

Issue Brief

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KEY POINTS

- Facilities with total scores exceeding 6.75 will receive a 1 percent penalty.
- In fiscal year 2016, 758 out of 3,308 hospitals will receive the HAC reduction.
- In Missouri, 17 hospitals will receive the penalty.

CMS Releases Fiscal Year 2016 Results for the Hospital-Acquired Conditions Reduction Program

The Centers for Medicare & Medicaid Services has issued a fact sheet that includes the fiscal year 2016 results of the Hospital-Acquired Conditions Reduction Program. The material below is from the fact sheet.

HOSPITAL-ACQUIRED CONDITIONS REDUCTION PROGRAM OVERVIEW

Section 3008 of the Patient Protection and Affordable Care Act established the Hospital-Acquired Condition Reduction Program to provide an incentive for applicable hospitals to reduce HACs. Effective beginning FY 2015 (discharges beginning on Oct. 1, 2014), the HAC Reduction Program requires the Secretary to adjust payments to applicable hospitals that rank in the worst-performing quartile of all subsection (d) non-Maryland hospitals with respect to risk-adjusted HAC quality measures. These hospitals have their payments reduced to 99 percent of what would otherwise have been paid for such discharges.

FY 2016 HAC Reduction Program Results

In FY 2016, 758 out of 3,308 hospitals are subject to the HAC reduction will

have a 1 percent payment reduction applied to all Medicare discharges occurring between Oct. 1, 2015, and Sept. 30, 2016. In FY 2015, 724 hospitals were subject to a payment reduction.

CMS estimates that total savings in FY 2016 will be \$364 million.

In FY 2016, the 75th percentile of total HAC score cutoff was 6.75, compared to 7.00 in FY 2015. The cutoff contributed to the slight increase in the percentage of hospitals in the worst performing quartile, from 21.9 percent of applicable hospitals in FY 2015 to 22.9 percent of applicable hospitals in the FY 2016. Out of the 757 hospitals in the worst performing quartile in FY 2016, approximately 53.7 percent also were in the worst performing quartile in FY 2015.

Across the FY 2015 and FY 2016 programs, the average performance across eligible hospitals improved on two of the three measures included in both program years. In particular, the mean Patient Safety Indicator 90 Composite Index Value decreased from 0.89 to 0.86 in FY 2016, and the mean central line-associated blood stream infection standardized infection

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ratio decreased from 0.53 in FY 2015 to 0.48 in FY 2016. The mean catheter-associated urinary tract infection SIR increased slightly from 1.13 in FY 2015 to 1.17 in FY 2016. The mean surgical site infection SIR in FY 2016, which was the first year that this measure was used in the program, was 0.95.

Public Reporting

On Dec. 10, 2015, CMS made the following HAC Reduction Program information publicly available for each eligible hospital.

- PSI 90 composite measure score
- CLABSI, CAUTI, and SSI measure scores
- Domain 1 and Domain 2 scores
- Total HAC score

The FY 2016 HAC Reduction Program scores for hospitals can be found on Hospital Compare: <https://www.medicare.gov/hospitalcompare/HAC-reduction-program.html>.

The list of hospitals subject to the payment adjustments are posted on the following [CMS.gov](https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/HAC-Reduction-Program.html) website at this link: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/HAC-Reduction-Program.html>.

Measure Selection and Calculation

As finalized in the FY 2015 hospital inpatient prospective payment system/long term-care hospital prospective payment system final rule, CMS adopted the Agency for Healthcare Research and Quality PSI 90 composite and the Centers for Disease Control and Prevention National Healthcare Safety Network central line-associated bloodstream infection, catheter-associated

urinary tract infection, and surgical site infection measures for the FY 2016 HAC Reduction Program.

- The AHRQ PSI 90 Composite includes the following eight PSIs.
- PSI 03 - Pressure Ulcer
- PSI 06 - Iatrogenic Pneumothorax
- PSI 07 - Central Venous Catheter-Related Bloodstream Infections
- PSI 08 - Postoperative Hip Fracture
- PSI 12 - Perioperative Pulmonary Embolism or Deep Vein Thrombosis
- PSI 13 - Postoperative Sepsis
- PSI 14 - Postoperative Wound Dehiscence
- PSI 15 - Accidental Puncture or Laceration

The AHRQ PSI 90 Composite is a weighted average of the risk- and reliability-adjusted versions (or smoothed versions) of these eight PSIs. For the FY 2016 Program, CMS calculated smoothed versions of these eight PSIs using version 4.5a of the AHRQ PSI software, and hospitals' Medicare fee-for-service claims for discharges occurring from July 1, 2012, through June 30, 2014.

For the FY 2016 HAC Reduction Program, CDC calculated standardized infection ratios for the CLABSI, CAUTI and SSI measures. SIRs are ratios of observed-to-predicted numbers of HAIs. The CLABSI, CAUTI and SSI measures are risk-adjusted at the hospital-level and patient-care unit level. The CDC is using chart-abstracted surveillance data reported to the NHSN for infections occurring from Jan. 1, 2013, through Dec. 31, 2014 for the FY 2016 HAC Reduction Program calculations.

Scoring Methodology

There are three major steps taken to determine a hospital's total HAC score.

1. Hospitals are classified based on their measure results. Specifically, each hospital is assigned a measure score between 1 and 10 for each measure, which reflects the hospital's relative rank in 10 groups (or deciles) for that measure.
2. Measure scores are used to determine the domain scores.
 - For FY 2016, the Domain 1 score is determined by the points assigned for the PSI 90 Composite Index Value because that is the only measure in Domain 1.
 - Domain 2 is composed of the following three measures: CDC NHSN CLABSI, CAUTI and SSI. If a hospital has a measure score for all three, then the hospital's Domain 2 score equals the average of the hospital's CLABSI, CAUTI and SSI measure scores. If a hospital has a measure score for only two of the three Domain 2 measures, then the hospital's Domain 2 score equals the average of the points assigned for the two Domain 2 measures with points. If a hospital has points for only one of the three Domain 2 measures, then the hospital's Domain 2 score equals the number of points assigned to the Domain 2 measure with points.
 - Finally, a hospital will not receive a domain score when it does not have measure scores for any of the measures within the given domain.
3. A Hospital's total HAC score is determined by the sum of the weighted Domain 1 and Domain 2 scores. Domain 1 is weighted at 25 percent, and Domain 2 is weighted at 75 percent of the Total HAC Score for hospitals that received

a calculated Domain 1 score and Domain 2 score. If a hospital only has a score for one of the domains, then a weight of 100 percent will be applied to the domain for which the hospital has a score.

COMMENT

The fact sheet and the referred websites are to the point and easy to understand. What is concerning is the payment reductions associated with these types of "value judgments." Using statistical data by itself may not truly identify the quality measures and outcomes one would expect in determining the quality issue.

While all stakeholders are concerned about rewarding quality, do the existing measures really achieve their stated goals? Unfortunately, the use of such systems is increasing, with more payment reductions involved.

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