



# Maryland Health Services Cost Review Commission

**New All-Payer Model for Maryland  
Performance Measurement Work Group  
02/06/2014**

**State Quality of Care Targets  
Dr. Sule Calikoglu**

# Quality Targets in the New Model

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- ▶ Hospital Acquired Conditions as measured by 3M Potentially Preventable Complications (PPCs)
  - ▶ 30% reduction in 5 years
  - ▶ All Payer
  - ▶ All 65 PPCs
  - ▶ Acute Hospitals
- ▶ Readmissions as measured by CMS methodology
  - ▶ Medicare readmission rate at the national or below by CY 2018
  - ▶ Readmissions/Total Admissions
  - ▶ All Cause, 30 Day, to any hospital
  - ▶ Acute Hospitals

# Percent At Risk Requirement

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- ▶ Aggregate maximum reductions (percent at risk) should be equal to or greater than the aggregate percentage of revenue at risk under national quality programs.
- ▶ Quality programs include, but are not limited to, readmissions, hospital acquired conditions, and value-based purchasing programs.

# Percent Revenue At Risk Comparison

Program	HSCRC FY 2016		CMS FFY16	
	Percent at Risk	Total Reduction	Percent at Risk	Total Reduction
QBR/VBP	1% Inpatient Permanent Revenue	Revenue Neutral	1.75% FFY16 2% FFY 17 Medicare Base DRG Payments	Revenue Neutral
Complications	3%	Revenue Neutral	1% Medicare Total DRG Payments	<b>Not Published</b>
Readmissions	FY14 0.3% FY15 to be determined	FY14 0.3%	FFY14 2% 3% Medicare Base DRG Payments	FFY14 0.3% FFY15 0.2%
<b>Total</b>	<b>4.3% FY16</b>		<b>5.75% FFY16</b> <b>6% FFY17</b>	

# Waivers from CMS Performance-Based Programs

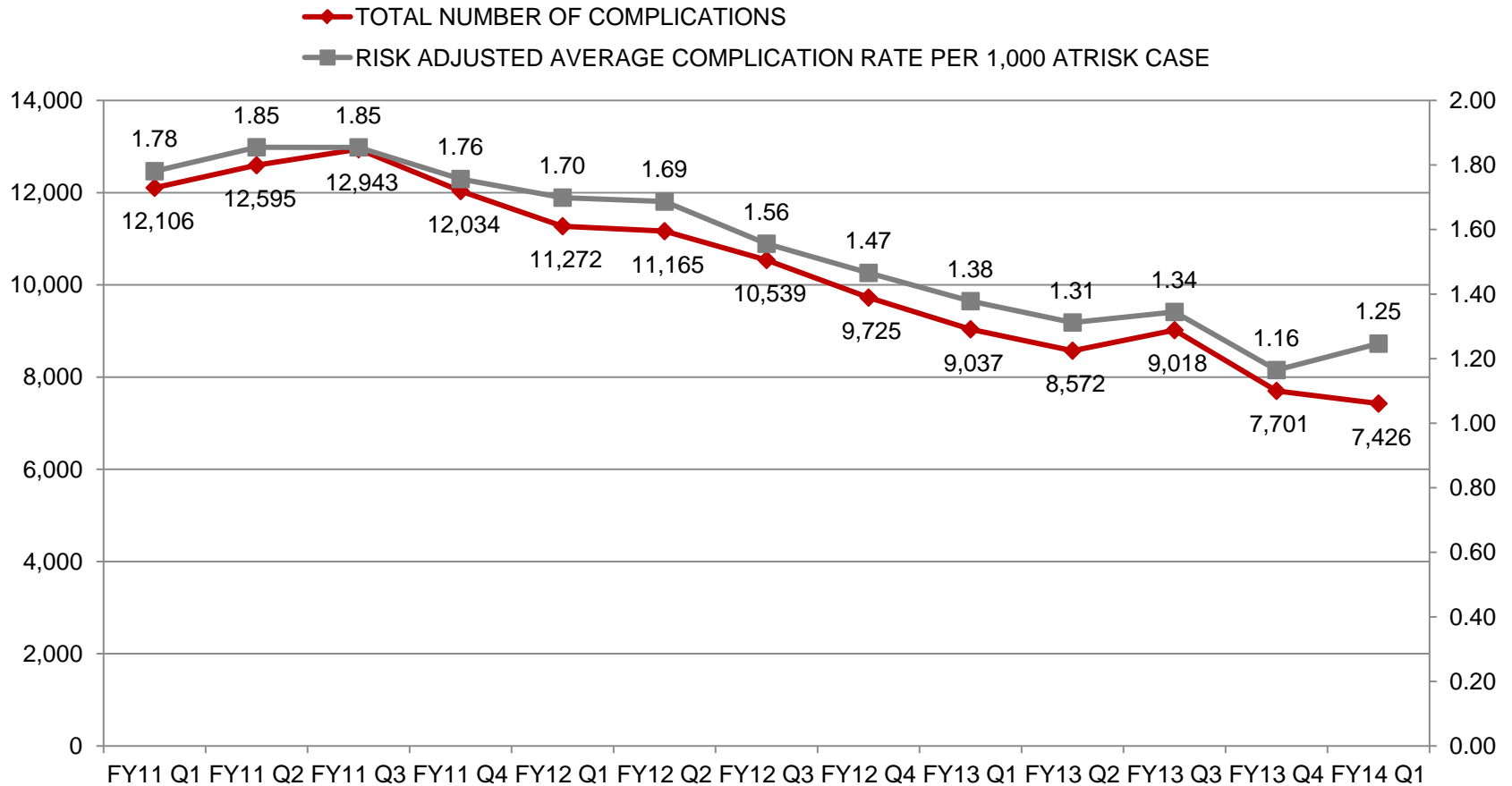
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- ▶ **Medicare Readmissions Reduction Program**
- ▶ **Medicare Hospital Acquired Conditions Program**
  - ▶ Waived based on targets. If the State fails to achieve determined targets CMS shall follow the corrective action and/or termination provisions to move Maryland hospitals to the national programs
- ▶ **Medicare Hospital Value Based Purchasing** required to submit an annual report to the Secretary that provides satisfactory evidence that **a similar program** in the State for Regulated Maryland Hospitals **achieves or surpasses the measured results in terms of patient health outcomes and cost savings.**

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# ***Potentially Preventable Conditions (PPCs)***

# Hospital Acquired Conditions Trends



# PPC Annual Change

Potentially Preventable Complication (PPC) Rates in Maryland- State FY2010-FY2013											
	PPC RATES					Annual Change				Annual Change	Total Change
	FY10	FY11	FY12	FY13		FY11	FY12	FY13			
<b>TOTAL NUMBER OF COMPLICATIONS</b>	53,494	48,416	42,118	34,200		-9.5%	-13.0%	-18.8%		<b>-13.8%</b>	<b>-41.3%</b>
<b>UNADJUSTED COMPLICATION RATE PER 1,000 AT RISK CASES</b>	1.92	1.82	1.65	1.41		-5.2%	-9.3%	-14.5%		<b>-9.7%</b>	<b>-29.1%</b>
<b>RISK ADJUSTED COMPLICATION RATE PER 1,000 AT RISK CASES</b>	1.92	1.77	1.58	1.3		-7.8%	-10.7%	-17.7%		<b>-12.1%</b>	<b>-36.3%</b>

Notes: Based on PPC v30. FY2010 norms used to calculate expected numbers. At Risk cases counts patients multiple times for the number of PPCs that they are at risk.





# Considerations for PPC Target Approach

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- ▶ 6.87% minimum annual reduction
- ▶ Rate of Improvement
- ▶ Front loading
- ▶ Impact of ICD-10

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# *Readmissions*

# CMS Readmission Methodology

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- ▶ Total readmissions/total admissions to any acute hospital
- ▶ A discharge can both be initial and readmission
- ▶ Only one readmission within 30 days is counted
- ▶ Transfers are combined into a single stay and the 30-day period starts at the end of the combined stay.
- ▶ Left against medical advice included in the index
- ▶ Admissions with discharge status of “Died” are excluded

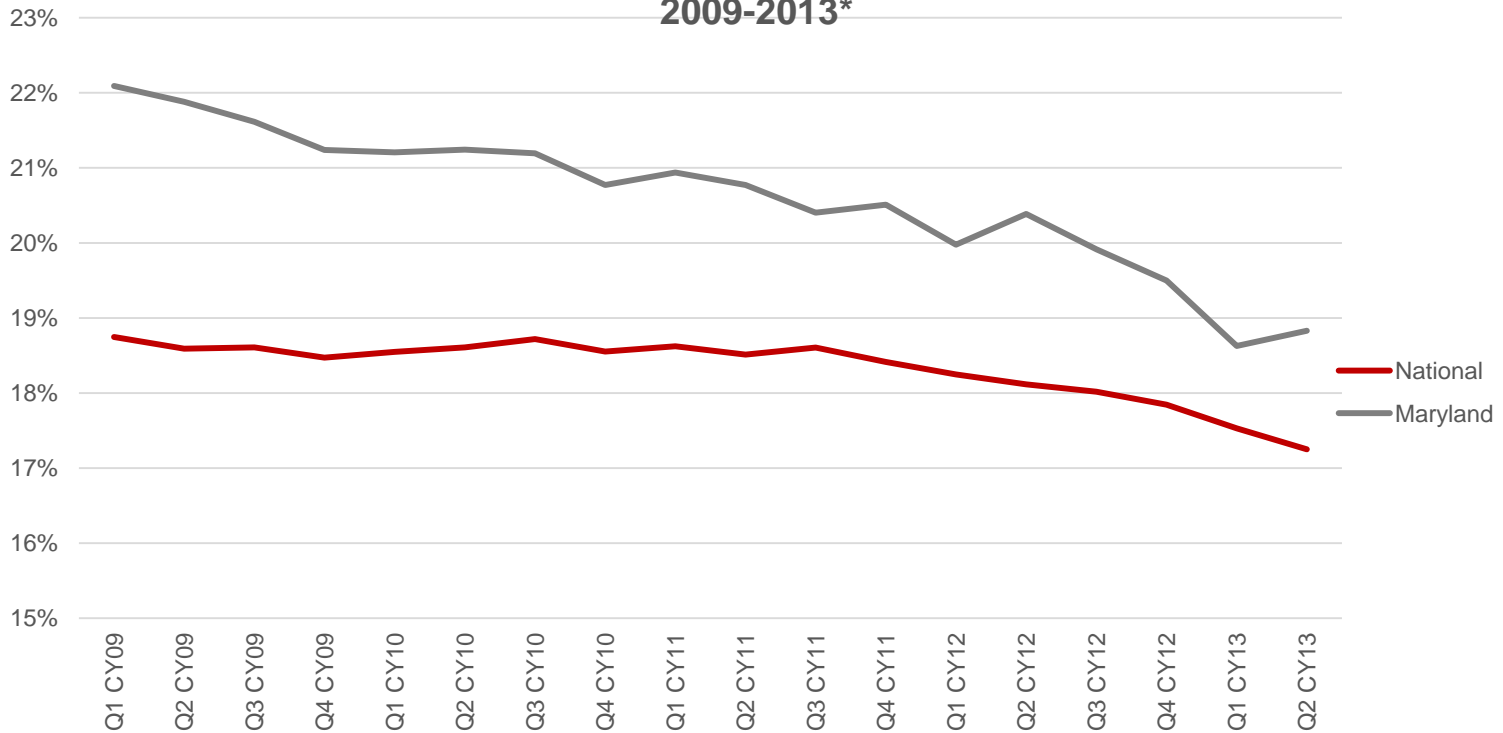
# Measure Calculation

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- ▶ Medicare claims accessed through CMS data warehouse with 3 month lag
- ▶ Specifications to be detailed further with CMS
- ▶ Base year CY 2013 data to be available by May 1<sup>st</sup>

# Medicare Readmission Trends – MD vs. Nation

**Unadjusted Medicare 30-day Readmission Rate, Maryland vs. National  
2009-2013\***



	CY 2009		CY 2010		CY 2011		CY 2012		CY 2013*	
	Maryland	National	Maryland	National	Maryland	National	Maryland	National	Maryland	National
<b>Admissions</b>	256,702	11,073,489	250,750	11,100,099	246,407	11,042,259	238,001	11,042,259	119,320	5,241,930
<b>Readmissions</b>	55,741	2,060,324	52,926	2,065,268	50,915	2,047,174	47,474	1,930,871	22,343	911,769
<b>% Readmissions</b>	21.71%	18.61%	21.11%	18.61%	20.66%	18.54%	19.95%	17.49%	18.73%	17.39%

Source: Delmarva Foundation

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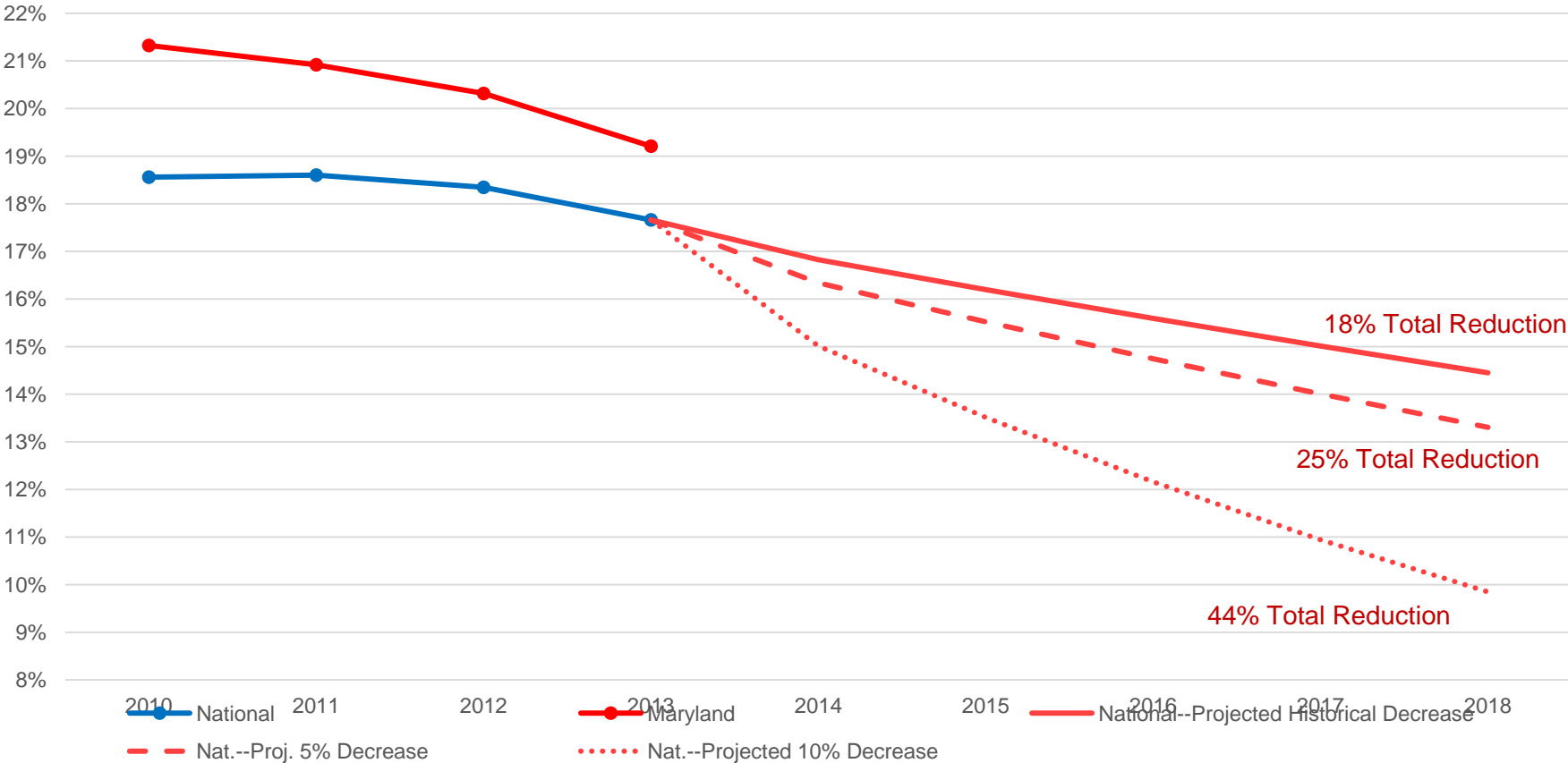
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# Modeling for Readmissions Target

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- ▶ See data on handout
- ▶ Modeling scenarios for Medicare over the next 5 years:
  - ▶ Historical projections (-3.73%) trended forward
  - ▶ 5 percent annual reduction with initial admissions remaining constant
  - ▶ 5 percent annual reduction with initial admissions declining 2 percent annually
  - ▶ 10 percent annual reduction with initial admissions remaining constant

# Table 1: National Projected Readmission Rate



# Considerations for Readmission Target Approach

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- ▶ Target will be moving: Reasonable national projection?
- ▶ Precise measurement will be available in May, readmission rates calculated by Delmarva as a proxy
- ▶ Translating Medicare readmission target to all-payer target
- ▶ Front loading
- ▶ Changes in admission rate (i.e., denominator)



# Translating the Readmissions and PPC Targets to Hospital Performance

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- ▶ Focus of Next Meeting (see Appendices)
- ▶ Measurement:
  - ▶ Risk Adjustment
  - ▶ Rates vs. Scores
  - ▶ Improvement and attainment
- ▶ Financial Rewards and Penalties
  - ▶ Revenue neutrality
  - ▶ Predictability of results

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# ***Additional Quality Measures***

# Multiple Dimensions of Quality

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- ▶ Extensive measure list for monitoring for the new model
  - ▶ Clinical
  - ▶ Outcome
  - ▶ Patient Experience
  - ▶ Care Coordination
  - ▶ Population Health
- ▶ Performance measurement strategy
  - ▶ Guiding principles for targeted approaches
  - ▶ Directions and vision for adoption and removal of measures
  - ▶ Leveraging health information technology and other sources to develop new measures

# Clinical Quality Process of Care Measures- Maryland vs. National

	MD	National	Difference
<u>Overall Recommended Care</u>	97.7%	98.1%	-0.4%
<u>Overall Heart Attack Care</u>	98.9%	98.3%	0.6%
<u>Overall Heart Failure Care</u>	97.1%	96.4%	0.7%
<u>Overall Pneumonia Care</u>	97.0%	96.2%	0.8%
<u>Overall Surgical Care</u>	97.8%	97.9%	-0.1%

Measurement TimeFrame:Q2/12-Q1/13

Source: Whynothebest.com

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# Patient Experience of Care Measures (HCAHPS)- Maryland vs. National

	MD	National	Difference
<a href="#">Percent of Patients Highly Satisfied</a>	64.7%	70.1%	-5.4%
<a href="#">Doctors Always Communicated Well</a>	77.8%	81.4%	-3.6%
<a href="#">Nurses Always Communicated Well</a>	75.0%	78.4%	-3.4%
<a href="#">Patients Received Help as Soon as They Wanted</a>	58.9%	67.0%	-8.2%
<a href="#">Staff Always Explained about Medication</a>	59.0%	63.8%	-4.8%
<a href="#">Pain was Always Controlled</a>	67.2%	70.6%	-3.4%
<a href="#">Room Always Kept Quite</a>	56.2%	60.6%	-4.4%
<a href="#">Room and Bathroom Always Kept Clean</a>	64.9%	72.9%	-8.0%
<a href="#">Given Information About Recovery at Home</a>	83.7%	84.8%	-1.1%
<a href="#">Would Recommend Definitely</a>	66.7%	70.8%	-4.1%

Measurement TimeFrame:Q2/12-Q1/13

Source: Whynothebest.com

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# HCAHPS Trend Comparison Maryland vs. National

HCAHPS Measure Description	MD CY10	MD CY11	MD Q4/11- Q3/12	MD Change	US CY10	US CY11	US Q4/11- Q3/12	US Change
Room was always clean	64	65	65	1%	72	72	73	1%
Nurses always communicated well	73	74	75	2%	76	77	78	2%
Doctors always communicated well	77	78	78	1%	80	81	81	1%
Patients always received help as soon as they wanted	57	58	59	2%	64	65	67	3%
Pain was always well controlled	66	67	68	2%	69	70	71	2%
Staff always explained about Medicines	57	57	59	2%	61	62	63	2%
Yes, staff did give patients this information	81	82	83	2%	82	83	84	2%
Patients who gave a rating of 9 or 10 (high)	62	64	65	3%	68	69	70	2%
Always quiet at night	54	55	56	2%	58	59	60	2%
YES, patients would definitely recommend the hospital	65	67	67	2%	70	70	71	1%
<b>Total Improvement</b>				<b>18%</b>				<b>18%</b>

Source: CMS Hospital Compare Downloads and WhyNotTheBest.org

# Outcome Measures-Mortality

## Maryland vs. National

	MD	National	Difference
<u>Average Medicare hospital 30-day mortality rates for All Three Conditions</u>	11.4%	12.3%	-0.9%
<u>Heart Attack 30-Day Mortality Rate</u>	14.8%	15.2%	-0.5%
<u>Heart Failure 30-Day Mortality Rate</u>	10.8%	11.7%	-0.9%
<u>Pneumonia 30-Day Mortality Rate</u>	10.8%	11.9%	-1.1%

Measurement TimeFrame:Q3/09-Q2/12

Source: Whyothebest.com

# Outcome Measures-Health Care Associated Infections- Maryland vs. National

	<b>Maryland</b>
<u>Central Line-Associated Bloodstream Infections</u>	0.54
<u>Catheter Associated Urinary Tract Infections</u>	1.2
<u>Surgical Site Infection from colon surgery</u>	1.19
<u>Surgical Site Infection from abdominal hysterectomy</u>	1.66

Measurement TimeFrame:Q2/12-Q1/13

Source: Whyothebest.com



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# *Potentially Avoidable Utilization*

# Potentially Avoidable Utilization- Unplanned Care

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## Definition?

“Hospital care that is unplanned and can be prevented through improved care coordination, effective primary care and improved population health”.

# Work and Considerations up to date

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- ▶ **Readmissions**
  - ▶ Inpatient- All Hospital, All Cause 30 Day Readmissions using CMS methodology with adjustment for planned admissions
  - ▶ ED – any visit within 30 days of an inpatient admission
  - ▶ Observation- any observation within 30 days of an inpatient admission
- ▶ **Potentially Avoidable Admissions/Visits**
  - ▶ Inpatient- AHRQ Prevention Quality Indicators (PQIs)
  - ▶ Outpatient - TBD
- ▶ **Hospital Acquired Conditions**
  - ▶ Potentially Preventable Complications (PPCs)

# Potentially Avoidable Admissions

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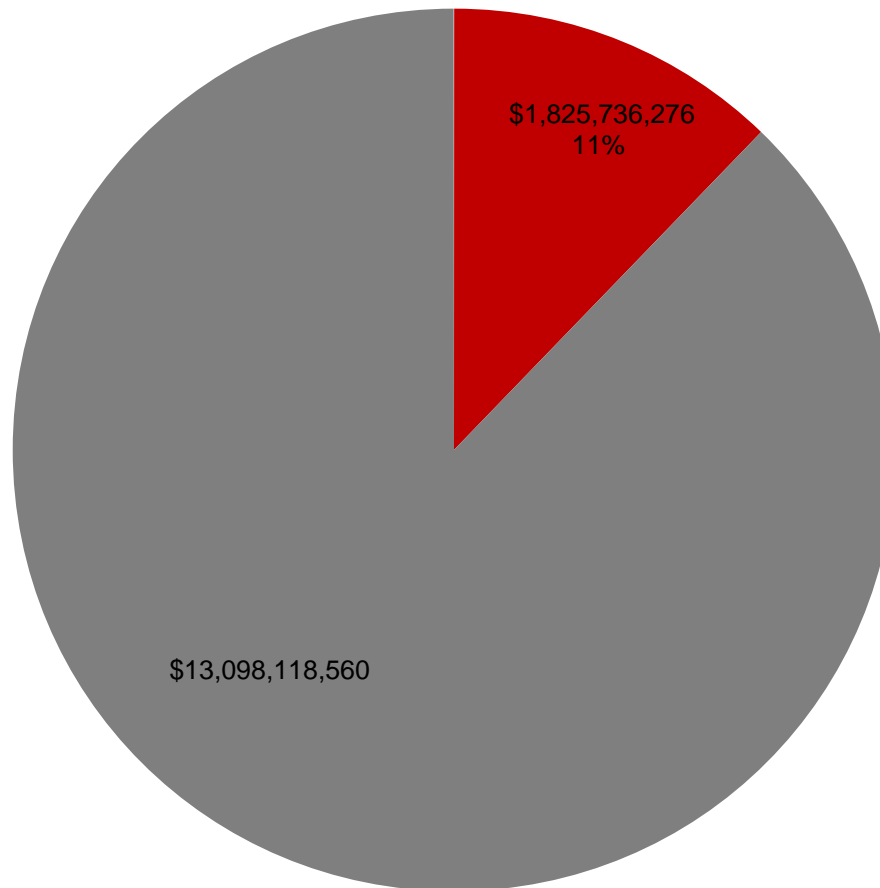
- ▶ Developed by Agency For Health Care Quality and Research
- ▶ [http://www.qualityindicators.ahrq.gov/modules/pqi\\_overview.aspx](http://www.qualityindicators.ahrq.gov/modules/pqi_overview.aspx)
  - ▶ Prevention Quality Indicators or Ambulatory Care Sensitive Conditions

# Table 2: Potentially Avoidable Admissions per 1,000 Population, Maryland vs. US CY2010

AHRQ Prevention Quality Indicators (PQIs)		2010					
		Maryland		Total U.S.		P-value:	MD : US Ratio
		Adjusted rate <sup>a</sup>	Standard error	Adjusted rate <sup>a</sup>	Standard error		
PQI 18	Admissions for immunization-preventable influenza per 100,000 population, age 65 and over	10.9	1.3	12.9	0.7	0.161	-16%
PQI 5	Admissions with chronic obstructive pulmonary disease (COPD) per 100,000 population, age 18 and over	182.0	2.1	212.7	5.3	0.000	-14%
PQI 11	Admissions for bacterial pneumonia per 100,000 population, age 18 and over	256.1	2.5	295.8	5.9	0.000	-13%
<b>PQI 91</b>	<b>AHRQ acute Prevention Quality Indicator (PQI) composite per 100,000 population, age 18 and over</b>	<b>519.5</b>	<b>3.5</b>	<b>563.0</b>	<b>11.1</b>	<b>0.000</b>	<b>-8%</b>
PQI 14	Admissions for uncontrolled diabetes without complications per 100,000 population, age 18 and over	18.3	0.7	19.2	0.8	0.386	-5%
PQI 10	Admissions for dehydration per 100,000 population, age 18 and over	71.9	1.3	73.5	1.9	0.489	-2%
PQI 12	Admissions for urinary tract infection (UTI) per 100,000 population, age 18 and over	191.5	2.2	193.6	4.4	0.660	-1%
PQI 17 (added)	Admissions for immunization-preventable pneumococcal pneumonia per 100,000 population, age 65 and over	52.7	2.8	51.2	1.7	0.642	3%
PQI 2	Admissions with perforated appendix per 1,000 admissions with appendicitis, age 18 and over	297.0	6.7	287.0	2.3	0.161	3%
PQI 90	AHRQ overall Prevention Quality Indicator (PQI) composite per 100,000 population, age 18 and over	1616.9	5.9	1526.1	31.3	0.004	6%
PQI 1	Admissions with diabetes with short-term complications per 100,000 population, age 18 and over	73.3	1.3	69.1	1.9	0.069	6%
PQI 9	Low birth weight infants per 1,000 newborns	71.9	1.0	65.8	1.2	0.000	9%
<b>PQI 92</b>	<b>AHRQ chronic Prevention Quality Indicator (PQI) composite per 100,000 population, age 18 and over</b>	<b>1097.5</b>	<b>4.9</b>	<b>963.2</b>	<b>21.7</b>	<b>0.000</b>	<b>14%</b>
PQI 16	Lower extremity amputations among admissions for diabetes per 100,000 population, age 18 and over	37.8	0.9	33.0	1.0	0.000	15%
PQI 15B (added)	Admissions for asthma per 100,000 population, age 65 and over	255.1	6.2	221.7	7.7	0.001	15%
PQI 8	Admissions for congestive heart failure (CHF) per 100,000 population, age 18 and over	387.6	3.0	332.3	7.7	0.000	17%
PQI 3	Admissions with diabetes with long-term complications per 100,000 population, age 18 and over	148.0	1.9	116.2	3.1	0.000	27%
PQI 15	Admissions for asthma per 100,000 population, age 18 and over	158.3	1.9	119.3	4.1	0.000	33%
PQI 7	Admissions with hypertension per 100,000 population, age 18 and over	83.9	1.4	61.8	2.1	0.000	36%
PQI 13	Admissions for angina without cardiac procedure per 100,000 population, age 18 and over	26.9	0.8	18.6	0.9	0.000	45%

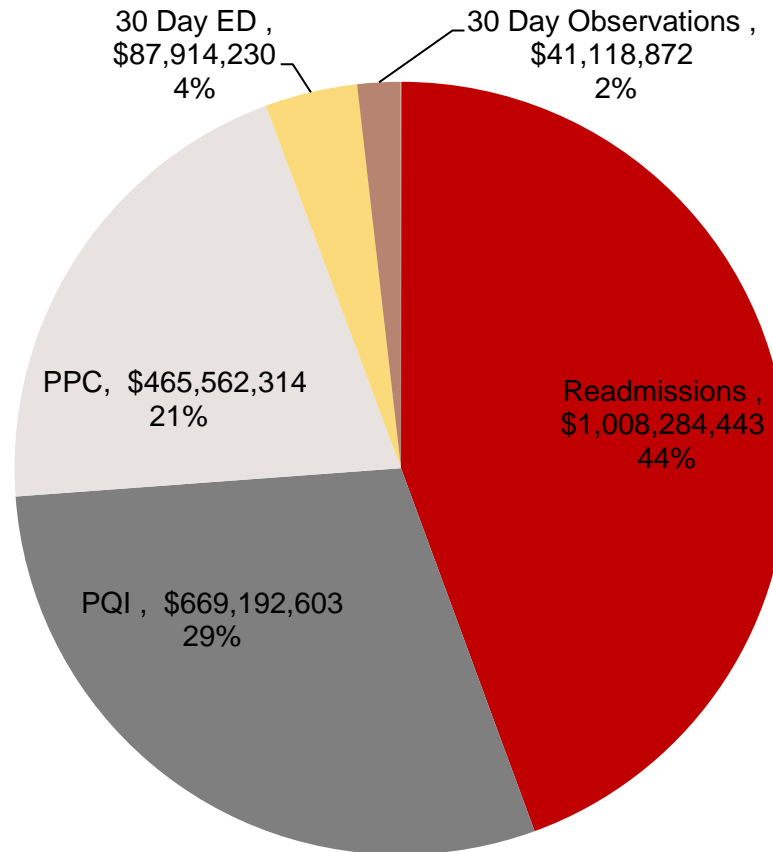
# Total Hospital Charges with Potentially Avoidable Utilization in Maryland, CY 2012

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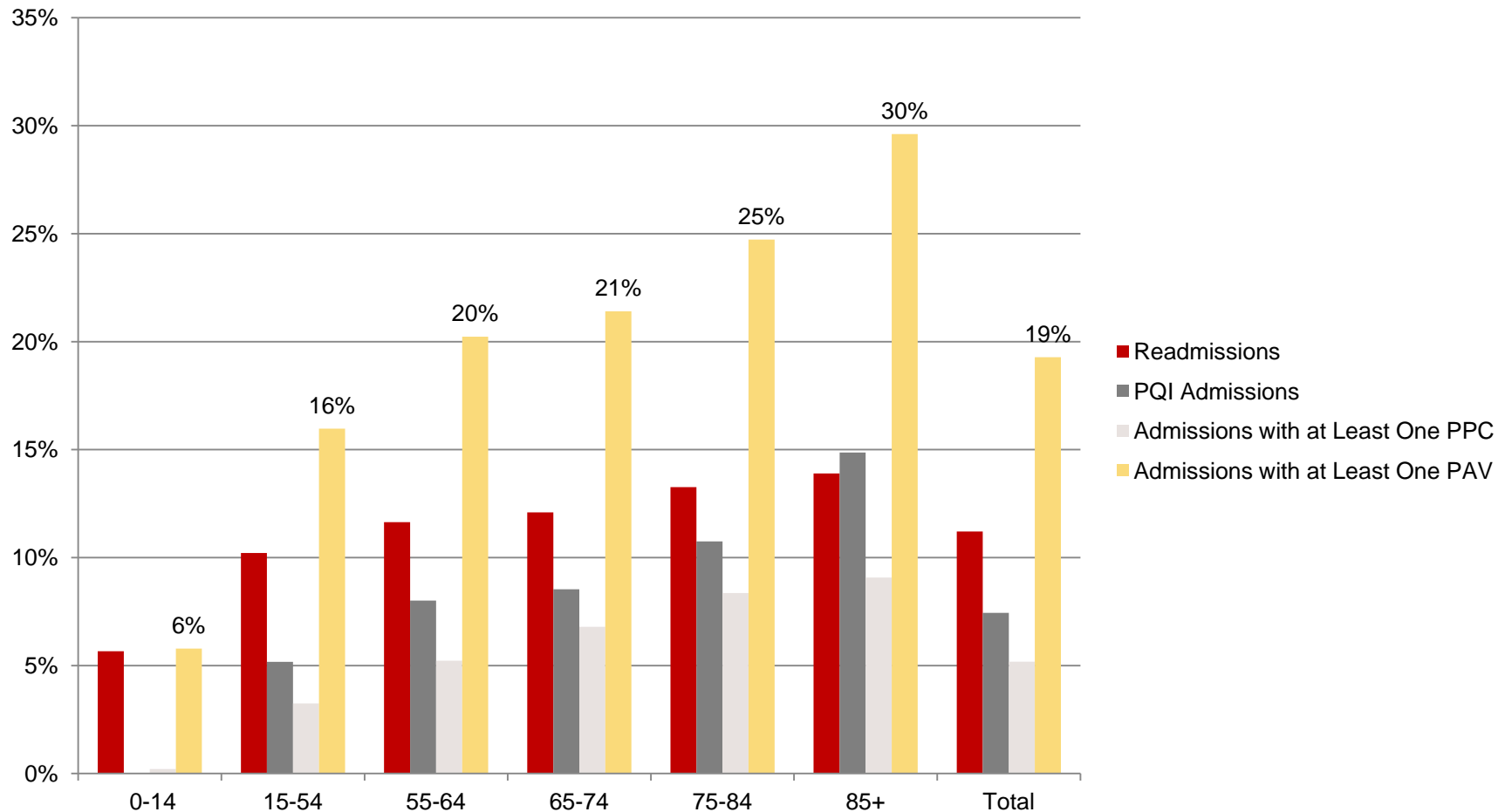
# Distribution of Potentially Avoidable Utilization, CY2012

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Note: Categories may overlap; Readmissions are based on ARR methodology adjusted for planned admissions.

# Percent Inpatient Charges with PAVs by Age Cohort





# Considerations for PAU

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- ▶ Incorporation of readmissions and PPCs, in PAU measurement and policies
- ▶ Develop methodologies to calculate outpatient avoidable utilization
  - ▶ Integrating major surgeries and observation cases to the readmission algorithm
  - ▶ Defining potentially avoidable ED visits
- ▶ Evaluate alternative/additional measures
  - ▶ 3M potentially preventable events
  - ▶ Admissions from nursing homes
  - ▶ Overuse/Underuse measures
- ▶ Developing payment incentives to reduce PAUs
  - ▶ Positive incentives for improvement
  - ▶ Update factor considerations
  - ▶ Population growth allowance

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Thank you!

