



# Program Summary

## Understanding the Fiscal Year 2020 Hospital Value-Based Purchasing Program

In the Hospital VBP Program, CMS rewards hospitals based on the **quality** of care provided to Medicare patients, not just **quantity** of services provided. Under the Hospital VBP Program, Medicare makes incentive payments to hospitals based on one of the following:

- **Achievement:** How well they perform on each measure compared to other hospitals' performance during a baseline period
- **Improvement:** How much they improve their performance on each measure compared to their performance during a baseline period

### Funding

CMS funds the Hospital VBP Program incentive payments by reducing the base operating Medicare Severity diagnosis-related group (MS-DRG) payment amounts that determine the Medicare payment for each hospital inpatient discharge by 2 percent. The withheld amounts are then redistributed back to hospitals based on their performance under the Hospital VBP Program. CMS estimates \$1.9 billion is available for the FY 2020 value-based incentive payments.

### Payments

Hospital VBP Program payment adjustments are applied to the base operating MS-DRG payment amount for each discharge occurring in the applicable fiscal year on a per claim basis. For example, the FY 2020 Hospital VBP Program adjusts payments for discharges in FY 2020 (October 1, 2019–September 30, 2020). Based on a hospital's Total Performance Score (TPS) in comparison to the TPSs from the other hospitals and estimated funds available, CMS redistributes the available funding. The result of the redistribution could be a net increase in payments (i.e., a hospital gets back its 2 percent reduction, plus additional incentive payments), a net reduction in payments (i.e., a hospital receives incentive payments that are less than the 2 percent reduction, or further reduced), or no change in payments (i.e., a hospital receives incentive payments that are equal to the 2 percent reduction).

### Purpose of the PPSR

The PPSR provides hospitals participating in the Hospital VBP Program with the opportunity to review their TPS and value-based incentive payment adjustment factor that will be applied in FY 2020.

### Performance Measurement




CMS bases hospital performance on an approved set of measures and dimensions grouped into specific quality domains. Domains are assigned weights (percentages) of the TPS.



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### Measures





Domain	Measure ID	Measure Name
 <b>Clinical Outcomes</b>	MORT-30-AMI	Acute Myocardial Infarction (AMI) 30-Day Mortality Rate
	MORT-30-HF	Heart Failure (HF) 30-Day Mortality Rate
	MORT-30-PN	Pneumonia (PN) 30-Day Mortality Rate
	COMP-HIP-KNEE	Elective Total Hip Arthroplasty (THA) and/or Total Knee Arthroplasty (TKA) Complication Rate
 <b>Person and Community Engagement</b>	HCAHPS	Communication with Nurses
	HCAHPS	Communication with Doctors
	HCAHPS	Responsiveness of Hospital Staff
	HCAHPS	Communication about Medicines
	HCAHPS	Cleanliness and Quietness of Hospital Environment
	HCAHPS	Discharge Information
	HCAHPS	Care Transition
	HCAHPS	Overall Rating of Hospital
 <b>Safety</b>	CLABSI	Central Line-Associated Bloodstream Infection
	CAUTI	Catheter-Associated Urinary Tract Infection
	CDI	<i>Clostridium difficile</i> Infection
	MRSA	Methicillin-Resistant <i>Staphylococcus aureus</i> Bacteremia
	SSI	Surgical Site Infection (SSI): <ul style="list-style-type: none"> <li>• Colon Surgery</li> <li>• Abdominal Hysterectomy</li> </ul>
	PC-01	Elective Delivery Prior to 39 Completed Weeks Gestation
 <b>Efficiency and Cost Reduction</b>	MSPB	Medicare Spending per Beneficiary

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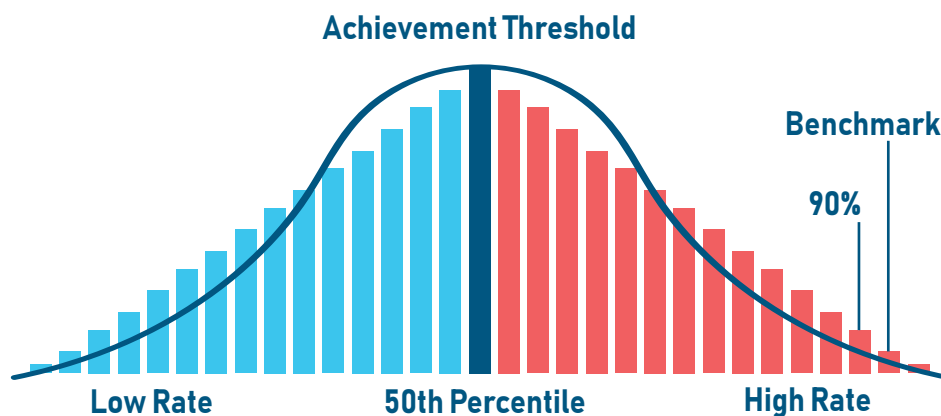
### Baseline and Performance Periods

A Hospital VBP Program *baseline period* is a designated time span when data are captured. The data captured during the baseline period are compared to data captured during a later time period known as the performance period. The data indicate how well a hospital is performing on an established set of quality measures. Data collected during the *performance period* are compared to data collected for each participating hospital during a baseline period as well as to all other eligible hospitals in the Hospital VBP Program during the performance period. CMS uses this comparison to determine achievement and improvement in quality.

Domain	Measure	Baseline Period	Performance Period
 <b>Clinical Outcomes</b>	Mortality Measures	July 1, 2010–June 30, 2013	July 1, 2015–June 30, 2018
	THA/TKA Complication Measure	July 1, 2010–June 30, 2013	July 1, 2015–June 30, 2018
 <b>Person and Community Engagement</b>	HCAHPS Survey	January 1–December 31, 2016	January 1–December 31, 2018
 <b>Safety</b>	HAI Measures	January 1–December 31, 2016	January 1–December 31, 2018
	PC-01	January 1–December 31, 2016	January 1–December 31, 2018
 <b>Efficiency and Cost Reduction</b>	MSPB	January 1–December 31, 2016	January 1–December 31, 2018

### Scoring Methodology

CMS assesses each hospital's performance by comparing its **achievement** and **improvement** scores for each applicable Hospital VBP Program measure. CMS uses an achievement threshold and benchmark to determine how many points to award for the achievement and improvement scores. *QualityNet* has [Domain Weighting Quick Reference Guides](#) available which include the domain, measures, baseline and performance periods, threshold and benchmark rates, and payment adjustment effective dates for each fiscal year on one page.

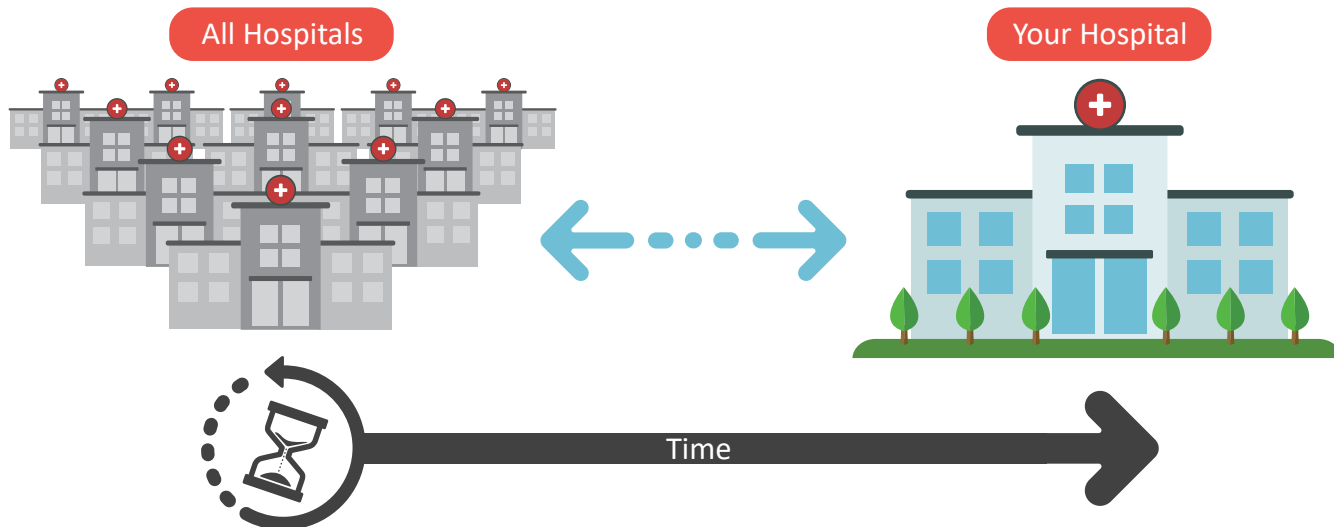


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**Achievement points** are awarded for each measure by comparing an individual hospital's rates during the performance period to all hospitals' rates from the baseline period:

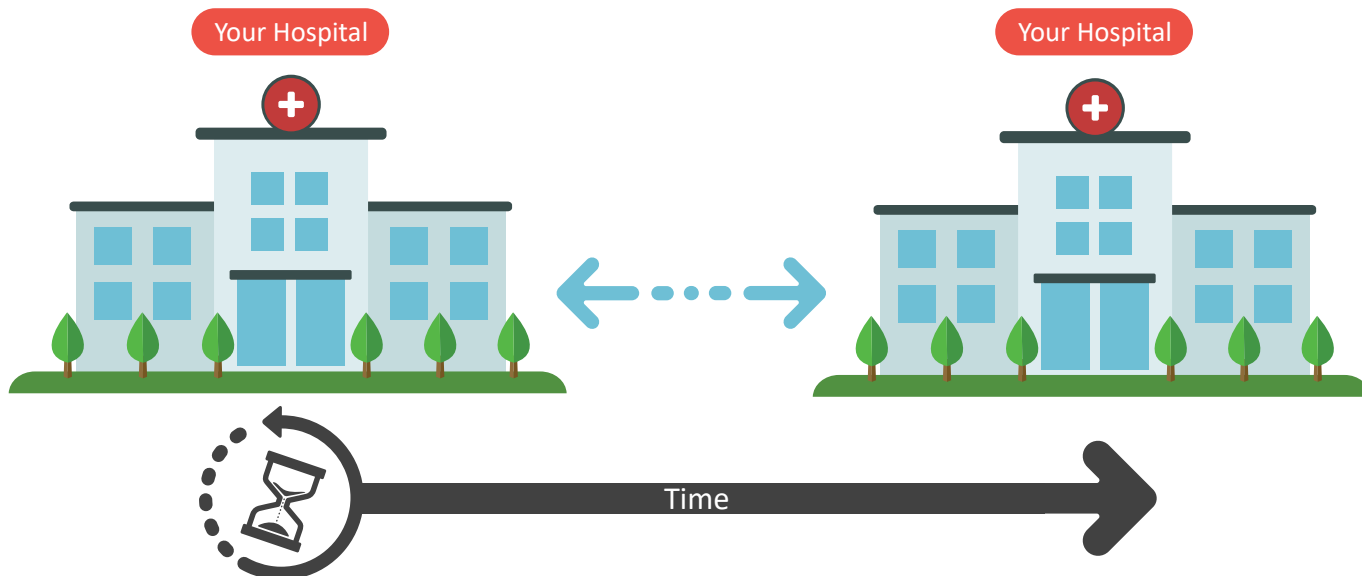
- Hospital rate at or better than the benchmark = 10 achievement points
- Hospital rate worse than the achievement threshold = 0 achievement points
- Hospital rate is equal to or better than the achievement threshold but worse than the benchmark = 1–9 achievement points



**Improvement points** are awarded for each measure by comparing an individual hospital's rates during the performance period to that same individual hospital's rates from the baseline period:

- Hospital rate at or better than the benchmark = 9 improvement points
- Hospital rate at or worse than the baseline period score = 0 improvement points
- Hospital rate is better than the baseline period score but worse than the benchmark = 0–9 improvement points

Hospitals with rates at or better than the benchmark, but not better than their baseline period rate (that is, they have a performance period rate below the baseline period rate), will receive 0 improvement points, as no improvement was actually observed.





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### Appeal Period

Hospitals can only request an appeal after first requesting a review and correction of their performance scores. Hospitals that do not submit this formal request within 30 calendar days waive eligibility to submit CMS Hospital VBP Program appeals request(s) for the applicable fiscal year. Hospitals must receive an adverse determination from CMS of their review and correction calculation request prior to requesting an appeal.

### Resources

Additional information on the [Review and Corrections and Appeals](#) processes is available on *QualityNet*.

A separate document providing details on [How to Read Your FY 2020 Hospital VBP Percentage Payment Summary Report](#) is available on *QualityNet*. Select the **Hospital Value-Based Purchasing (HVBP)** link from the [Hospitals – Inpatient] tab drop-down list. Then, select the **Resources** link from the left-side navigation pane.

For an in-depth explanation and examples of the scoring methodology, review the [FY 2020 Hospital VBP Program Scoring Quick Reference Guide](#).

### Questions

For further assistance regarding the Hospital VBP Program, contact the Hospital Inpatient Value, Incentives, and Quality Reporting (VIQR) Outreach and Education Support Contractor through the Hospital Inpatient Questions and Answers tool at <https://cms-ip.custhelp.com/>, or by calling, toll-free, (844) 472-4477 or (866) 800-8765, weekdays from 8 a.m. to 8 p.m. ET.

To search for answered questions on the Hospital Inpatient Questions and Answers tool, provide a search word/phrase or select the **Find an Answer** button. Then, select a link under a topic header. New questions can be submitted by using the **Ask a Question** button. This requires a one-time registration.

For technical questions or issues related to accessing the report, contact the *QualityNet* Help Desk at: [qnetsupport@HCQIS.org](mailto:qnetsupport@HCQIS.org).