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To: Hospital CFOs

Cc: Hospital Quality Liaisons
Case Mix Liaisons

From: HSCRC Quality/Performance Measurement Team

Date: February 19 2016 (revised, final)

Re: Maryland Quality Based Reimbursement Program Measure Standards, Scaling
Determination, and other Methodology Changes for FY 2018

This memo summarizes the changes to the Quality Based Reimbursement Program (QBR) that will impact hospital rates in FY 2018 and provides updates from the memo of February 12, 2016.

1. Scaling Magnitude and Methodology

On October 14, 2015 the Commission approved allocating 2 percent of hospital-approved inpatient revenue for QBR performance in FY 2018 to be finalized by the Aggregate Revenue “at risk” recommendation for FY 2018; we anticipate this recommendation will be considered by the Commission by April 2016. The All-payer Model Agreement with the Centers for Medicare and Medicaid Innovation (CMMI) that began on January 1, 2014 requires that the proportion of Maryland hospitals' revenues held at risk for quality programs be equal to or greater than the proportion that is held at risk under national Medicare programs; CMS has established 2% at risk for the VBP program for FY 2018.¹

Consistent with the QBR program for FY 2017 and with the scaling methodology used for the Maryland Hospital Acquired Conditions (MHAC) program, the scaling approach for calculating rewards/penalties uses a preset scale. For FY 2018 the preset scale that will be used is the same as the preset scale that was used for FY 2017. The preset scale is included in Appendix A of this memorandum.

2. Aligning the QBR program with the CMS Value Based Purchasing (VBP) Program

A. VBP Exemption

Maryland has requested and been granted VBP exemptions for FYs 2013, 2014, 2015 and 2016. Beginning with FY 2016, our exemption request is in accordance with the terms of the

¹ The full recommendations can be found at: <http://hsrc.maryland.gov/documents/commission-meeting/2015/10-14/HSCRC-Post-Meeting-Packet-%2020151014.pdf>.

All-payer Model agreement which continues to require that we provide evidence that we have achieved or surpassed measured results in terms of patient health outcomes and cost savings compared with those of the Centers for Medicare and Medicaid Services (CMS) VBP program. A report containing our performance results and exemption request for FY 2017 was submitted to CMMI on February 5, 2016.

B. FY 2018 Measure Changes

Updates to the QBR program measures for FY 2018 to continue alignment of the QBR program with the VBP program include:

- 1) Adopting additional patient Safety measures, including the Methicillin Resistant Staphylococcus Aureus (MRSA) and Clostridium Difficile (C Diff) measures developed by the Centers for Disease Control National Health Safety Network (CDC NHSN), and the PC01 (early elective delivery) CMS measure; and,
- 2) Eliminating use of the the CMS clinical care process measures used in the prior year.

In addition, Maryland’s use of PSI 90 is suspended in Maryland since the performance year data for CMS for FY 2018 spans the ICD9 to ICD10 transition, and HSCRC staff has not yet determined a methodology to calculate the measure using all payer case mix data; HSCRC staff, however, will continue working to determine if Medicare’s methodology for measuring PSI 90 in this scenario can be translated to all payer case mix data.

3. Measurement Period

The base and performance measurement periods used for the QBR program for FY 2018 are illustrated below in figure 1.

Figure 1. FY 2018 QBR Base and Performance Timeline

Rate Year (Maryland Fiscal Year)	FY14- Q3	FY14- Q4	FY15- Q1	FY15- Q2	FY15- Q3	FY15- Q4	FY16- Q1	FY16- Q2	FY16- Q3	FY16- Q4	FY17- Q1	FY17- Q2	FY17- Q3	FY17- Q4	FY18- Q1	FY18- Q2	FY18- Q3	FY18- Q4	
Calendar Year	CY14- Q1	CY14- Q2	CY14- Q3	CY14- Q4	CY15- Q1	CY15- Q2	CY15- Q3	CY15- Q4	CY16- Q1	CY16- Q2	CY16- Q3	CY16- Q4	CY17- Q1	CY17- Q2	CY17- Q3	CY17- Q4	CY18- Q1	CY18- Q2	
QBR Program Base and Performance Periods that Impact Rate Year 2018																			
	Maryland Safety, HCAHPS Base Period																		
								Maryland Safety, HCAHPS Performance Period							2018 Rate Year Impacted by QBR Results				
								Maryland Mortality Base Period											
								Maryland Mortality Performance Period											

4. QBR Data Sources, Score Calculations and Performance Standards for FY 2018

As stated previously, to the extent possible, HSCRC has aligned the QBR program data, scoring calculations, measures list and performance standards with the VBP program. Key points regarding this are outlined below.

- HSCRC will use the data submitted to CMS for the Inpatient Quality Reporting program and posted to Hospital Compare for calculating hospital performance scores for all

measures with exception of PSI 90 and the mortality measure, which are calculated using HSCRC case mix data.

- CMS rules will be used when possible for minimum measure requirements for scoring a domain and for readjusting domain weighting if a measurement domain is missing for a hospital. Hospitals must be eligible for scores in 2 of the 3 domains to be included in the program.
- For hospitals with measures that have no data in the base period, attainment only scores will be used to measure performance on those measures, since HSCRC will be unable to calculate improvement scores (The “QBR FY 2018 Base Year Data Workbook” is provided in the Excel file with the same name that accompanies this memorandum).
- For hospitals that have measures with data missing for the base and performance periods, hospitals will receive scores 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 Hospital Compare, and to alert HSCRC staff in a timely manner if issues cannot be resolved.
- The performance thresholds and benchmarks for each of the safety, clinical care outcome and patient and caregiver-centered experience of care/care coordination HCAHPS measures for FY 2018 are listed below in Figure 2.

HSCRC has also developed and is providing a score calculation workbook containing a worksheet for each measure for hospitals to use to calculate and monitor their individual measure scores; the workbook accompanies this memo and is posted to the HSCRC website.

Figure 2. Final Thresholds and Benchmarks for FY 2018

Measure ID	Description	Achievement threshold	Benchmark
Safety			
CAUTI	National Healthcare Safety Network Catheter-associated Urinary Tract Infection Outcome Measure.	0.906	0
CLABSI	National Healthcare Safety Network Central Line-associated Bloodstream Infection Outcome Measure.	0.369	0
CDI (new for QBR FY 2018)	National Healthcare Safety Network Facility-wide Inpatient Hospital-onset <i>Clostridium difficile</i> Infection Outcome Measure.	0.794	0.002
MRSA bacteremia (new QBR FY 2018)	National Healthcare Safety Network Facility-wide Inpatient Hospital-onset Methicillin-resistant <i>Staphylococcus aureus</i> Bacteremia Outcome Measure.	0.767	0
PSI-90- SUSPENDED in Maryland	Patient safety for selected indicators-composite (AHRQ)	TBD	TBD
Surgical Site Infection (SSI)-Colon	<ul style="list-style-type: none"> • Colon 	<ul style="list-style-type: none"> • 0.824 	<ul style="list-style-type: none"> • 0
SSI - Hysterectomy	<ul style="list-style-type: none"> • Abdominal Hysterectomy 	<ul style="list-style-type: none"> • 0.71 	<ul style="list-style-type: none"> • 0
PC-01	Elective Delivery before 39 weeks	0.020408	0
Clinical Care Outcome Measures			
Mortality	Inpatient All-Payer, All Cause	97.54%	98.77%

Measure ID	Description	Achievement threshold	Benchmark
	Efficiency and Cost Reduction Measure		
MSPB-1 (VBP ONLY;not included in QBR)	N/A	N/A	N/A
	Patient and Caregiver-Centered Experience of Care/Care Coordination		
	Floor (percent)		
Communication with Nurses	55.27	78.52	86.68
Communication with Doctors	57.39	80.44	88.51
Responsiveness of Hospital Staff	38.4	65.08	80.35
Pain Management	52.19	70.2	78.46
Communication about Medicines	43.43	63.37	73.66
Hospital Cleanliness & Quietness	40.05	65.6	79
Discharge Information	62.25	86.6	91.63
3-Item Care Transition (CTM)	25.21	51.45	62.44
Overall Rating of Hospital	37.67	70.23	84.58

5. Domain Weights

The Final Measure Domain Weights for the QBR program compared with the VBP Program for FY 2018 are listed below in Figure 3.

Figure 3. QBR Measure Domain Weights Compared with the VBP Program

	Clinical Care	Patient experience of Care/ Care Coordination	Safety	Efficiency
QBR	15% (1 measure- inpatient all cause mortality)	50% (9 measures- HCAHPS + CTM)	35% (8 measures- Infection, PC -01)	N/A
CMS VBP	25% (3 measures- condition specific 30-day mortality)	25% (9 measures- HCAHPS + CTM)	25% (8 measures- Infection, PSI, PC -01)	25%

If you have any questions, please email hsrc.quality@maryland.gov or call Dianne Feeney (410-764-2582) or Alyson Schuster at (410-764-2673).

Attachments: Excel file entitled "QBR FY 2018 Base Year Data Workbook_v2-12-2016 "

Appendix A: FY 2018 QBR Preset Payment Scale

	Final QBR Score	Below/Above State Quality Target
Scores less than or equal to*	0.08	-2.00%
	0.09	-1.89%
	0.10	-1.78%
	0.11	-1.67%
	0.12	-1.56%
	0.13	-1.44%
	0.14	-1.33%
	0.15	-1.22%
	0.16	-1.11%
	0.17	-1.00%
	0.18	-0.89%
	0.19	-0.78%
	0.20	-0.67%
	0.21	-0.56%
	0.22	-0.44%
	0.23	-0.33%
	0.24	-0.22%
	0.25	-0.11%
Penalty/Reward Threshold^	0.26	0.00%
	0.27	0.04%
	0.28	0.07%
	0.29	0.11%
	0.30	0.14%
	0.31	0.18%
	0.32	0.21%
	0.33	0.25%
	0.34	0.29%
	0.35	0.32%
	0.36	0.36%
	0.37	0.39%
	0.38	0.43%
	0.39	0.46%
	0.40	0.50%
	0.41	0.54%
	0.42	0.57%
	0.43	0.61%

	Final QBR Score	Below/Above State Quality Target
	0.44	0.64%
	0.45	0.68%
	0.46	0.71%
	0.47	0.75%
	0.48	0.79%
	0.49	0.82%
	0.50	0.86%
	0.51	0.89%
	0.52	0.93%
	0.53	0.96%
Scores greater than or equal to**	0.54	1.00%
Penalty/Reward threshold:		0.26
<p>*For FY 2018, the same payment scale will be used as was used for FY 2017. The lower and upper range for the preset scale and the median score for determining penalty/reward threshold were determined by calculating attainment scores for all hospitals using the FY17 base period data.</p>		