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Health and Human
Services Commission

Hospital Quality-Based Payment Program for PPR and PPC

A Refresher Webinar on the Medicaid Initiative to Improve Hospital Care

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Topics Covered in this Presentation

I. Background and Rationale
II. Potentially Preventable Readmissions (PPRs)
    - Goals, Methodology and process
    - Common questions
III. Potentially Preventable Complications (PPCs)
    - Goals, Methodology and process
    - Common questions
    - Update on POA issue
IV. Reports
    I. Distribution
    II. Format
V. New incentive program
VI. Resources
VII. Questions from attendees

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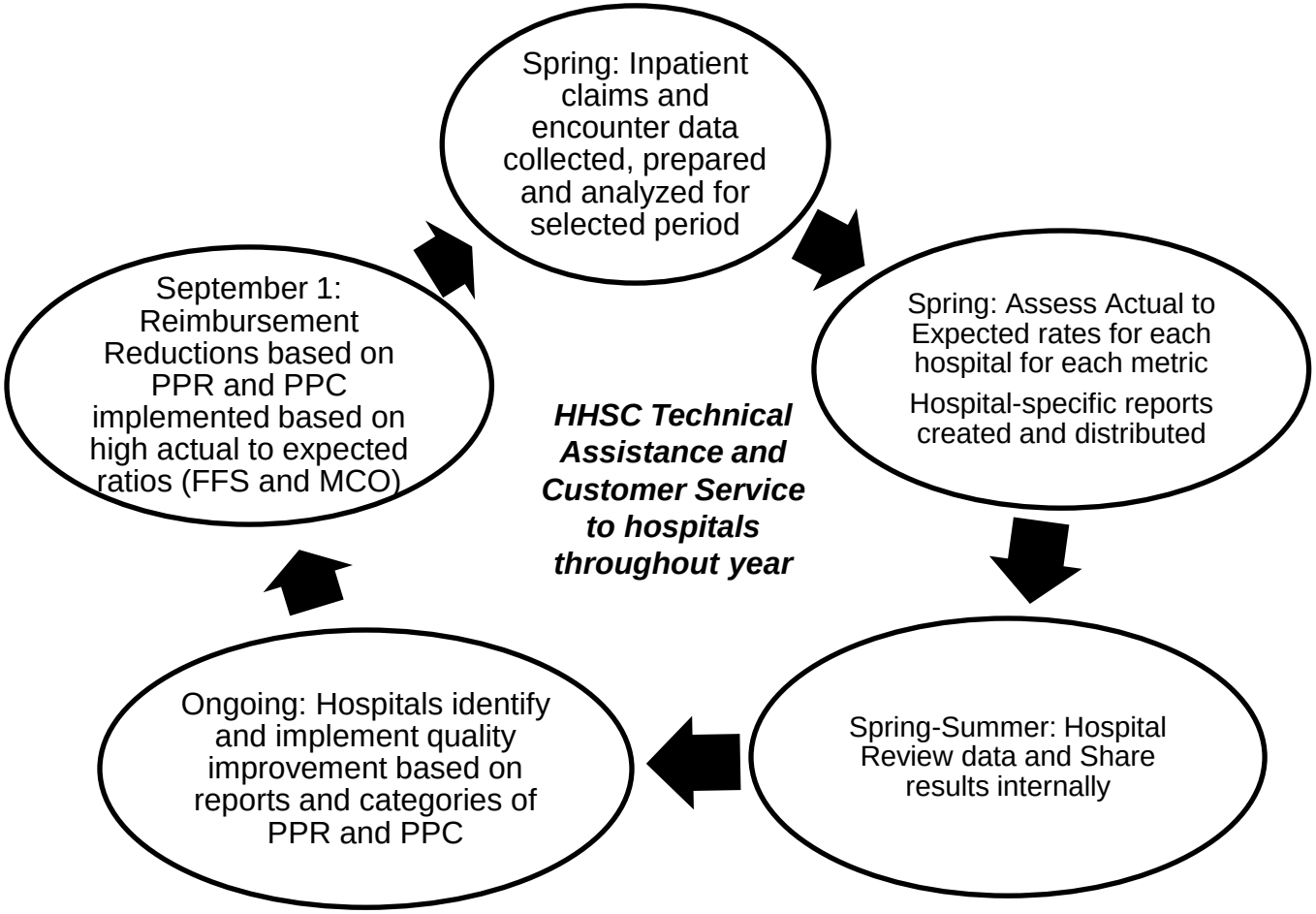
I. Background/Rationale

- Part of HHSC's and overall healthcare movement toward "Pay for Quality"
  - Includes:
    - This program
    - HHSC-MCO Pay for Quality
    - MCO-Provider value based payment models
    - Delivery System Reform Incentive Payment (DSRIP) program
    - Similar programs in Medicare, commercial insurance
- PPR and PPC program was legislatively directed
    - Used in Quality based payment program for PPR/PPC
    - Used in DSRIP
    - Used by DSHS
- PPRs and PPCs are viewed as within hospitals control

I. Background/Rationale: General Process



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II. Potentially Preventable Readmissions

- What are Potentially Preventable Readmissions (PPRs)?

PPRs are return hospitalizations that may result from deficiencies in care or treatment provided during a previous hospital stay. PPRs can also result from inadequate post-hospital discharge follow-up. They do not include unrelated events that occur post discharge. Readmissions may result from actions taken or omitted during the initial hospital stay, such as incomplete treatment or poor care of the underlying problem. In addition, a readmission may reflect poor coordination of services at the time of discharge and afterwards such as incomplete discharge planning, and/or inadequate access to care after discharge.

- Why does Texas care about PPRs?
  - Quality
  - Cost
  - High Quality+ Low Cost=Value

II. Potentially Preventable Readmissions (cont.)

- Methodology
  - Data Used
  - Software
  - Actual and expected rates, A/E ratios

What kinds of questions do we get from hospitals?

- Isn't this metric used elsewhere by HHSC?
- Are some hospitals adversely impacted due to their patient mix (i.e. risk adjustment)?
- Why does HHSC use a 15 data readmission window?
- Is reducing PPRs really an MCO responsibility?
- Why is older data used to assess financial penalties for future period?
- Why are there no incentives?
- Numerous administrative type questions
- Discharge code questions- e.g. psych hospitals

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III. Potentially Preventable Complications

- What are Potentially Preventable Complication (PPCs)?

A PPC is a harmful event or negative outcome with respect to a person, including an infection or surgical complication, that: (A) occurs after the person's admission to a hospital or long-term care facility; and (B) may have resulted from the care, lack of care, or treatment provided during the hospital or long-term care facility stay rather than from a natural progression of an underlying disease.

- Why does Texas care about PPCs?
  - Quality
  - Cost
  - High Quality+ Low Cost=Value

III. Potentially Preventable Complications (cont.)

- Methodology
  - Data Used
  - Software
  - Actual and expected rates, A/E ratios
  - Present on Admission (POA)

What kinds of questions do we get from hospitals?

- Isn't this metric used elsewhere by HHSC?
- How are the POA data thresholds developed?
- How are these POA data validated?
- Are some hospitals adversely impacted due to their patient mix (i.e. risk adjustment?
- Why is older data used to assess financial penalties for future period?
- Why are there no incentives?
- Numerous administrative type questions

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III. PPCs and Present on Admission (POA)

- POA is pivotal in measuring PPC rates and ratios
- Under-coding, over-coding, missing POA
- 3M quality check
- Recent POA issue

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III. POA Quality Checks

Quality Screen 1: High % Non POA for secondary diagnoses on the Pre-Existing List

This criterion identifies hospitals with a high percent non-POA (POA = N) for pre-existing secondary diagnosis codes.

Red Zone: % Non POA on Pre-Exist ≥ 7.5%

Grey Zone: 5% ≤ % Non POA on Pre-Exist < 7.5%

Quality Screen 2: High % POA for secondary diagnoses

This criterion identifies hospitals with an extremely high percent present on admission (POA = Y) for secondary diagnosis codes (excluding exempt, pre-existing, and OB 7600x-7799x codes).

Red Zone: % POA ≥ 96%

Grey Zone: 93% ≤ % POA < 96%

Quality Screen 3: Low % POA for secondary diagnoses

This criterion identifies hospitals with an extremely low percent present on admission for secondary diagnoses codes (excluding exempt, pre-existing, and OB 7600x-7799x codes).

Red Zone: % POA ≤ 70%

Grey Zone: 70% < % POA ≤ 77%

Quality Screen 4: High % POA for secondary diagnoses on the Elective Surgical List

This criterion identifies hospitals with a high percent non-POA (POA = N) for elective surgery secondary diagnosis codes.

Red Zone: % POA ≥ 40%

Grey Zone: 30% ≤ % POA < 40%

III. Update on recent POA data issue and correction

- Web-link to communication on this: http://www.hhsc.state.tx.us/hhsc_projects/ECI/docs/POA-information-FY14-082115.pdf

- One rural MCO transmitted erroneous POA data to HHSC (FY14 data period-FY16 adjustment period).
- HHSC determined that the issue was significant enough to warrant re-analysis
- Error was corrected, data was re-run: This impacted reimbursement adjustments for 31 hospitals.
- HHSC is in process of notifying hospitals and is sharing the list of impacted hospitals with Accenture (fee for service claims administrator) and MCOs:
  - Fee for service claims for impacted hospitals will be re-processed back to 9/1/15
  - MCOs provided with the same list as Accenture
  - Because many hospital's A/E have changed as a result of this re-run, hospitals will receive a new PPC report

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IV. PPR and PPC-Hospital Level Reports

- Reports and supplemental information are designed to help hospitals:
  - understand the process
  - efficiently assess their own performance relative to statewide averages
  - identify the categories of PPR/PPC so that they can target strategies to most effectively move their rates and impact their actual to expected ratios.
- Technical Notes: Accompany Reports and help provide a guide for information in reports
- Other 3M information

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IV. Hospital Level Report Elements-PPR

Hospital PPR Rates

	Total Admissions at Risk for PPR	Actual Number of PPR Chains	Actual PPR Weights	Expected PPR Weights	Actual-to-Expected Ratio	Total Reimbursement Reduction
Hospital Results						

Hospital PPR Expenditures

	Members with PPRs	Number of PPR Events	Actual PPR Expenditures
Hospital Results			

State-Wide Hospital PPR Rate

	25th Percentile	50th Percentile	90th Percentile
PPR Weights			

State-Wide Hospital Distributions

	25th Percentile	50th Percentile	90th Percentile
Total Admissions at Risk for PPR			
Actual Number of PPR Chains			
Members with PPRs			
Number of PPR Events			

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IV. Hospital Level Report Elements-PPR

Hospital PPR Results by PPR Reason

PPR Reason	PPR Weights	Fraction of Total PPR Weights	PPR Expenditures	Fraction of PPR Expenditures
1 — Medical readmission for a continuation or recurrence of the reason for the initial admission, or for a closely related condition				
2A — Ambulatory care sensitive conditions as designated by AHRQ				
2B — All other readmissions for a chronic problem that may be related to care either during or after the initial admission				
3 — Medical readmission for acute medical condition or complication that may be related to or may have resulted from care during initial admission or in post-discharge period after initial admission				
4 — Readmission for surgical procedure to address a continuation or a recurrence of the problem causing the initial admission				
5 —Readmission for surgical procedure to address a complication that may be related to or may have resulted from care during the initial admission				
6A —Readmission for mental health reasons following an initial admission for a non-mental health, non-substance abuse reason				
6B —Readmission for a substance abuse diagnosis reason following an initial admission for a non-mental health, non-substance abuse reason				
6C — Mental health or substance abuse readmission following an initial admission for a substance abuse or mental health diagnosis				

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IV. Hospital Level Report Elements-PPR

Hospital PPR Results by APR-DRG (Top 20 APR-DRGs by PPR Weights)

APR-DRG	PPR Weights	Fraction of Total PPR Weights	PPR Expenditures	Fraction of PPR Expenditures

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IV. Hospital Level Report Elements-PPC

Hospital Present on Admission (POA) Quality Check

% Not POA for Pre-Existing Secondary Diagnosis	% POA for Secondary Diagnosis Codes	% POA for Secondary Diagnosis on Elective Surgical Cases	POA Quality Screen #1	POA Quality Screen #2	POA Quality Screen #3	POA Quality Screen #4	POA Quality Check

Hospital PPC Resource Utilization

	Total Number of Admissions	Admissions at Risk for PPC	Number of PPC Admissions	Actual PPC Weights	Expected PPC Weights	Actual-to-Expected Ratio	Total Reimbursement Reduction
Hospital Results							

Hospital PPC Counts

	Members with PPCs	Actual PPC Counts
Hospital Results		

State-Wide Hospital PPC Resource Utilization

	25th Percentile	50th Percentile	90th Percentile
PPC Weights			

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IV. Hospital Level Report Elements-PPC

State-Wide Hospital Distributions

	25th Percentile	50th Percentile	90th Percentile
Total Number of Admissions			
Admissions at Risk for PPC			
Number of PPC Admissions			
Members with PPCs			
Actual PPC Counts			

Hospital PPC Results by PPC Group

PPC Group	PPC Weights	Fraction of Total PPC Weights	PPC Counts	Fraction of Total PPCs
1 — Extreme Complications				
2 — Cardiovascular-Respiratory Complications				
3 — Gastrointestinal Complications				
4 — Perioperative Complications				
5 — Infectious Complications				
6 — Malfunctions, Reactions, etc.				
7 — Obstetrical Complications				
8 — Other Medical and Surgical Complications				

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IV. Hospital Level Report Elements-PPC

Hospital PPC Results by PPC Category (Top 20 PPC Categories by PPC Weights)

PPC Category	PPC Weights	Fraction of Total PPC Weights	PPC Counts	Fraction of Total PPCs

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IV. Hospital Level Reports and Underlying Data

How do I use the information in the hospital level report as a guide for improvement?

How does the underlying data relate to the hospital level reports?

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IV. Reports

- PPE Confidential Hospital Level Report and Underlying Reports for FY2015 data period will be available by June 1
- Hospital providers can view their individual PPE Hospital Level Reports when they log into their accounts on the secure TMHP provider portal.
- The secure provider portal has a tab called Potentially Preventable Events (PPE) Provider Reports, within this tab are two separate tabs for PPR and PPC, where each corresponding report will be available for download.
- Underlying data can be requested via e-mail below.
- For questions on accessing reports, please contact:

MCD_PPR_PPC@hhsc.state.tx.us

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V. NEW for FY16-Incentives for Safety-Net Hospitals

- Metrics include Potentially Preventable Readmissions (PPR) and Potentially Preventable Complications (PPC).
- Limited pool of funds ~$15,000,000/annual, limited pool of hospitals-this created the need for a process to ensure that HHSC works within available funds, ensures fairness, and is appropriately scaled.

Steps:

- Split pool in half-50% for PPR incentives, 50% for PPC incentives
- Establish criteria for eligibility for each pool
  - non rural, non state-owned, DSH eligible
  - high volume
  - performance better at lest 10% better than state average, and no penalty for PPR or PPC
- Allocate a base incentive amount for each eligible hospital (~100K)
- After base allocation, calculate a variable allocation based on relative performance and relative size (among eligible group of hospitals)

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V. Safety-Net Hospitals Incentive-Steps (cont.)

- Relative Performance: based on hospital's actual to excepted ratios compared to group average
- Relative Size*: based on hospital's inpatient claims paid compared to group average
- Performance-Size Composite: hospital's relative performance score X relative size score = final relative score

Total Allocation for each eligible hospital for each metric:

Hospital's final relative score / total sum of relative scores for all eligible hospitals X funds pool after distribution of base allocations for eligible group

= Hospital's Variable Allocation

\+ Hospital's Base allocation

= Hospital's Total Allocation

* *Note size is capped to ensure $ are spread more evenly among eligible hospitals*

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VI. Resources

- Quality Website (potentially preventable events page):
  Contains 3M Documents, 3M portal, Technical Notes, Reports, Comparative Data on Hospitals
  http://www.hhsc.state.tx.us/hhsc_projects/ECI/Potentially-Preventable-Events.shtml

- Resources to help reduce PPRs and PPCs:
  - Health Care Leader Action Guide to Reduce Readmissions:
    http://www.hret.org/care/projects/guide-to-reduce-readmissions.shtml
  - Twelve Strategies to Reduce Error and Complication Rates
    http://www.cna.com/vcm_content/CNA/internet/Static%20File%20for%20Download/Risk%20Control/Medical%20Services/SurgicalSafety-TwelveStrategies.pdf

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VII. Questions?

Questions about PPRs and PPCs?

Email:

MCD_PPR_PPC@hhsc.state.tx.us