks), 591 (NEONATE BIRTHWT 500-749G W/O MAJOR PROCEDURE), 196 (cardiac arrest) due to high risk of mortality in these conditions

13. "APR DRG 004 (Tracheostomy w MV 96+ hours w extensive procedure or ECMO); starting in RY 2022, remove discharges with primary or secondary procedure code for ECMO (""5A1522F"", ""5A1522G"", ""5A1522H"",""5A15223""))
14. Medical (non-surgical) Malignancy admissions: Medical admissions with a principal diagnosis of a major metastatic malignancy (see calculation sheet for list of medical malignancies)

Adjustments

The Maryland inpatient hospital mortality measure was developed in conjunction with the Performance Measurement workgroup and other stakeholders. Based on this stakeholder input mortality is assessed using a regression model that adjusts for the following variables:

1. Admission APR DRG with Risk of Mortality (ROM)

2. Age (as a continuous variable) and age squared

3. Gender

4. Palliative Care Status (ICD-10 code = Z51.5)

5. Transfers from another institution defined as source of admission codes (SOURCADM) of

    04 = FROM (TRANSFER) A DIFFERENT HOSPITAL FACILITY (INCLUDES TRANSFERS FROM ANOTHER ACUTE CARE HOSPITAL (ANY UNIT), FREESTANDING EMERGENCY DEPARTMENT, MIEMSS-DESIGNATED FACILITY). NOT LIMITED TO ONLY IP SERVICES.

Again as stated earlier, the HSCRC staff is considering retrospective changes to this measure. Specifically we are examining the use of concurrent norms and the inclusion of COVID discharges with additional risk-adjustment. These decisions are pending a decision on RY 2023.

Mortality Reporting

Hospitals will be provided with summary level quarterly reports based on preliminary and final HSCRC case-mix data. In addition, case-level detailed files will be provided to each hospital. These summary and case level reports will be posted through the CRISP Reporting Services portal.