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Services

Hospital Quality-Based Payment Program

Hospital Payment Advisory Committee

November 3, 2022

Background



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- Senate Bill 7, 82nd Legislature and Senate Bill 7, 83rd Legislature, directed HHSC to implement strategies to reduce potentially preventable events (PPEs) by hospitals and managed care organizations.
- Calculated biannually: full and mid-year reporting
- Texas Administrative Code Rules:
[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=5&ti=1&pt=15&ch=354&sch=A&div=35&rl=Y](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=1&pt=15&ch=354&sch=A&div=35&rl=Y)
- HHS PPE webpage: <https://hhs.texas.gov/about-hhs/process-improvement/medicaid-chip-quality-efficiency-improvement/potentially-preventable-events>

Definitions

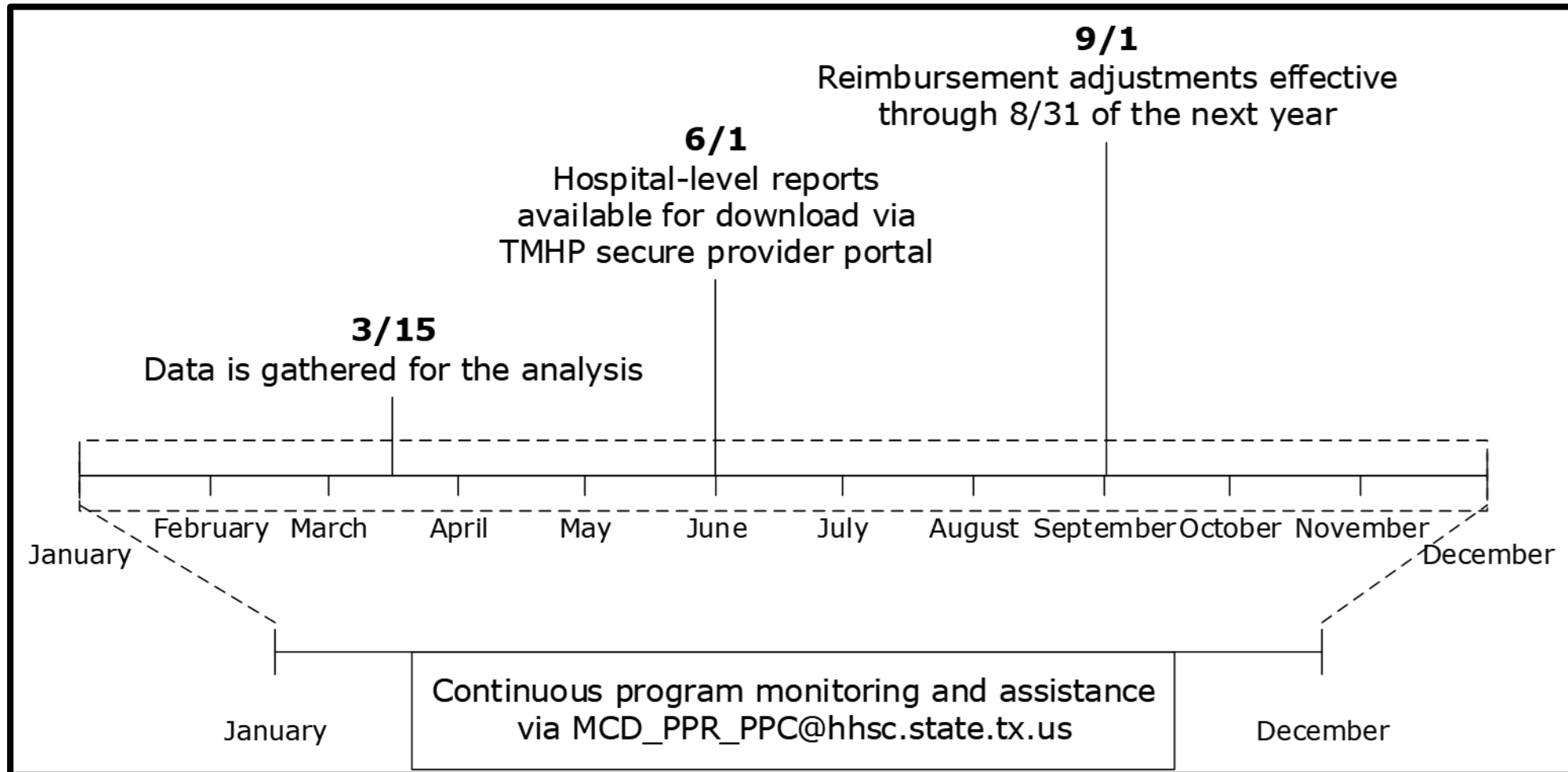


- **Potentially Preventable Readmission (PPR):** A PPR is a readmission (return hospitalization within the specified readmission time interval) that is clinically-related to the initial hospital admission.
- **Potentially Preventable Complication (PPC):** A harmful event or negative outcome, such as an infection or surgical complication, that occurs after a hospital admission and may result from processes of care and treatment rather than from natural progression of the underlying illness and are therefore potentially preventable.

Full Year Report Timeline



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Full Year Report Timeline and Adjustments



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	Previous	Current	Future
Reporting Period	SFY 2020 (Sept. 1, 2019 to Aug. 31, 2020)	SFY 2021 (Sept. 1, 2020 to Aug. 31, 2021)	SFY 2022 (Sept. 1, 2021 to Aug. 31, 2022)
Adjustment Period	SFY 2022 (Sept. 1, 2021 to Aug. 31, 2022)	SFY 2023 (Sept. 1, 2022 to Aug. 31, 2023)	SFY 2024 (Sept. 1, 2023 to Aug. 31, 2024)

Reimbursement Adjustments



	Actual-to-Expected Ratio		
	Satisfactory	Unsatisfactory	
	Less than 1.10	1.10 to 1.24	1.25 and Greater
Potentially Preventable Complications (PPCs)	No Penalty	LOW Penalty: -2.0%	HIGH Penalty: -2.5%
Potentially Preventable Readmissions (PPRs)	No Penalty	LOW Penalty: -1.0%	HIGH Penalty: -2.0%

Annual Data and Reports



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- Each hospital receives for both PPRs and PPCs:
 - PDF reports
 - Underlying Excel Data
 - Admissions volume permitting
- Results are private for one year, available through the TMHP secure provider portal at <https://www.tmhp.com/>
- Made public one year later on the Texas Healthcare Learning Collaborative (THLC) portal at <https://thlcportal.com/>

Annual Hospital-Level Report



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- PDF file format
- Separate PDF reports for PPR and PPC, as applicable
- Retrieved via TMHP secure provider portal
- Portal contains reports for previous years



**Hospital Quality-Based Program:
Potentially Preventable Complications (PPC)
Hospital-Level Report**

Hospital:
NPI:
TPI:
Reporting Period: State Fiscal Year 2016
Population: All Medicaid and CHIP
Effective Date: September 1, 2017
** This is a low-volume hospital*

About this report

Senate Bill (S.B.) 7, 82nd Texas Legislature, First Called Session, 2011, and S.B. 7, 83rd Texas Legislature, Regular Session, 2013, requires HHS to implement a hospital reporting process and reimbursement reductions to hospitals based on performance in potentially preventable readmissions (PPRs) and potentially preventable complications (PPCs). For the Medicaid Program, actual rates of these potentially preventable events (PPEs) are compared to their expected rates and a final reimbursement adjustment is determined and applied to all claims paid by HHS to each hospital. Calculation of the PPE rates are made using Medicaid/CHIP fee-for-service claims and managed care encounters.

A hospital with an actual-to-expected PPC ratio equal to or greater than 1.10 and equal to or less than 1.25 is subject to a reimbursement adjustment of -2% of the hospital's inpatient claims. An actual-to-expected PPC ratio greater than 1.25 is subject to a reimbursement adjustment of -2.5% of the hospital's inpatient claims. It is important to note that the actual-to-expected ratio is rounded to two decimal places.

This report is designed to help hospitals target their quality improvement efforts. HHS can provide underlying detailed data for this report to each hospital following their request (please include full name, email, phone number, NPI, TPI, and hospital name) emailed to MCD_PPR_PPC@hhs.state.tx.us

HHSC Potentially Preventable Events webpage: <https://hhs.texas.gov/about-hhs/process-improvement/medicaid-chip-quality-efficiency-improvement/potentially-preventable-events>

Table 1 - 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

Issue Date:

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Underlying Data



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- Microsoft Excel file format
- Detailed hospital specific data used in the analysis
- Retrieved via TMHP secure provider portal for full-year period.
- Data for mid-year reports sent via encrypted email.

The screenshot shows an Excel spreadsheet with a table of PPR Column Descriptions. The table has two columns: Column Name and Column Description. The data is as follows:

Column Name	Column Description
Initial Admission Hospital NPI	This is the 10-digit National Provider ID assigned to each hospital where the initial admission happens.
Initial Admission Hospital Name	Name of the hospital where the initial admission happens.
Readmission Hospital NPI	This is the 10-digit National Provider ID assigned to each hospital where the potentially preventable readmission (PPR) happens.
Readmission Hospital Name	Name of the hospital where the potentially preventable readmission (PPR) happens.
Medicaid Claim ID	This number is assigned uniquely to each claim.
Medicaid Program	Managed Care Program, Fee-for-Service (FFS), or CHIP
Medicaid Plan Code	Code used to identify unique combinations of Managed Care Organization and standard delivery area.
Managed Care Plan Name	Managed Care Organization name.
Medicaid Client ID	A 9-digit ID assigned to each Medicaid client.
Client Name	Name of the client.
Client Gender	Gender of the client.
Client Date of Birth	Date of Birth of the client.
Admit Date	Admit date.
Discharge Date	Discharge date. In cases where multiple interim claims were combined into a single record, this date will be the last date of service from the final claim for the stay.
Discharge APR-DRG	All Patient Refined Diagnosis Related Group. PPR analysis is based on APR-DRG assignments.
Discharge APR-DRG Description	Description of the discharge APR-DRG.
Mental Health Comorbidity	0 - No major mental health or major substance abuse secondary diagnoses. 1 - One or more major substance abuse secondary diagnoses, no major mental health secondary diagnoses. 2 - One or more major mental health secondary diagnoses, no major substance abuse secondary diagnoses. 3 - One or more major mental health secondary diagnoses and one or more major substance abuse secondary diagnoses.
Candidate Admission	A 1/0 (yes/no) indicator of whether or not the admission was at-risk for PPR.
Initial Admission	A 1/0 (yes/no) indicator of whether or not the admission initiated a PPR chain.
Potentially Preventable Readmission (PPR)	A 1/0 (yes/no) indicator of whether or not the admission was a Potentially Preventable Readmission (PPR).
PPR Weight (APRDRG weight for PPR)	APR-DRG weight for the PPR.
Unique PPR Chain ID	A PPR chain number assigned by 3M PPR software. The initial admission and PPRs that belonged to the same PPR chain have the same chain number.

Mid-year Reports



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- Reporting Period: First half of the SFY
- No reimbursement adjustments
- Published in August of the same SFY reporting period
 - E.g., SFY 2022 Mid-year reports will be published in August 2022.
- Available only upon request to MCD_PPR_PPC@hhsc.state.tx.us
 - Includes PDF reports and underlying excel data



<https://www.hhs.texas.gov/about/process-improvement/improving-services-texans/medicaid-chip-quality-efficiency-improvement/potentially-preventable-events>

Resources

- [Texas Administrative Code, Title 1, Part 15, Chapter 354, Subchapter A, Division 35, Reimbursement Adjustments for Potentially Preventable Events](#)
- [Methodology Overview PPR \(PDF\)](#)
- [Methodology Overview PPC \(PDF\)](#)
- [Risk Adjustment Methods and Calculations for PPR and PPC \(PDF\)](#)
- [3M All-Patient Refined Web Portal](#) (please email the [PPR PPC Coordination Team](#) to request login access)
- [Guide to navigate the 3M Portal \(PDF\)](#)

Fiscal Year 2021

- [FY 2021 Hospital-Level Reporting Template PPR \(PDF\)](#)
- [FY 2021 Hospital-Level Reporting Template PPC \(PDF\)](#)
- [FY 2021 Technical Notes PPR \(PDF\)](#)
- [FY 2021 Technical Notes PPC \(PDF\)](#)
- [FY 2021 Grouper 38 APR-DRG Effective 10/1/2021 \(Excel\)](#): Used to calculate PPR weights (Note: reimbursement reductions were assessed using unweighted PPR results)
- [FY 2021 PPC Weights Version 38 \(Excel\)](#): Used to calculate PPC Weights
- FY 2021 Texas Scaling Factor = 1.4528 (To account for Texas and the national average in PPC calculations)
- [FY 2021 Statewide Data File PPR \(Excel\)](#)
- [FY 2021 Statewide Data File PPC \(Excel\)](#)
- [FY 2021 State Norm File PPR \(Excel\)](#)
- [FY 2021 State Norm File PPC \(Excel\)](#)



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Thank you

Contact: MCD_PPR_PPC@hhsc.state.tx.us



Hospital Quality-Based Program: Potentially Preventable Complications (PPC) Hospital-Level Report

Hospital:

NPI:

TPI:

Reporting Period: State Fiscal Year 2021 (September 1, 2020 through August 31, 2021)

Population: All Medicaid and CHIP

Effective Date: State Fiscal Year 2023 (September 1, 2022 through August 31, 2023)

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Table 2 - 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							

Table 3 - Hospital PPC Counts

	Unique Members with PPCs	Actual PPC Counts
Hospital		

Table 4 - State-Wide Hospital PPC Resource Utilization

	25th Percentile	50th Percentile	90th Percentile
PPC Weights			

Table 5 - 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			

Table 6 - 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				



PPC Group	PPC Weights	Fraction of Total PPC Weights	PPC Counts	Fraction of Total PPCs
6 – Malfunctions, Reactions, etc.				
7 – Obstetrical Complications				
8 – Other Medical and Surgical Complications				

Table 7 - Hospital PPC Results by PPC Category (Top 40 PPC Categories by PPC Weights)

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



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

Example

Handout: Underlying Data Elements Potentially Preventable Complications, SFY 2021

Column Name	Column Description
Reporting Year	State fiscal year of the reporting period
Hospital TPI	This is the 9-digit Texas Provider ID assigned to each hospital.
Hospital NPI	This is the 10-digit National Provider ID assigned to each hospital.
Hospital Name	Hospital Name
Medicaid Claim ID	This number is assigned uniquely to each claim
Medicaid Program	Managed Care Program, Fee-for-Service (FFS), or CHIP.
Medicaid Plan Code	Code used to identify unique combinations of Managed Care Organization and standard delivery area.
Managed Care Plan Name	Managed Care Organization name.
Medicaid Client ID	A 9-digit ID assigned to each Medicaid client.
Client Name	Name of the client.
Client Gender	Gender of the client.
Client Date of Birth	Date of birth of the client.
Admit Date	Admit date.
Discharge Date	Discharge date. In cases where multiple interim claims were combined into a single record, this date will be the last date of service from the final claim for the stay.
Admit APR-DRG	All Patient Refined Diagnosis Related Group.
Admit APR-DRG Description	Description of the admit APR-DRG.
Candidate Admission	A 1/0 (yes/no) indicator of whether or not the claim is at-risk for PPC (at-risk for any PPC category).
PPC Admission	A 1/0 (yes/no) indicator of whether or not the claim is an admission with one or more PPC.
PPC Weight	Sum of HCUP PPC weights for all PPC categories.
PPCx	PPC category indicators. 0: at-risk for this PPC category, no PPC occurred; 1: at-risk for this PPC category, PPC occurred; Blank: not at-risk for this PPC category.
PrincipalDiagnosis	Primary diagnosis.
SecondaryDiagnosisx	Secondary diagnoses.
PrincipalDiagnosisPOA	Present on Admission (POA) indicator for the principal diagnosis.
SecondaryDiagnosisPOA	Present on Admission (POA) indicator for the secondary diagnoses.