



Overview of the FY 2024 Hospital-Acquired Condition (HAC) Reduction Program

**Hosted by: Inpatient Value, Incentives, and Quality Reporting
Outreach and Education Support Contractor (Inpatient VIQR SC)**

September 7, 2023

Webinar Chat Questions

Please submit any questions that are pertinent to the webinar topic via the Chat tool. As time permits, we will answer these questions at the end of the webinar. Pertinent questions not answered will be addressed in a questions-and-answers document, to be published at a later date.

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If you have a question unrelated to the current webinar topic, we recommend that you first search for it in the [QualityNet](#) Inpatient Questions and Answers tool, at [QualityNet Question and Answer Tool](#). If you do not find an answer, then submit your question to us via the same tool.

We will respond to questions as soon as possible.

Speakers

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HAC Reduction Program Manager
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Moderated by:

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Purpose

This event will provide an overview of the fiscal year (FY) 2024 HAC Reduction Program, including:

- Program updates
- Methodology
- Hospital-Specific Reports (HSRs)
- Scoring Calculations Review and Correction Period

Objectives

Participants will be able to:

- Interpret the program methodology
- Understand your hospital's program results in your HSR
- Know how to submit questions about your hospital's calculations during the HAC Reduction Program Scoring Calculations Review and Correction Period

Kristanna Peris, MPH

HAC Reduction Program Manager

DVIQR Program Support (DPS)

HAC Reduction Program

Program Background

What is the HAC Reduction Program?

- A Medicare value-based purchasing program that reduces payments to hospitals based on their performance on measures of hospital-acquired conditions
- The program encourages hospitals to implement best practices to reduce their rates of healthcare-associated infections and improve patients' safety

Program Background

How does the HAC Reduction Program work?

- CMS evaluates overall hospital performance by calculating Total HAC Scores as the equally weighted average of scores across the six measures included in the program
- Hospitals with a Total HAC Score greater than the 75th percentile (that is, the worst-performing quartile) of all Total HAC Scores will be subject to a 1-percent payment reduction

Eligible Hospitals

The HAC Reduction Program includes all subsection (d) hospitals

- Subsection (d) hospitals are broadly defined as general acute care hospitals paid under the Inpatient Prospective Payment System (IPPS)
- Maryland hospitals are exempt from payment reductions under the HAC Reduction Program due to an agreement between CMS and Maryland

Program Measures

Measure	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
CMS PSI 90 (Patient Safety and Adverse Events Composite)	✓	✓	✓	✓	✓	✓	✓	✓	X	✓
CLABSI (Central Line-Associated Bloodstream Infection)	✓	✓	✓	✓	✓	✓	✓	✓	X	✓
CAUTI (Catheter-Associated Urinary Tract Infection)	✓	✓	✓	✓	✓	✓	✓	✓	X	✓
SSI (Colon and Abdominal Hysterectomy Surgical Site Infection)	-	✓	✓	✓	✓	✓	✓	✓	X	✓
MRSA (Methicillin-resistant <i>Staphylococcus aureus</i>) bacteremia	-	-	✓	✓	✓	✓	✓	✓	X	✓
CDI (<i>Clostridium difficile</i> Infection)	-	-	✓	✓	✓	✓	✓	✓	X	✓

CMS adopted the modified version of the CMS PSI 90 measure in the FY 2018 HAC Reduction Program. CMS paused use of all HAC Reduction Program measures in the FY 2023 program year.

FY 2024 Program Information

Updates for FY 2024

For the FY 2024 HAC Reduction Program, CMS:

- Used Version 13.0 PSI software to calculate CMS PSI 90
- Updated the performance period for CMS PSI 90 to include patient discharges from January 1, 2021, through June 30, 2022*
- Updated the performance period for the CDC NHSN HAI measures to include patient discharges from January 1, 2022, through December 31, 2022**

*CMS is excluding Q3 and Q4 2020 claims data, as finalized in the [FY 2022 IPPS/LTCH PPS final rule](#) (86 FR 45301–45307). This abbreviates the typical 2-year performance period to 18 months.

**CMS is excluding all CY 2021 HAI data as finalized in the [FY 2023 IPPS/LTCH PPS final rule](#) (87 FR 49130–49132). This abbreviates the typical 2-year performance period to 12 months.

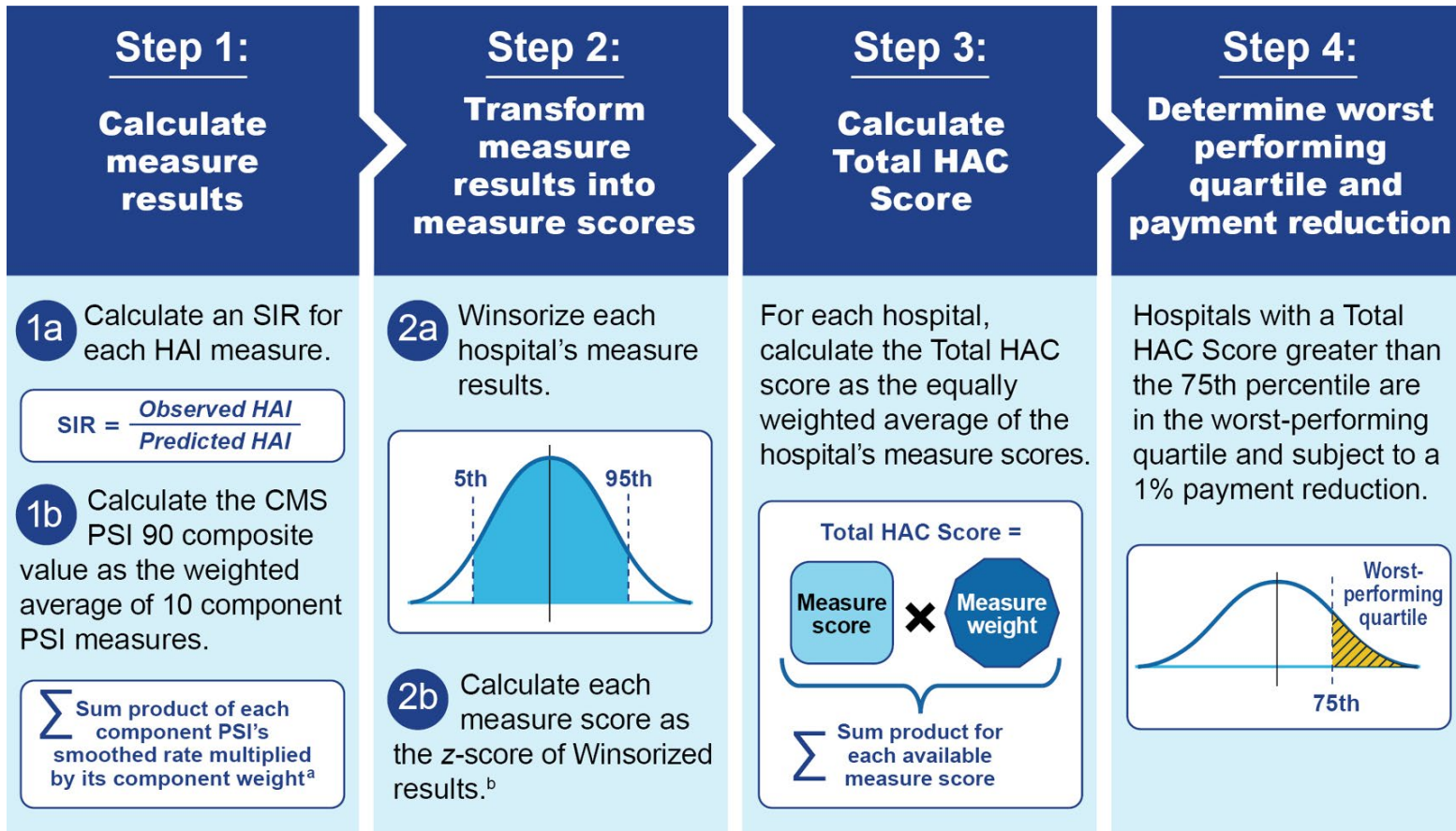
Updates for FY 2024 (Continued)

For the FY 2024 HAC Reduction Program, CMS:

- Updated the CMS PSI 90 minimum volume threshold ([87 FR 49133–49134](#)) to only score hospitals with:
 - At least 25 eligible discharges on at least 1 component PSI measure; and
 - At least 3 eligible discharges on at least 7 component PSI measures.
- Implemented the Complete Data policy to not score hospitals on the CMS PSI 90 measure if they have fewer than 12 months of data during the performance period ([81 FR 57012](#)).
- Implemented the validation policy ([83 FR 41481–41482](#)), which assigns the maximum (worst) Winsorized z-score for the HAI measures validated if a hospital fails validation.
- Add a risk adjustment parameter for COVID-19 diagnoses in Version 13.0 of the CMS PSI 90 software ([87 FR 49134–49136](#)).

Scoring Methodology

Scoring Methodology



^a The PSI component weight is the product of the component PSI measure's harm weight and volume weight and is assigned to each individual component PSI measure in calculating hospitals' CMS PSI 90 composite value.

^b A Winsorized z-score is equal to the difference between a hospital's Winsorized measure result and the mean of Winsorized measure results calculated across all subsection (d) hospitals, divided by the standard deviation of Winsorized measure results calculated across all subsection (d) hospitals. Negative Winsorized z-scores indicate better performance. Positive Winsorized z-scores indicate worse performance.

Step 1: Calculate Measure Results

A hospital's measure result is the base value used to calculate performance for the program:

- For the **CMS PSI 90 measure** the measure result is the CMS PSI 90 composite value
- For the **CDC NHSN HAI measures** the measure result is the standardized infection ratio (SIR), calculated by the CDC

Step 2: Transform measure results into measure scores

For each measure, CMS calculates a hospital's measure score as the Winsorized z-score of the measure result. This involves two steps:

1. Winsorizing measure results
2. Calculating z-scores based on the Winsorized measure results

Step 2: Transform measure results into measure scores

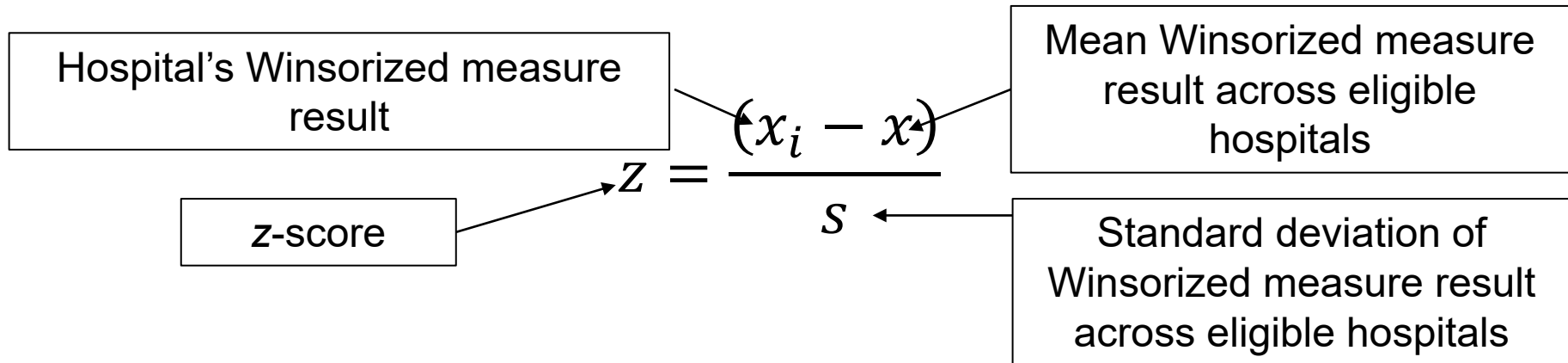
Winsorization is a process that reduces the impact of extreme or outlying measure results but preserves hospitals' relative results

Hospital's measure result	Winsorized measure result
Less than the 5 th percentile	Equal to the 5 th percentile value
Between the 5 th and 95 th percentile	Equal to the measure result
Greater than the 95 th percentile	Equal to the 95 th percentile value

CMS determines the 5th and 95th percentiles based on the distribution of measure results from all eligible hospitals with measure results, including Maryland hospitals.

Step 2: Transform measure results into measure scores

CMS calculates a hospital's Winsorized z-score, z , for each measure as:



- Hospitals that perform **worse** than the mean will earn a **positive** Winsorized z-score
- Hospitals that perform **better** than the mean will earn a **negative** Winsorized z-score

Step 3: Calculate Total HAC Scores

CMS calculates each hospital's Total HAC Score as the equally weighted average of the hospital's measure scores (that is, the Winsorized z-scores)

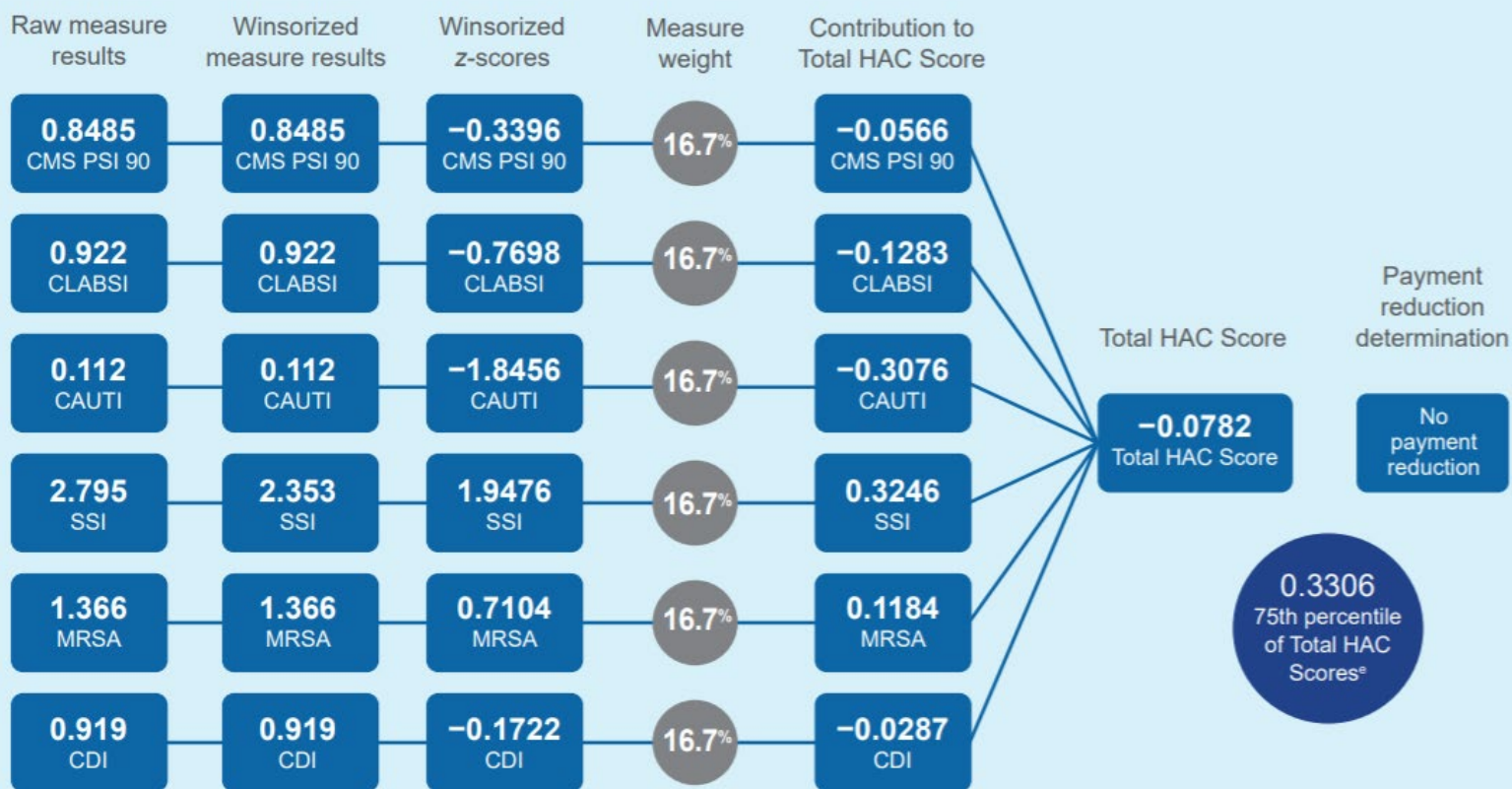
- The Total HAC Score calculation includes only the measures for which a hospital receives a measure score
 - Higher Total HAC Scores indicate **worse** overall performance
 - Lower Total HAC Scores indicate **better** overall performance

Step 4: Determine the Worst-Performing Quartile

- Hospitals whose Total HAC Score is greater than the 75th percentile Total HAC Score among all eligible hospitals will receive a payment reduction for FY 2024
 - CMS exempts Maryland hospitals from payment reductions under the HAC Reduction Program due to an agreement with Maryland, and excludes them from the distribution of hospitals used to determine the 75th percentile

Example Calculation

Example of calculating Hospital A's results using Equal Measure Weights and Winsorized z-scores:



^e CMS includes all non-Maryland subsection (d) hospitals with a Total HAC Score in its calculation of the 75th percentile.

Payment Reduction

- The 1-percent payment reduction applies to the overall Medicare payment amount for all Medicare fee-for-service discharges during FY 2024 (that is, from October 1, 2023, to September 30, 2024)
- The payment reduction occurs when CMS pays hospital Medicare fee-for-service claims

Hospital-Specific Reports (HSRs) and Scoring Calculations Review and Correction Period

HAC Reduction Program HSR

- The HAC Reduction Program HSR provides hospitals the necessary information to review their program results, replicate the program calculations, and submit correction requests
- Hospitals should refer to the FY 2024 HSR User Guide (HUG) for instructions on replicating program results using the HSR

How to Access Your HSR

Where can I access the report?

- HSRs can now be downloaded directly from the [Hospital Quality Reporting \(HQR\) system](#).

Who has access to the HSRs and User Guide?

- HSRs are accessible to users in your organization who have:
 - A HARP account in the HQR system
 - To register for a HARP account, you can follow the instructions on the QualityNet Website for [requesting a HARP ID](#)
 - Access to Managed File Transfer

How will I know my report is available?

- An email notification indicating that HSRs are available is sent to users via the Hospital Inpatient Value-Based Purchasing (HVBP) Listserv.

HSR Contents

The HAC Reduction Program HSR provides hospitals with the following information:

- Contact information for the program and additional resources
- FY 2024 payment reduction status
- Total HAC Score
- Winsorized z-scores for all measures in the Program
- Measure results for all measures in the Program
- Discharge-level information for CMS PSI 90
- Hospital-level information for the CDC NHSN HAI measures

HSR Table 1 Total HAC Score

Table 1: Your Hospital's Total HAC Score Performance for the FY 2024 HAC Reduction Program

HOSPITAL NAME

CDC NHSN HAI CLABSI, CAUTI, SSI, MRSA bacteremia, and CDI Measures Hospital Data Period: January 1, 2022 through December 31, 2022

CMS PSI 90 Hospital Discharge Period: January 1, 2021 through June 30, 2022

CMS PSI 90 Contribution to Total HAC Score [a]	CLABSI Contribution to Total HAC Score [b]	CAUTI Contribution to Total HAC Score [c]	SSI Contribution to Total HAC Score [d]	MRSA bacteremia Contribution to Total HAC Score [e]	CDI Contribution to Total HAC Score [f]	Total HAC Score for Your Hospital [g]	Payment Reduction Threshold (75th Percentile) [h]	Subject to Payment Reduction (Yes/No) [i]
-0.1755	-0.3449	-0.0500	NMS	NMS	-0.0760	-0.6463	0.3751	No

Note: This is an example and is not the actual Payment Reduction Threshold (75th percentile).

HSR Table 2 Winsorized z-scores

Table 2: Your Hospital's Measure Results and Winsorized z -scores for the FY 2024 HAC Reduction Program

HOSPITAL NAME

CDC NHSN HAI CLABSI, CAUTI, SSI, MRSA bacteremia, and CDI Measures Hospital Data Period: January 1, 2022 through December 31, 2022

CMS PSI 90 Hospital Discharge Period: January 1, 2021 through June 30, 2022

Measure [a]	Measure Result [b]	5th Percentile Measure Result [c]	95th Percentile Measure Result [d]	Winsorized Measure Result [e]	Mean Winsorized Measure Result [f]	Standard Deviation of Winsorized Measure Results [g]	Winsorized z-score [h]	Weight of Winsorized z -score for Your Hospital [i]	Contribution of Winsorized z -score to Total HAC Score [j]
CMS PSI 90	0.9121	0.8074	1.2663	0.9121	0.9947	0.1178	-0.7019	0.2500	-0.1755
CLABSI	0.0000	0.0000	2.2020	0.0000	0.8282	0.6004	-1.3794	0.2500	-0.3449
CAUTI	0.5900	0.0000	1.9320	0.5900	0.6970	0.5354	-0.1999	0.2500	-0.0500
SSI	INS	0.0000	2.1580	INS	0.8240	0.6157	NMS	NMS	NMS
MRSA bacteremia	INS	0.0000	2.3260	INS	0.8852	0.6335	NMS	NMS	NMS
CDI	0.3710	0.0000	1.2430	0.3710	0.4724	0.3336	-0.3041	0.2500	-0.0760

HSR Table 3 CMS PSI Performance

Table 3: Your Hospital's Performance on CMS PSI 90 for the FY 2024 HAC Reduction Program

HOSPITAL NAME

Discharge Period: January 1, 2021 through June 30, 2022

Performance Information	CMS PSI 90 [a]	PSI 03 – Pressure Ulcer Rate	PSI 06 – Iatrogenic Pneumothorax Rate	PSI 08 – In Hospital Fall with Hip Fracture Rate	PSI 09 – Postoperative Hemorrhage or Hematoma Rate	PSI 10 – Postoperative Acute Kidney Injury Requiring Dialysis Rate	PSI 11 – Postoperative Respiratory Failure Rate	PSI 12 – Perioperative Pulmonary Embolism or Deep Vein Thrombosis Rate	PSI 13 – Postoperative Sepsis Rate	PSI 14 – Postoperative Wound Dehiscence Rate	PSI 15 – Abdominopelvic Accidental Puncture or Laceration Rate
1. Composite Value	0.9121	--	--	--	--	--	--	--	--	--	--
2. Total Number of Eligible Discharges (Denominator) at Your Hospital [b]	--	835	1,162	1,205	97	68	66	115	62	32	96
3. Number of Outcomes (Numerator) [b]	--	0	0	0	1	0	0	0	0	0	0
4. Observed Rate per 1,000 Eligible Discharges [b]	--	0.0000	0.0000	0.0000	10.3093	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
5. Expected Rate per 1,000 Eligible Discharges [b]	--	0.6608	0.1375	0.0455	1.3316	0.8591	4.1603	4.1128	3.0131	1.8430	1.0718
6. Risk-Adjusted Rate per 1,000 Eligible Discharges [b]	--	0.0000	0.0000	0.0000	19.1640	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
7. Smoothed Rate per 1,000 Eligible Discharges [b] [c]	--	0.3582	0.2322	0.0871	2.6876	1.5779	8.3498	3.3741	5.0932	2.0301	1.0703
8. National Composite Value [d]	1.0000	--	--	--	--	--	--	--	--	--	--
9. National Risk-Adjusted Rate per 1,000 Eligible Discharges [b]	--	0.5802	0.2378	0.0883	2.4753	1.6071	8.8565	3.5643	5.2217	2.0595	1.1009
10. Measure's Weight in Composite [b]	--	0.1545	0.0354	0.0145	0.0386	0.0762	0.2563	0.1637	0.2104	0.0174	0.0331
11. Reliability Weight [b]	--	0.3826	0.0234	0.0134	0.0127	0.0182	0.0572	0.0534	0.0246	0.0143	0.0278

HSR Table 4 CMS PSI Discharges

Table 4: Your Hospital's Discharge-Level Information for CMS PSI 90 for the FY 2024 HAC Reduction Program

HOSPITAL NAME

Discharge Period: January 1, 2021 through June 30, 2022

ID Number	Measure	HICNO	MBI [a]	Medical Record Number	Beneficiary DOB	Admission Date	Discharge Date	PSI Trigger Diagnoses or Procedures	DX1	POA1
1	POSTOPERATIVE HEMORRHAGE OR HEMATOMA (PSI09)	999999999A	9AA9AA9AA99	99999A	99/99/9999	99/99/9999	99/99/9999	M96840, 0Y3F0ZZ	T8453XA	Y

HSR Table 5 CDC HAI Performance

Table 5: Your Hospital's Performance on CDC NHSN HAI CLABSI, CAUTI, SSI, MRSA bacteremia, and CDI Measures for the FY 2024 HAC Reduction Program

HOSPITAL NAME

Data Period: January 1, 2022 through December 31, 2022

Performance Information	CLABSI [a]	CAUTI [a]	SSI [a]	MRSA bacteremia [a]	CDI [a]
1. Reported Number of HAIs [b]	0	1	0	0	2
2. Predicted Number of HAIs [c]	1.043	1.696	0.625	0.883	5.386
3. Reported Central-line Days or Urinary Catheter Days; Surgical Procedures Performed; MRSA bacteremia Patient Days; CDI Patient Days [d]	1,286	2,129	38	15,808	15,808
4. SIR [e]	0.000	0.590	INS	INS	0.371
5. National SIR [f]	0.841	0.666	0.888	0.907	0.478

Scoring Calculations Review and Correction Period

- The Scoring Calculations Review and Correction Period begins the first full business day following when HSRs are made available in the HQR system. **For FY 2024, the Scoring Calculations Review and Correction Period extends from August 30, 2023, through September 28, 2023.**
- CMS grants hospitals 30 days to review their HAC Reduction Program data, submit questions about their results, and request a correction if a calculation error is identified.
- Submit questions and correction requests to the HAC Reduction Program Support Team via the [QualityNet Question and Answer Tool](#) no later than 11:59 pm PT on the final day of the Scoring Calculations Review and Correction Period.

What can hospitals correct?



Hospitals



Can

Submit questions about the calculation of their:

- Measure results
- Measure scores
- Total HAC Score
- Payment reduction status



Cannot

- Submit additional corrections related to underlying claims data for the CMS PSI 90 measure
- Change the SIRs or the reported number of HAIs, and central-line days, urinary catheter days, surgical procedures performed, or patient days

Correcting CMS PSI 90 Data

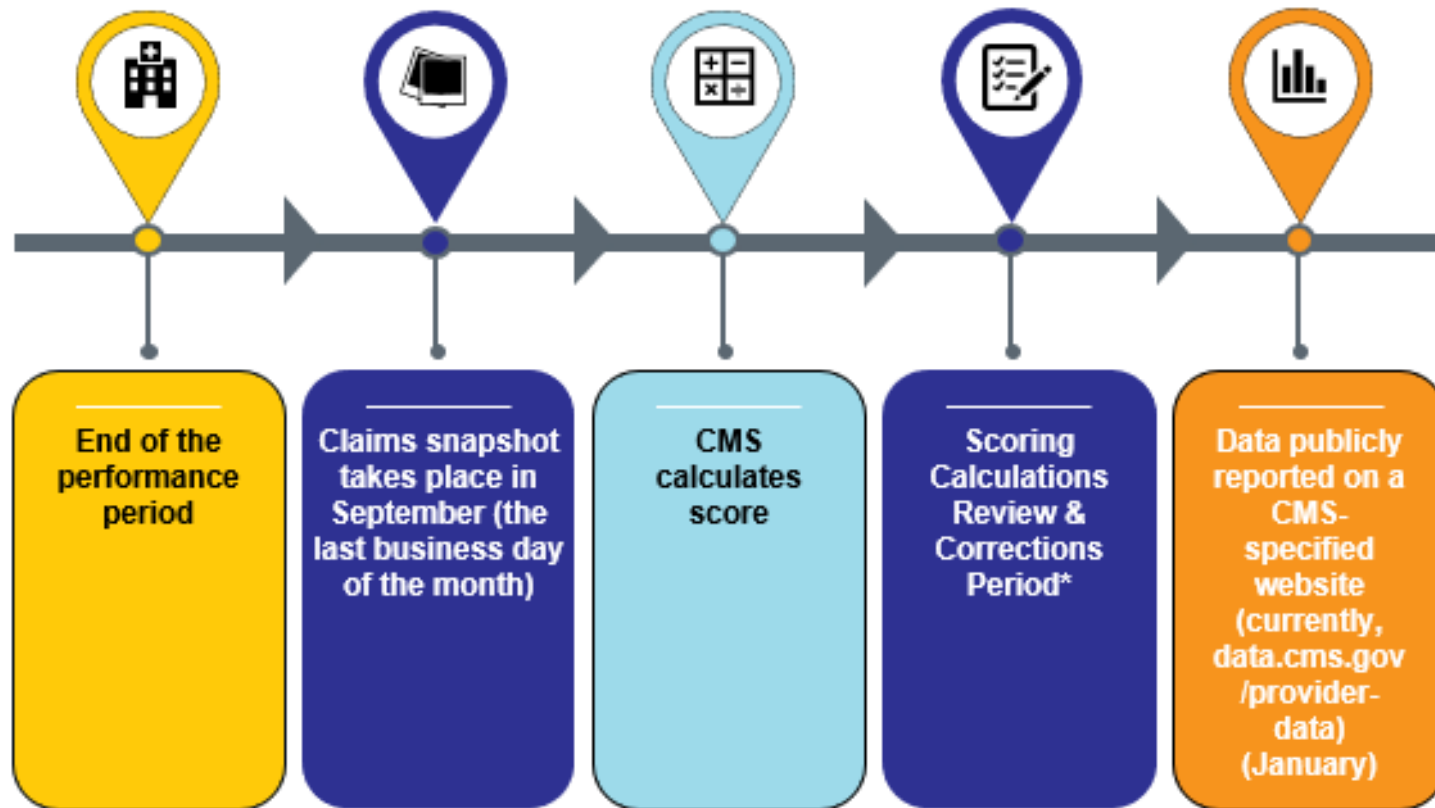
Hospitals **cannot** correct underlying claims data during the Scoring Calculations Review and Correction Period, because hospitals have already had the opportunity to review and correct those data.

For CMS PSI 90:

- CMS takes an annual snapshot of claims data to perform measure calculations for claims-based measures
- The snapshot for FY 2024 calculations occurred on September 30, 2022
- Medicare Administrative Contractors must have processed all corrections to underlying claims by the snapshot date, and claim edits after this date will not be reflected in program results
- The next claims snapshot (for FY 2025 calculations) will occur on September 29, 2023

Claims-Based Data

CMS PSI 90



* Hospitals may not change underlying data during this period

Correcting CDC NHSN HAI Data

Hospitals **cannot** correct underlying HAI data during the Scoring Calculations Review and Correction Period, because hospitals have already had the opportunity to review and correct that data.

For the CDC NHSN HAI measures:

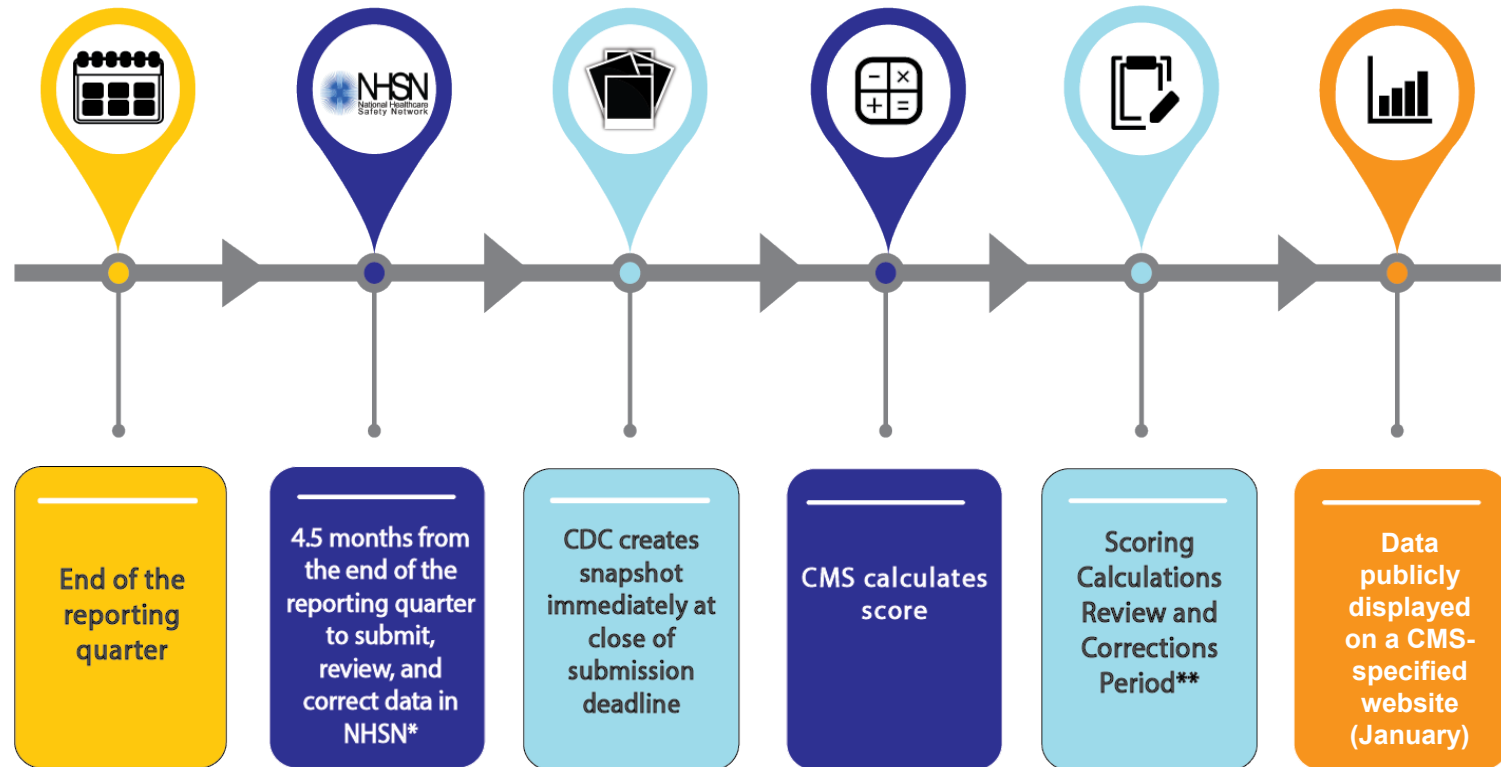
- Hospitals can submit, review, and correct the CDC NHSN HAI data for the full 4.5 months after the end of the reporting quarter
- Immediately after the NHSN submission deadline, CDC creates a data file for CMS to use in HAC Reduction Program calculations
- CMS does not receive or use data entered after the NHSN submission deadline
- CMS expects hospitals to review and correct their data before the NHSN submission deadline

NHSN Submission Deadlines

Reporting quarter	Applicable calendar months	NHSN submission deadline*
Q1	January, February, March	August 15
Q2	April, May, June	November 15
Q3	July, August, September	February 15
Q4	October, November, December	May 15

*If the 15th of the month falls on a Friday, Saturday, Sunday, or Federal holiday, the NHSN submission deadline is the following Monday

HAI Data Flow



*Eligible hospitals have until May 15 of each year to submit an HAI exemption form for CLABSI, CAUTI, and SSI only.

** The Scoring Calculations Review and Corrections Period does not allow hospitals to correct: (1) reported number of HAIs; (2) standardized infection ratios (SIRs); and (3) reported central-line days, urinary catheter days, surgical procedures performed, or patient days.

Public Reporting

In early 2024, CMS will release the following FY 2024 HAC Reduction Program information on a CMS-specified website (currently, Data.CMS.gov/provider-data):

- CMS PSI 90, CLABSI, CAUTI, SSI, MRSA bacteremia, and CDI measure results and measure scores
- Total HAC Score
- Payment reduction indicator

More Information

CMS releases a HAC Reduction Program HSR User Guide (HUG) and a Mock HSR on the QualityNet website.

For more information, hospitals can contact the HAC Reduction Program Support Team via the [QualityNet Question and Answer Tool](#) to:

- Submit questions about the calculations
- Request a copy of the Example Replication Instructions
- Request a copy of version 13.0 of the CMS PSI Software

Refer to the Replication Instructions document on the [QualityNet CMS PSI Resources webpage](#) for instructions on how to use the CMS PSI Software.

HAC Reduction Program Resources

General information on the HAC Reduction Program can be found on QualityNet:

- **Program information:** [Hospitals – Inpatient > Hospital-Acquired Condition Reduction Program \(HACRP\)](#)
- **HSR User Guide and Mock HSR:** [Hospitals – Inpatient > Hospital-Acquired Condition \(HAC\) Reduction Program > Reports](#)
- **FAQs, Fact Sheet, Matrix of Key Dates, and Payment Reduction Methodology Infographic:** [Hospitals – Inpatient > Hospital-Acquired Condition \(HAC\) Reduction Program > Resources](#)
- **Scoring Calculations Review and Correction Period information on QualityNet:** [Hospitals – Inpatient > Hospital-Acquired Condition \(HAC\) Reduction Program > Payment](#)
- **CMS PSI Resources on QualityNet:** [Hospitals – Inpatient > Measures > Patient Safety Indicators \(PSI\)](#)

HAC Reduction Program Contacts

Submit questions about the HAC Reduction Program to the [QualityNet Question and Answer Tool](#) by selecting “Ask a Question” and then use the table below to determine which Program, Topic, and Subtopic to select.

Question Subject	Program	Topic and Subtopic (if applicable)
Scoring Calculations Review and Correction Period	HACRP – Hospital-Acquired Condition Reduction Program	Topic: HACRP Review & Correction Requests
Your hospital’s results, issues accessing the HSR, or patient-level data	HACRP – Hospital-Acquired Condition Reduction Program	Topic: Hospital-specific reports & requests
Request for Excel replication example	HACRP – Hospital-Acquired Condition Reduction Program	Topic: HSR replication example
Scoring methodology	HACRP – Hospital-Acquired Condition Reduction Program	Topic: General Information (HACRP)
CMS PSI 90 questions	Inpatient Claims-Based Measures	Topic: Patient Safety Indicators (PSI)

Questions

Acronyms

CAUTI	Catheter-associated urinary tract infection
CDC	Centers for Disease Control and Prevention
CDI	<i>Clostridium difficile</i> infection
CLABSI	Central line-associated bloodstream infection
CMS	Centers for Medicare & Medicaid Services
CMS PSI 90	CMS Patient Safety and Adverse Events Composite
CY	Calendar year
FY	Fiscal year
HAC	Hospital-acquired condition
HAI	Healthcare-associated infection
HARP	HCQIS Access Roles and Profile
HQR	Hospital Quality Reporting
HSR	Hospital-Specific Report
HUG	HSR User Guide
HVBP	Hospital Inpatient Value-Based Purchasing
IPPS	Inpatient Prospective Payment System
MRSA	Methicillin-resistant <i>Staphylococcus aureus</i> bacteremia
NHSN	National Healthcare Safety Network
Q	Quarter
SIR	Standardized infection ratio
SSI	Surgical site infection

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