



Hospital Value-Based Purchasing (VBP) Program
Inpatient Value, Incentives, and Quality Reporting (VIQR)
Outreach and Education Support Contractor

Part 2: FY 2024 Hospital VBP Program
Percentage Payment Summary Report Calculations
Presentation Transcript

Speakers

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Brandi Bryant: Greetings and thank you for joining us for the webinar centered around comprehending the calculations within your hospital's fiscal year 2024 Hospital VBP Program Percentage Payment Summary Report. I'm Brandi Bryant, serving as the Hospital VBP Business Analyst at CMS's Inpatient Value, Incentives, and Quality Reporting Outreach and Education Support Contractor. It's my pleasure to be your host for today's session on the Hospital Value-Based Purchasing Program.

In this event, we'll discuss the fiscal year 2024 Hospital VBP Program Percentage Payment Summary Report, or PPSR, calculations. Our focus will be on improvement points, achievement points, and payment adjustments.

Attendees will have the opportunity to recognize the criteria and metrics for evaluating hospitals in each category; compute the Total Performance Score, or TPS, for their hospital; and apply the exchange function slope to convert their hospital's TPS and payment adjustment factor.

In today's webinar, we'll focus on understanding the calculations of the Hospital VBP Program. We'll cover achievement and improvement points and how they lead to changes in payments. This session will be interactive. You'll join us in doing calculations and sharing your answers. If you have a calculator nearby, whether on your desk, computer, or phone, it will be helpful. If you're interested in a general overview of fiscal year 2024 PPSRs for the Hospital VBP Program without delving into formulas, we have a separate webinar for you. You can find the link on this slide for the *Part 1: FY 2024 Hospital VBP Program's Percentage Payment Summary Report Overview* webinar. There, we explain basic details about the Hospital VBP Program. This includes breaking down measures in different areas, time frames for measurement, important terms on the report, a step-by-step guide to running your report, and an outline of the review and corrections process. If you attended yesterday's webinar, I appreciate your presence again today. If you missed it, we covered some key aspects of the Hospital VBP Program. For foundational information, you can visit QualityNet.

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There, you can explore the slides or watch a recorded webinar, whenever it suits you.

On this slide, you'll find a compilation of abbreviations that might come up during today's webinar.

Before we start delving into the calculations, Maria, who is Lead for the Hospital Value-Based Purchasing Program at the Inpatient Value, Incentives, and Quality Reporting Outreach and Education Support Contractor, will be our presenter for today. She will give a quick summary of the program. This will ensure that we have a solid understanding before we proceed. Maria, you have the floor now.

Maria Gugliuzza: Congress mandated the Hospital Value-Based Purchasing Program through Section 1886(o) of the Social Security Act. This initiative was initially introduced in fiscal year 2013, and CMS has consistently employed it to modify payments in every subsequent fiscal year. Pioneering the concept, the Hospital Value-Based Purchasing Program stands as the inaugural national inpatient pay-for-performance endeavor. Here, hospitals receive compensation grounded in care quality instead of service quantity. The program's compensation model emphasizes superior value, enhanced patient outcomes, innovation, and cost-effectiveness, transcending the traditional volume-based approach to services.

The core takeaway of this program is its budget-neutral approach, ensuring overall funding stability. It's funded by a 2.00-percent reduction from hospitals' base operating MS-DRG payments, which are the payments for patient treatment. These funds are then redistributed based on a hospital's Total Performance Score, or TPS. The exact amount a hospital receives varies, depending on TPS distribution among participating hospitals for a fiscal year. Hospitals' performance determines their value-based incentive payment percentage, ranging from covering withheld funds to boosting base operating DRG payments. Simply put, high-performing hospitals may earn more, while lower-scoring ones recover withheld funds or face potential payment reductions.

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Remember these key points as we delve into how the Hospital VBP Program operates and impacts healthcare institutions.

The Hospital VBP Program adjusts payments for approximately 3,000 hospitals each fiscal year. The program applies to subsection (d) hospitals, which are short-term acute care hospitals paid under the Inpatient Prospective Payment System 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 the next slide applies.

Those exclusion reasons include hospitals that are subject to payment reductions under the Hospital IQR Program, hospitals that were cited for three or more deficiencies during the performance period that pose immediate jeopardy to the health or safety of patients, hospitals that had less than three out of the four domains calculated, hospitals with an approved Extraordinary Circumstances Exception, 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 will not be publicly reported in the Hospital Value-Based Purchasing Program tables on the Care Compare website. Excluded hospitals will not have their payments adjusted, which includes not being subject to the 2.00-percent withhold and the opportunity to receive incentive payments. I just want to reiterate this, because this is one of the most common questions from excluded hospitals. Hospitals that are excluded for any of the reasons listed on this slide will not have their payments reduced by 2.00 percent, and they will not have the opportunity to receive incentive payments.

The upcoming slides will detail the procedure for generating your Percentage Payment Summary Report.

As of August 11, CMS has made the Percentage Payment Summary Report accessible.

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You can generate these reports using the *Hospital Quality Reporting Secure Portal*. To access the *HQR [Secure] Portal*, you'll need your HARP ID, password, and two-factor authentication.

The following two slides provide a step-by-step guide to help you run your report using the new *HQR QualityNet Secure Portal*. If you encounter any difficulties while running the report or setting up your new HARP ID, please reach out to the CCSQ Service Center at QNetSupport@cms.hhs.gov.

I would like to know if you have already downloaded your report from the *HQR Secure Portal*. Please respond to the question displayed on your screen. Please open the poll...

A few more seconds...

You may now close the poll. Thank you for your response. If you require guidance on downloading your report, kindly refer to the instructions outlined in the preceding two slides.

I'll touch briefly on the evaluation domains and measures used in the Hospital VBP Program. More in-depth information is available in another webinar on the [QualityReportingCenter.com](https://www.qualityreportingcenter.com) website. The details I'll share here are crucial for understanding the calculations.

On the next two slides, you'll see the four domains for the fiscal year 2024 Hospital VBP Program.

The Hospital VBP Program stands out by offering hospitals the chance to earn improvement scores, which reflect their progress from the baseline period to the performance period. This is alongside the opportunity for achievement scores, which compare a hospital's performance against all others in the nation. The two time frames, baseline and performance, are shown on this slide, as they're crucial for calculating these scores.

To compute both types of scores, we use different measures. The HCAHPS Survey, HAI measures, and MSPB measure rely on calendar year data from 2022 for the performance period and 2019 for the baseline period.

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On the other hand, the mortality measures and complication measure utilize multi-year baseline and performance periods as indicated here on the slide.

In order to qualify for a domain score within the Hospital VBP Program, hospitals need to report a specified minimum number of cases, surveys, episodes of care, and measures as set by CMS. These required minimums are essential for accurately assessing quality and improvement across the entire program. They ensure that there's an adequate volume of data available to make meaningful adjustments to hospital payments. This slide presents the outlined minimum data prerequisites.

Like I mentioned a few slides back, hospitals have the opportunity to receive improvement and achievement points on their Percentage Payment Summary Report based upon their measure rates during the baseline period and performance period relative to the performance standards only for the Clinical Outcomes domain. 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 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 Outcomes domain. 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 because lower rates demonstrate better quality in the measure. The measures that this description is applicable for are the complication measure, the healthcare-associated infections in the Safety domain, and the MSPB measure in the Efficiency and Cost Reduction domain.

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Please note, the MSPB measure uses data during the performance period instead of the baseline period to calculate performance standards. The performance standards for MSPB will be listed on your hospital's Percentage Payment Summary Report.

The next two slides display the performance standards used in the fiscal year 2024 program. These performance standards, with the exception of MSPB, were included in your baseline measures report and will also be displayed on your hospital's Percentage Payment Summary Report.

Now, let's dive into the exciting segment of our presentation, the calculation and scoring examples. If you're new to the program or find the calculations a bit perplexing, don't worry. I'll guide you through each step, breaking down the formulas into simple, manageable parts. While some formulas might seem complex, I assure you they're straightforward. You can easily calculate them by inputting a few numbers into your calculator.

For clinical outcomes measures, there are three calculated values: achievement points, improvement points, and a measure score. Achievement points are given by comparing your hospital's measure rates during the performance period with other hospitals. This is done using benchmarks like the achievement threshold and the top 10 percent benchmark we discussed. If your hospital performs better than the benchmark, you get 10 achievement points. If it's worse than the achievement threshold, you get 0 points. If it's in between, you'll receive points based on the comparison. If this is clear to you, that's great! However, if it's not, don't worry. We'll go over some examples on the upcoming slides.

For achievement points, you'll need three values: the measure's benchmark, the measure's achievement threshold, and your hospital's performance period rate. Let's take the CAUTI measure as an example. Using the performance standards that we discussed earlier, with a benchmark of 0.000 and an achievement threshold of 0.650, we can calculate the achievement points for our example hospital.

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To do this, we'll determine the scenario based on the hospital's performance period rate. Keep in mind that lower rates are more favorable for the CAUTI measure.

Let's start by posing our scenario questions. Is the hospital's performance period rate equal to or better than the benchmark? Is the hospital's performance period rate lower than the achievement threshold, or is the performance period rate equal to or higher than the achievement threshold but still lower than the benchmark? We're going to put up some polling questions now for you to respond to. Please submit your response now.

We will just give it a few more seconds.

Okay. We can go ahead and close out that polling question now. The correct answer is 10. Now, let's explore how we can utilize the formula to compute the achievement points, better than or at the benchmark.

Whenever you find yourself with a spare moment, pick up your calculator, whether it's physically on your desk or digitally available on your computer. Take a shot at utilizing the formula presented in this slide to compute the hospital's achievement points. A helpful tip: After obtaining your ultimate outcome, round it to the nearest whole number according to the standard rounding principles. Dedicate some time to engage with this calculation. If you're uncertain about how to commence with the formula, there's no need for concern. I'm here to assist you in navigating through the procedure at this very moment.

We are going to start by plugging in the performance period rate and the performance standard values into the formula. Replace the performance period rate with 0.000 in the numerator, employ 0.650 for both the achievement threshold in the numerator and denominator, and use 0.000 for the benchmark in the denominator. Now, direct your attention to the numerator enclosed in the parentheses. Subtract 0.650 from 0.000 and input the outcome, resulting in a -0.650, into your calculator. Progress to the denominator and perform the identical subtraction, which will yield -0.650. Next, input -0.650 divided by -0.650 into your calculator.

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This produces a result of 1. If you encounter difficulty generating negative numbers on your calculator, seek the plus-minus button, capable of converting a number into a negative value. We then multiply 1 by 9 from the subsequent set of parentheses, yielding 9. Conclusively, sum 0.5 plus 9, arriving at 9.5. Round this figure to the nearest whole number, leading to 10. This procedure guarantees the attainment of precise achievement points.

As you can see in this example, the benchmark and the achievement threshold values remain the same, but our performance period rate is now 1.010. Is this hospital's performance period rate at or better than the benchmark? Is the hospital's performance period rate worse than the achievement threshold, or is the performance period rate at or better than the achievement threshold but still worse than the benchmark?

Please submit your response now.

We'll give it a few more seconds, before we close the poll.

Okay. We can go ahead and close out that polling question now. For those that answered that the performance period rate is worse than the achievement threshold, you were correct.

Can you apply the formula provided on this slide to figure out the hospital's achievement points? Let's go step by step through the calculation. To begin, input the performance period rate and the performance standard values into the formula. Replace the performance period rate with 1.010 in the numerator, apply 0.650 for both the achievement threshold in the numerator and denominator, and employ 0.000 for the benchmark in the denominator. Now, direct your attention to the numerator enclosed in those parentheses. Deduct 0.650 from 1.010 and key in the outcome, which should be -0.390, into your calculator. Proceed to the denominator and execute the identical subtraction, resulting in -0.650. Subsequently, input -0.390 divided by -0.650 into your calculator, and the outcome should be -5.4. Proceed to multiply -5.4 times 9 from the ensuing set of parentheses, yielding -48.6.

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Lastly, we add 0.5 to -48.6, resulting in -48.1. Round this value to the nearest whole number, leading to 0. This process ensures the correct result of 0.

Now, our performance period rate is 0.450. Is this hospital's performance period rate at or better than the benchmark? Is the hospital's performance worse than the achievement threshold, or is the performance period rate at or better than the achievement threshold but worse than the benchmark?

Please submit your response to the question now.

The polling will be closed in a few more seconds.

Okay. Please close the polling question. For those that answered 1–9: Between Threshold and Benchmark, you are correct. Let's give the formula a try to ascertain the hospital's point allocation. To begin, insert the performance period rate and the performance standard values into the formula. Replace the performance period rate with 0.450 in the numerator. Utilize 0.650 for both the achievement threshold in the numerator and denominator, and employ 0.000 for the benchmark in the denominator. Now, concentrate on the numerator enclosed within the parentheses. We are going to subtract 0.650 from 0.450 and input the outcome, which should be -0.200. Proceed to the denominator and execute the identical subtraction, resulting in -0.650. Subsequently, enter -0.200 divided by -0.650 into your calculator, yielding a result of 0.30. Multiply 0.30 times 9 from the ensuing set of parentheses to obtain 2.77. Lastly, add 2.77 to 0.5, yielding 3.3. Round this figure to the nearest whole number, resulting in 3. Again, this process guarantees the accurate determination of 3 achievement points.

Improvement points are a distinctive feature of the Hospital VBP Program, compared to other CMS pay-for-performance initiatives like the HAC Reduction and [Hospital] Readmissions Reduction [Program]. Hospitals can earn these points by improving from their baseline period. If a hospital's performance during the current period surpasses its own baseline, it can receive up to 9 improvement points.

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If the current performance is worse or the same as the baseline, no points are given. For performance between the baseline and benchmark, a formula determines the 0 to 9 improvement points.

Let's look at this example. The CAUTI benchmark is 0.000. The hospital's baseline period was 0.400, and the performance period rate was 1.010. Is the hospital's performance period rate at or better than the benchmark? Is the performance period rate worse than or equal to the baseline period rate, or is the performance period rate somewhere in between the baseline period rate and the benchmark?

Please submit your response to the question now.

The polling will be closed in a few more seconds.

Okay. Please close out that polling question. For those that answered that the performance period rate was worse than or equal to the baseline period rate, you are correct.

Let's now put the formula to the test and compute the points allocated to the hospital. To begin, insert the performance period rate into the formula. Utilize 1.010 for the performance period rate in the numerator, 0.400 for the baseline period rate in both the numerator and denominator, and 0.000 for the benchmark in the denominator. Next, direct your focus to the content within the parentheses in the numerator. Input 1.010 minus 0.400, and press the equal button on your calculator. The result should be 0.61. Proceed to the denominator and input 0.000 minus 0.400, again using the equal button. You should obtain -0.4. Subsequently, type in your numerator, which is 0.61, divided by -0.4, and press equal. This should yield a value of -1.525. Proceed to multiply this -1.525 times 10, since it's within the subsequent set of parentheses, which will give you a -15.25. Finally, subtract 0.5 from -15.25, resulting in -15.75. Round this figure to the nearest whole number, which will lead to 0. By following this process, you will arrive at the accurate calculation of 0 improvement points.

This hospital's baseline period rate is 0.400, and the performance period rate is now 0.200.

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Is the hospital's performance period rate at or better than the benchmark?
Is the performance period rate worse than or equal to the baseline period rate, or is the performance period rate somewhere in between the baseline period rate and the benchmark? Please submit your response now to the question now.

Okay. We will give it a few more seconds.

Okay. Please close out that polling question. If you said the performance period rate is between the baseline period rate and the benchmark, you are correct.

Let's now proceed to apply the formula and compute the points that will be awarded to the hospital. To start, insert the performance period rate into the formula. Utilize 0.200 for the performance period rate in the numerator, 0.400 for the baseline period rate in both the numerator and denominator, and 0.000 for the benchmark in the denominator. Next, begin within the parentheses in the numerator. Input 0.200 minus 0.400, and press the equal button on your calculator. The result should be -0.2. Move on to the denominator, and enter 0.000 minus 0.400, once again using the equal button. You should obtain -0.4. Subsequently, enter your numerator, which is -0.2, divided by -0.4, and press equal. This should yield a value of 0.5. Proceed to multiply this 0.5 by 10, since it's contained within the subsequent set of parentheses, resulting in 5. Finally, subtract 0.5 from 5, yielding 4.5. Round this figure to the nearest whole number, leading to 5. As a result of the improvement-point formula, the hospital will be awarded 5 improvement points.

Okay. Let's do one last improvement point example. The hospital's baseline period rate is 0.400, and the performance period rate is now 0.375. Is the hospital's performance period rate at or better than the benchmark? Is the performance period rate worse than or equal to the baseline period rate, or is the performance period rate somewhere in between the baseline period rate and the benchmark?

Please submit your response now.

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Okay. We will just give it a few more seconds.

Okay. Please close out that polling question. The correct answer is between baseline and benchmark

This example presents yet another commonly asked question: Why does my report display 0 for improvement points when my hospital has indeed progressed from the baseline period? The explanation lies in the calculation of the improvement point formula, which yields a 0 result in this particular instance. To begin, we insert the performance period rate into the formula. Use 0.375 for the performance period rate in the numerator, 0.400 for the baseline period rate in both the numerator and denominator, and 0.000 for the benchmark in the denominator. Next, initiate the process within the parentheses in the numerator. Input 0.375 minus 0.400, and press the equal button on your calculator. The outcome should be -0.025. Proceed to the denominator, and enter 0.000 minus 0.400, again using the equal button. You should obtain -0.4. Subsequently, input your numerator, which is -0.025, divided by -0.4, ensuring you employ the appropriate key on your calculator to denote negative values. This should yield a positive 0.0625. Proceed to multiply this 0.0625 by 10, since it resides within the ensuing set of parentheses, resulting in 0.625. Finally, we subtract 0.5 from 0.625, resulting in 0.125. Round this value to the nearest whole number, which will lead to 0. By following this procedure, you will deduce that the hospital's improvement points amount to 0, according to the improvement point formula.

Hospitals receive a single score per measure, choosing the higher value between achievement and improvement points. This slide shows sample scores in the Clinical Outcomes domain. For MORT-30-AMI, with 10 achievement and 9 improvement points, the measure score is 10. For MORT-30-HF, 5 achievement points prevail due to baseline issues. Hip-knee complications have dashes, indicating insufficient data. MORT-30-PN has 4 achievement and 6 improvement points, prompting the question: Should the measure score be 4, 5, or 6?

Please submit your response now.

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Okay. We will just give it a few more seconds.

Okay. Please close out that polling question. The correct measure score for the MORT-30-PN measure was 6.

Again, the correct measure score for the MORT-30-PN measure was 6, which is the greater of improvement and achievement points. Now that each measure has a measure score calculated, the unweighted domain score is calculated. The unweighted domain score for all domains is normalized to account for only the measures the hospital met the minimum requirements. To normalize a domain, you sum the measure scores in the domain. In our example, the sum of the measure scores is 21, which is 10 plus 5 plus 6. You then multiply the eligible measures by the maximum point value per measure. In our example, the hospital did not meet the minimum requirements in the hip-knee complication measure or the 30-day COPD mortality measure. So, instead of five total measures, this hospital was only scored in three. We then multiplied the three measures by 10 points possible for each measure for a total of 30. To create a percent of score the hospital earned in relation to points possible, we divide the sum of the measures scores, remember, that was 21, by the maximum points possible of 30, which equals 0.7. Lastly, we multiply that result by 100, and that equals 70.

When you find a moment, attempt to compute the normalized unweighted domain scores without referencing the following slide. The instructions are outlined on the far right side of the slide. What is the Unweighted Clinical Outcomes Domain Score? Is it 50, 62.5, or 83.3?

Let's walk through those steps. First, sum the measures in the domain. Our 8 plus 7 plus 0 plus 10 equals 25. Next, multiply the eligible measures by the maximum points possible of 10. So, for four measures times 10, that would equal 40, 4 times 10. Remember, that a measure score of 0 is different than a dash, which indicates a hospital did not have the minimum cases required to receive a measure score. In the third step, we divide the result of Step 1, which was 25, by the result of Step 2, which was 40.

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This equals 0.625. Last, we multiply our result of 0.625 by 100, and that equals 62.5, and 62.5 is the correct answer.

Transitioning to the Person and Community Engagement domain, similar to the Clinical Outcomes domain, a dimension score is simply the higher value between achievement points and improvement points.

CMS calculates two scores for the Person and Community Engagement domain: a base score and a consistency score. The base score is the sum of eight dimension scores, with a maximum of 80 points. Consistency points are derived from the hospital's lowest dimension score, capped at 20 points. The unweighted domain score, combining base and consistency scores, has a maximum of 100 points: 80 base plus 20 consistency. This comprehensive approach provides insights into the hospital's performance in this domain.

The computation of the unweighted domain score for the Person and Community Engagement domain varies slightly. To commence, we aggregate the dimension scores from the eight HCAHPS domains. In the example showcased on the slide, this sum amounts to 42 points, acknowledged as the HCAHPS base score. Moving forward, we must ascertain the consistency points. For this particular hospital, 20 consistency points were obtained. When we sum these two values, the 42 from the HCAHPS base score and the 20 from the HCAHPS consistency score, we arrive at 62 points. You might be curious about the methodology behind calculating consistency points, but rest assured, we'll delve into that in the upcoming slides.

Consistency points change based on different situations, like improvement and achievement points. If all the rates are really good, better than the middle point, hospitals get 20 points. If any rate is really bad, worse than the lowest point, they get 0 points. If the lowest rate is not too bad but not as good as the middle point, they get between 0 to 20 points, using a special formula. We'll use examples to make this clearer and remove any confusion.

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To understand the different consistency point situations, pay attention to three columns: performance period rate, floor, and achievement threshold. In each category, the performance period rate is higher than the achievement threshold. For example, Communications with Nurses is 80.2 percent, which is above the 79.42 percent threshold. This pattern applies to all categories, meeting the requirement where all rates are equal to or higher than the achievement threshold, resulting in 20 consistency points.

In this example, the hospital demonstrates dimension rates that surpass the achievement threshold in specific areas, such as Communications with Doctors. However, in the case of the Overall Rating of Hospital dimension, the performance period rate is lower than the floor. As a result, the hospital meets the requirement of having an individual dimension rate that equals or goes below the floor, resulting in a score of 0 consistency points.

In this situation, the hospital's performance rates exceed the achievement thresholds in certain areas but fall short in others. Nonetheless, none of the performance period rates are beneath the floor values established for this hospital. Hence, the hospital fits into the situation where the lowest dimension rate is higher than the floor but lower than the achievement threshold. Our next step entails pinpointing the dimension rate with the lowest score. For this evaluation, we will concentrate exclusively on the dimensions marked in yellow boxes above, specifically, those where the performance period rate is less than the achievement threshold.

The lowest dimension score isn't just about the lowest performance rate; it's calculated using a formula involving the achievement threshold and the floor. In this instance, the Overall Rating of Hospital dimension scores the lowest at 0.724. To find the lowest dimension value, we divide the performance rate and floor difference by the achievement threshold and floor difference. Then, choose the dimension with the lowest result.

With the lowest dimension score of 0.724, we determine the consistency score by multiplying 20 by this value, resulting in 14.48. Subtracting 0.5 gives us 13.98, which we round to the nearest whole number, 14. This hospital would receive 14 consistency points.

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Within the Safety domain, a significant distinction arises in computing the SSI measure score. Under the fiscal year 2014 IPPS final rule, CMS implemented a policy where achievement and improvement points are allocated to each SSI measure stratum, subsequently averaged, and weighted according to predicted infections. This process yields the hospital's SSI measure score. While it might appear intricate, I'll streamline it through an example in the upcoming slide for clearer understanding.

To compute your SSI measure score, we begin by calculating improvement and achievement points, then choose the higher value for each stratum's measure score, similar to the approach used for other measures. Once you've identified these measure scores, apply the weighted average formula to determine your overall measure score. In our example, the colon stratum achieved a score of 5 with one predicted infection, while the abdominal hysterectomy stratum scored 8 with two predicted infections. Multiply each stratum's score by its corresponding predicted infection count, 5 multiplied by 1 and 8 multiplied by 2, then sum these values, 21. Divide the total by the sum of predicted infections, 3 in our case: $1 + 2$. This results in a measure score of 7, which would be 21 divided by 3. This hospital would receive 7 for their combined SSI score.

Applying the formula that we just discussed, we are going to identify the correct values on the report to compute the hospital's SSI measure score. Choose the predicted infections from the performance period. Is the resulting score 0, 3, 5, 7, or 10?

Let's begin by extracting the necessary values. The colon measure score stands at 6, and the corresponding predicted infections are 3.884. Regarding abdominal hysterectomy, the measure score is 2, and the predicted infections are 1.681. Now, employing the formula, multiply the colon measure score, 6, by the colon predicted infections of 3.884, resulting in 23.3. Multiply the measure score for abdominal hysterectomy, 2, by its predicted infections of 1.681, yielding 3.36. Summing these values gives us a numerator of 26.66.

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Now, for the denominator, combine the predicted infections of both colon and abdominal hysterectomy, $3.884 + 1.681$, resulting in 5.565. Upon dividing the numerator, 26.66, by the denominator, 5.565, the result is 4.79. When rounded, this gives us a final SSI measure score of 5.

Continuing our attention on SSI, there are a few more important aspects to consider. When a single stratum is scored, it carries full weight, accounting for 100 percent of the combined score calculation. In simpler words, if your colon surgery stratum attains a measure score of 8, and you have no predicted infections in the abdominal hysterectomy stratum, your SSI combined measure score would directly be 8 from the colon surgery stratum. The weighted average calculation we previously talked about becomes relevant only when your hospital obtains measure scores in both strata.

With the exception of the SSI measure score, the determination of measure scores within the Safety domain involves choosing the greater value between the achievement and improvement points.

CMS requires hospitals to meet case and measure minimums for scores, ensuring robust and credible data. Normalization standardizes evaluation by converting earned points into a percentage of the highest achievable, promoting fairness across hospitals. Both ensure program integrity, forming key aspects of CMS's Hospital Value-Based Purchasing Program.

Similar to the Clinical Outcomes domain, the Safety domain undergoes normalization, accounting solely for measures that fulfill data prerequisites. In our illustration, the hospital fulfills these criteria for all measures except MRSA. When we sum the measure scores, we get 21, which, divided by the maximum points, 40, equals 0.525. By multiplying this by 100, the resulting score is 52.5. This normalization process guarantees equitable assessment.

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

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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 points 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 four domains, you will use the original weight. In fiscal year 2024, each domain holds a weight of 25 percent.

CMS allows hospitals to still have a Total Performance Score calculated if the hospital received the domain score 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. In this fiscal year, because all of the domains are weighted at 25 percent, the resulting values will always be by 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 Outcomes 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 points.

Once you have your Total Performance Score, you can determine your hospital's 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, or TPS, to a payment adjustment, and I'll show you how on the next slide.

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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 2024 DRG payment reduction, by your hospital's TPS, divided by 100, and also by the exchange function slope. Please note that the 3 is a placeholder and is not the actual slope for fiscal year 2024. So, multiply 2 by 73 over 100, multiplied 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 2024.

To calculate the payment adjustment factor, you then take the net change, our 2.38, and divide it by 100, and add the result to 1. This gives us 1.0238 for our payment adjustment factor.

Now, I'll guide you through the process of calculating the value-based incentive payment adjustment factor using our three steps. With a TPS of 30 and an exchange function slope of 3, let's delve into the calculation.

The initial step involves computing the value-based incentive payment percentage. To achieve it, you multiply the fiscal year 2024 DRG payment reduction factor, which is 2, by your hospital's TPS of 30, divide it by the result of 100. Then, you multiply by the exchange function slope of 3. This yields a value of 1.80 percent. Moving on to the subsequent step, we determine the net change while considering the 2-percent factor. Subtract the value-based incentive payment percentage, 1.8 percent, from the 2 percent. In our example, this results in a difference of -0.2. For the final step, the calculation of the payment adjustment factor entails taking the net change, which is -0.2 percent, dividing it by 100, and then adding the resulting value to 1. The outcome of this computation is 0.998 for our payment adjustment factor.

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The payment adjustment factor serves as your tool your MAC employs to modify your payments throughout the fiscal year. Let's explore a couple of examples using a base operating DRG payment amount of \$20,000. In our first instance, when you multiply \$20,000 by the 1.0238, the outcome is \$20,476. When you compare this result to the initial DRG payment amount, the hospital experiences a \$476 increase in that particular DRG claim. Conversely, the second example depicts a net reduction, rather than an increase. Here, the net change stands at -0.20 percent, equivalent to the factor of 0.998 that you've just calculated. Multiplying the \$20,000 DRG by 0.998 results in \$19,960, translating to a net reduction of \$40 for this specific DRG claim.

I hope these examples are proving helpful as you review your report. Should you identify any calculation inconsistencies, please don't hesitate to request a review and necessary adjustments. It's important to note that certain measure rate calculations, such as those for mortality measures, cannot be altered during this time frame. The upcoming slides will provide details about the process for the review and corrections.

Hospitals have the choice to conduct a review and seek recalculations for measures, domains, and the Total Performance Score. This review phase extends over a 30-day duration following the Percentage Payment Summary Report release. If you wish to make a request, kindly fill out the review and correction form and utilize the Secure File Exchange on the QualityNet Secure Portal to transmit it to the "HVBP" group. Please ensure your submission is completed by September 11 at 11:59 p.m. to facilitate CMS's review process. You may also email your form to QRFormsSubmission@hsag.com. Again, all the information to submit a completed form is found on this slide.

The review and correction form is available on QualityNet. This page offers assistance in locating the form should you intend to access it.

When filling out the form, ensure that you include the following details: the date of the review and corrections request; your hospital's CMS Certification Number, or CCN; contact information for the hospital;

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the specific reason or reasons for the request; and a comprehensive description of the identified reasons or reason.

The following slides outline the resources that are at your disposal.

For more information about the Hospital VBP Program, explore the resources listed. Our educational events and webinars are recorded and available on the Quality Reporting Center website.

You can access the resources listed here by clicking the link on the slide. When reviewing your report and facing questions, consult the How to Read Your Report Help Guide. For help with calculations, the Scoring Quick Reference Guide serves as a convenient resource.

That completes my portion of the presentation today. I will now pass the presentation back over to Brandi Bryant. Brandi, back to you.

Brandi Bryant:

Due to the comprehensive and enlightening nature of our presentation today, we are unable to accommodate questions within the allotted time. However, we do encourage you to continue engaging by using the [QualityNet Question and Answer Tool](#).

This completes our webinar for today.

Have a wonderful day!