CMS Value, Incentives, and Quality Reporting and Pay for Performance Programs Overview

IQR	**What is the Hospital Inpatient Quality Reporting (IQR) Program?** The Hospital IQR Program is a pay-for-reporting program for hospitals providing inpatient acute care. Hospitals receive a financial incentive to report on the quality of services and data related to consumers to help them make informed healthcare decisions. Hospitals must meet quarterly and annual quality measure submission deadlines and other requirements. Hospitals that do not participate, or that participate but do not comply with program requirements, will receive a one-fourth reduction of the applicable percentage increase in their annual payment update for the applicable fiscal year (FY).
OQR	**What is the Hospital Outpatient Quality Reporting (OQR) Program?** The Hospital OQR Program is a pay-for-reporting program for outpatient hospital services. CMS focuses on reporting measure data that have high impact and support national priorities for improved quality and efficiency of care for Medicare beneficiaries. Hospital outpatient departments that meet data reporting requirements during a given calendar year receive their full payment update under the Outpatient Prospective Payment System for the upcoming calendar year; hospitals that do not participate or fail to meet these requirements will receive a two percentage point reduction to their annual payment update.
IPFQR	**What is the Inpatient Psychiatric Facility Quality Reporting (IPFQR) Program?** The IPFQR Program is a pay-for-reporting program that requires all inpatient psychiatric facilities (IPFs) paid under the Inpatient Psychiatric Facilities Prospective Payment System (IPF PPS) to collect and submit certain specific quality data to CMS. Eligible IPFs that do not meet one or more program requirements receive a 2.0 percentage point reduction of their annual payment update for the applicable FY.
PCHQR	**What is the PPS-Exempt Cancer Hospital Quality Reporting (PCHQR) Program?** CMS has designated 11 hospitals nationwide as Prospective Payment System (PPS)-exempt Cancer Hospitals (PCHs). Those PCHs, under the PCHQR Program are excluded from payment under the IPPS. The PCHQR Program is intended to encourage hospitals and clinicians to improve the quality of care provided to patients by ensuring they are aware of and reporting on best practices for their respective facilities and type of care.
ASCQR	**What is the Ambulatory Surgical Care Quality Reporting (ASCQR) Program?** The Ambulatory Surgical Center Quality Reporting Program promotes higher quality, more efficient health care in the ASC setting for Medicare beneficiaries through quality-of-care measurement, quality improvement, and information transparency through public reporting. ASCs that do not meet reporting requirements may incur a two-percentage point reduction to any payment update under the revised ASC payment system for that year.
REHQR	**What is the Rural Emergency Hospital Quality Reporting (REHQR) Program?** In response to rural hospital closures and to address barriers to health care access for rural communities, the Consolidated Appropriations Act 2021 established Rural Emergency Hospitals as a new Medicare provider type. This program seeks to gather and publicly report information on care provided by these hospitals so this information is available to inform patient choice on where to obtain care as well as toward improving quality and efficiency of care.
Hospital VBP	**What is the Hospital Value-Based Purchasing (VBP) Program?** The Hospital VBP program is a pay-for-performance program designed to promote higher-quality care within the acute care setting. Measure data are evaluated and scored based on a methodology that compares baseline and performance periods and results in individual measure scores, domain scores, and an overall performance score for each hospital. This score equates to an adjustment factor applied to the base Diagnosis-Related Group (DRG) rate and affects payment for each discharge in the relevant FY. The resulting payment adjustment could increase or reduce hospital payments for that FY. Hospitals must successfully participate in the Hospital IQR program to qualify.
HAC	**What is the Hospital-Acquired Condition (HAC) Reduction Program?** The HAC Reduction Program encourages hospitals to implement best practices to reduce their rates of Healthcare Associated Infections (HAIs) and improve patient safety. It evaluates hospital performance by calculating a Total HAC Score for each hospital as the equally weighted average of their scores on measures included in the program. Hospitals with a Total HAC Score in the worst-performing quartile among all subsection (d) hospitals receive a 1% reduction applied on overall their Medicare fee-for-service (FFS) payments for the applicable FY.
HRRP	**What is the Hospital Readmissions Reduction Program (HRRP)?** The Hospital Readmissions Reduction Program is a Medicare value-based purchasing program that reduces payments to subsection (d) hospitals with excess readmissions. CMS uses condition- or procedure-specific readmission measures to determine a hospital's payment reduction in the Hospital Readmissions Reduction Program. For each condition or procedure, CMS calculates an excess readmission ratio (ERR) to assess a hospital's performance. CMS then uses the ERRs to calculate payment reductions, which are applied to the hospital's base operating diagnosis-related group payments. CMS caps the HRRP payment reductions at 3%.