Centers for Medicare & Medicaid Services

Hospital Value-Based Purchasing Program Special Open Door Forum: FY 2013 Program

Wednesday, July 27, 2011
1:00 p.m.-3:00 p.m. ET

The Centers for Medicare & Medicaid Services (CMS) Office of Clinical Standards and Quality (OCSQ) will host a special Open Door Forum on the Hospital Value-Based Purchasing Program on Wednesday, July 27, 2011. The Hospital Value-Based Purchasing Program sets the framework for fundamentally changing the way hospitals are paid for their services to Medicare beneficiaries.

This Open Door Forum (ODF) will focus on understanding the finalized proposals for the FY 2013 Hospital Value-Based Purchasing Program. Under the program, performance and quality of care factor into compensation, rewarding hospitals for better quality care and ultimately leading to improved patient health.

This ODF is particularly timely for hospitals, since the period of performance for the FY 2013 program began on July 1, 2011. Following this ODF, participants should know:

- Which hospitals are eligible for the Hospital Value-Based Purchasing Program;
- The critical dates and milestones for the FY 2013 Hospital Value-Based Purchasing Program;
- Understand the Clinical Process of Care measures and Patient Experience of Care dimensions that will be used to evaluate hospitals for the FY 2013 value-based incentive payment;
- How CMS will calculate each hospital’s total performance score for the FY 2013 Program, including the difference between achievement and improvement points for each measure and weighting of the domain scores;
- Understand how consistency points will be calculated as part of the Patient Experience of Care domain score; and
- How the linear exchange function will be used to translate Total Performance Scores into a value-based incentive payment.

Discussion materials for this Special ODF will be posted on the Hospital Value-Based Purchasing Program website and will be available for download at [http://www.cms.gov/Hospital-Value-Based-Purchasing/](http://www.cms.gov/Hospital-Value-Based-Purchasing/) by July 22, 2011.

Following the presentation, the telephone lines will be opened to allow participants to ask questions of the subject matter experts from CMS.

Special Open Door Forum Participation Instructions:

Dial: 1-800-837-1935 Reference Conference ID#: 79533903
Note: TTY Communications Relay Services are available for the Hearing Impaired. For TTY services dial 7-1-1 or 1-800-855-2880. A Relay Communications Assistant will help.

An audio recording and transcript of this Special Open Door Forum will be posted to the Special Open Door Forum website at http://www.cms.gov/OpenDoorForums/05_ODF_SpecialODF.asp#TopOfPage and will be accessible for downloading beginning August 24, 2011 and will be available for 30 days. For automatic emails of Open Door Forum schedule updates (E-Mailing list subscriptions) and to view Frequently Asked Questions, please visit our website at http://www.cms.hhs.gov/opendoorforums/.

Thank you for your interest in CMS’ Open Door Forums and the Hospital Value-Based Purchasing Program.

Audio File for this Transcript: http://downloads.cms.gov/media/audio/HospitalValueBasedPurchasing072711.mp3
slides we will be using for today’s discussion are posted at www.cms.gov/hospital-value-based-purchasing and you will find it in the download section should you want to follow along; we would really encourage that; so it’s www.cms.gov/hospital-value-based-purchasing and it’s in the download section.

Today, we’ll be going over the slides with a number of my colleagues here at CMS. After the presentation, we will open the line to questions about the program and we’d encourage you to use this opportunity to ask for clarification about the program. Also if colleagues of yours were unable to attend today’s session you can access the recording of today’s call for two business days by calling 1-800-642-1687 and asking for call number 79533903 and that will be available until Friday at midnight. So if you do know folks who missed the call and need it, we would be grateful for your passing along the information.

We have several presenters for today’s call and each would introduce themselves after the presentation. Today, we will define what the hospital value based purchasing program is? What the program is for fiscal year 2013? How hospitals will be evaluated under the program? And then we will outline the proposed fiscal year 2014 hospital value based purchasing program. We will have time for questions and answers after the presentation.

I’d like to introduce our first presenter Jean Moody-Williams, who’ll provide opening remarks and provide you with an overview of the hospital value based purchasing program, Jean?

Jean Moody-Williams: Thanks so much and I’m really happy to be with you. As was mentioned, I’m Jean Moody-Williams, I’m the Group Director for the Quality Improvement Group in the Office of Clinical Standards and Quality. I’m responsible for standing up many of CMS’ value based purchasing programs as well as many of the quality improvement efforts that we have underway.

This open door forum was really specifically developed for hospitals that will be participating in the hospital value based purchasing program. As you know, this is really the nation’s first national pay for performance program for
hospitals. Nearly every hospital in the country will be participating. I think it does serve as an important driver in revamping how CMS pays for its care and for its services. It’s really the goal of CMS through hospital value based purchasing to link payment to quality outcomes and transform CMS as the payer.

We really are starting to get away from asking how much did you do to how well did you do and more importantly how well did the patient do. Our goal today is really to try and provide you with a deeper understanding of the goals of the hospital value based purchasing program how it will be implemented and how it will impact hospitals. This open door forum was really designed to provide an opportunity to engage you in a discussion about the FY 2013 program and then we will also begin to give you a brief overview of 2014.

I’ve really have the pleasure and the opportunity to participate with a number program sponsor throughout the country that many of you have held that may have focused on hospital value based purchasing and I’ve been really very impressed with your level of understanding of the program. In fact most of you could probably give this presentation today, so I think from that we’ve met our goal and I’d say some of the outreach and education has been very successful.

But even with all of that, we did want to take the opportunity now that we have a final rule, now that the period of performance is just started to walk through it again and then save most of our time really for your questions so that we can make sure that we’ve addressed those things now that we have a final rule here, areas that you still have questions about and work together to move forward with the implementation.

So after the presentations, we will provide you with an opportunity for questions. If you could hold your questions to the end that would be great and we’ll go from there. Again, this is a dialogue. This is an opportunity for learning and we’re really excited about this chance to work with you all to stand up this program.
I’d like to acknowledge our partners at MITRE Corporation, which is a federally funded research and development center who may assist us with responding to some of the questions that you have today.

If we could go to the next slide please. The hospital value based purchasing overview that I’d like to give you right now; again most of you are familiar that this was authorized by The Patient Protection and Affordable Care Act. The hospital value based purchasing again is designed to transform the payment of care from a system based on volume, of visits and services and procedures to one that really more closely aligns with quality.

Here we are very excited about the opportunity to improve quality and lower cost as we include more and more measures of efficiency as well as quality and this is evolving as the program evolves but the other thing that we are pleased that we’re able to do and that the legislation supports is rewarding not only achievement but continual improvement and we feel that that is very important.

The program is funded through a one percent withhold from participating hospitals, diagnostic related group payments or DRGs and the money that is withheld will then be redistributed to the hospital based on their total performance score. This is of course required by statute. The actual amount earned by the hospitals will depend on the actual range and distribution of all of this total performance score.

If we could move to the next slide, I just want to review those hospitals that are eligible because not every hospital is eligible for the hospital value based purchasing program; however, more than 3,000 are nationwide. The program applies to those hospitals located in 50 states and districts of Columbia that are subsection D hospitals and those including acute care hospitals in Maryland.

The next slide goes on to talk about excluded hospitals and those hospitals that don’t apply would be hospital units that are excluded from the IPPS and these units are psychiatric, rehabilitation, long term care, children’s and cancer hospitals. Also hospitals excluded from the value based purchasing of
those that are subject to payment, reductions under the hospital and patient quality reporting program and otherwise you have not successfully participated in the IQR.

Also those hospitals cited by the secretary for deficiencies during the performance period that really have been deemed to posing immediate jeopardy to patient’s health and safety. Hospitals that don’t meet the minimum number of cases measures a survey requirement will also be excluded from participation.

We should note that those hospitals that are excluded will not have the one percent withhold from their DRG payment from the program involved and will not be eligible for the incentive payment likewise.

So if we could move onto the next slide where we talk about the measures – in order to be included and to be eligible as required by the act we’ve established a minimum number of cases and measures for hospitals to participate in the program and this was based on an independent analysis that we did and hospitals that do not meet the minimum criteria because they could have a skewed result and it could impact the scoring which is why that led a lot of our thinking.

And we also wanted to have as many hospitals as possible participate and that was a request that we got, you know, hospitals want to be a part of the program and be eligible to earn these incentive payments so all of that went into our thinking. A minimum of 10 cases per measure and at least four applicable measures are required to receive a clinical process of care score. So you have an example here and clinical process measures one, two, three and 12 have at least 10 cases and that’s indicated by the small figures that you see. However, measure number 11 for clinical process does not have 10 cases so that measure will be excluded from the total score.

And this example, even without the clinical measure number 11 this hospital meets the minimum number of 10 cases per measure for at least four measures and would receive a clinical process of care score. To receive a patient
experience care score the hospital must have at least 100 completed HCAHPS surveys during the performance period.

If we could move to slide seven we are – really we have a number of critical dates and milestones and so I just wanted to take a few minutes to review those and I know that most of you are well aware of this, have been discussing these dates with your boards, with your finance departments, with your information systems departments and the like again is I’ve traveled about, I’ve just really been impressed with the amount of preparation that is already going on and people are really off to a great start but as we look at this we see that the baseline period is July 2009 through May 2010 and is the starting point or the basis for our comparison.

Hospital VBP scores will be based on the comparison to the performance period during this baseline. And as you can see we’ve just entered into the period of performance starting to July 1, 2011 so we are in the period of performance we’re asking you, you know, to look at all those resources and tools that you have available to you fairly soon and in just a few days we will be rolling out the QIO 10 statement of work and in that statement of work the QIO have been charged with providing technical assistance to hospitals so I encourage you to take advantage of those resources so that any help that you might need during this period will be available as well.

So in August of 2012 hospitals will be notified of their estimated fiscal year 2013 value based incentive payment. By November 1, 2012 we will notify hospitals of the exact amount of their FY2013 value based purchase incentives.

Finally, we expect of incorporated adjustments into our claims processing systems by January of 2013 and we’ll provide further details on the payment side a little bit later on in the program. So, those are just some highlight – high level things that I wanted you to take note of and we’re going to get into a little bit more of a detail and I’m going to turn it over to (Ernessa Brawley) from the Quality Improvement Group.
(Ernessa Brawley): Thank you, Jean. We’re on slide eight now and we’re talking about the final 2013 domains and measures dimension for the hospital value based purchasing program. Slide eight depicts an overview of the 12 clinical process of care measures that will be used for fiscal year 2013 in the blue box. These 12 measures will contribute to 70 percent of a hospital’s total performance score for fiscal year 2013.

In the red box is the remaining 30 percent of a hospital score is based on the patient experience of care domain and this uses the HCAHPS survey. Hospital value based purchasing places a strong emphasis on the patient’s perception of care which is covered by the eight dimensions that are listed in the red box. In subsequent years, CMS plans to add additional domains and measures to provide a broader snapshot of quality improvement and efficient delivery of care.

If you’ll now turn to slide nine, slide nine indicates the performance period that CMS will use for fiscal year 2013. We ask that you please note that the performance period for fiscal year 2013 has already begun and that was indicated by the graphic that Jean showed earlier. It began on July 1, 2011 and will continue through March 31, 2012. During the performance period CMS will be looking at how hospitals perform on the clinical process of care measures and patient experience of care dimensions that I just illustrated on the previous slide.

On the next slide, slide 10, talks about how hospitals will specifically be evaluated and summarizes our evaluation process for fiscal year 2013. As we discussed earlier, 12 clinical process of care measures and eight HCAHPS dimensions will be used to calculate the fiscal year 2013 payment. Hospitals with data in the baseline and performance period will receive two scores on each measure or dimension for both achievement and improvement. The two scores will measure how the hospital performed compared to other hospitals and how much a hospital has improved compared to its own performance. We will use the greater of the two scores achievement or improvement on each measure and dimension to calculate the hospitals overall performance.
Both of these scores are based on comparisons to the baseline as we previously explained. Also as stated in a previous slide for fiscal year 2013, 70 percent of a hospitals total performance score is based on the clinical process of care domain and 30 percent of a hospitals total performance score is based on the patient experience of care dimension.

Now slide 11 depicts the concept of achievement. Achievement basically means how did my hospital perform compared to all hospitals during the baseline period.

In contrast on slide 12, we talk about the definition of improvement. Improvement looks at how – is there an indicator of how my hospital current performance compared to its own performance during the baseline period and again, achievement and improvement are the two metrics that we will use to develop the scores on each measure.

So let’s talk more about what achievement is. Slide 13 talks specifically about how a hospital can earn achievement points. As discussed previously we will award achievement points based on an individual hospitals performance during the performance period compared to all hospitals performance during the baseline.

If a hospital performs at or above the benchmark it will be awarded 10 achievement points. If a hospital performs below the achievement threshold it will receive zero points for achievement. If a hospital performs equal to or greater than the achievement threshold but below the benchmark it will receive between one and nine points on a range. We will also go into more detail about this shortly but if you look at the example at the bottom of this slide, this example hospitals performance period rate was 70 or 0.70. It will therefore receive achievement points based on where it’s performance rate of .70 falls on the achievement range.

We should note that the figure shown here are only examples. In subsequent slides we will provide the formulas from the final rules that must be used to determine the exact achievement points that will be awarded based on a
hospital’s performance during the performance period and we will go through a very robust example of this in subsequent slides.

Slide 14, depicts improvement points and as stated previously, improvement points compare individual hospitals performance during the performance period with that hospitals performance during the baseline period. If a hospital performs at or above the benchmark it will receive nine improvement points. If a hospital performs the below its performance during the baseline period it will receive zero improvement points.

But if a hospital performs equal to or greater than its performance during the baseline period but below the benchmark it will receive between one and nine improvement points. And again, I want – this is an overview, we’re going to go into this in much more detail shortly but in the example that’s at the bottom of this slide, this hospital improved their measure rate from 0.21 in the baseline period to 0.70 in the performance period and would therefore receive improvement points based on where the performance rate of 0.70 falls on the improvement range.

And as we stated in the previous slide, these figures again are only examples and we plan to present to you the formulas that we use and finalize in the final rule to show you the exact improvement range employed for each hospital. Also as a reminder, a hospital score on each measure is the greater of the achievement or improvement point and that’s what’s actually used to calculate the total performance score.

Now, slide 15 talks more about the baseline performance data. The baseline period for fiscal year 2013 is July 1, 2009 through March 31, 2010. The bell shaped curve represents all of the hospitals performance data for an example measure in the baseline period.

Represented here on this curve are three points. Number one, you will see the floor which is designed as the zeroest percentile or the worst performing hospital. Two, the achievement threshold which is defined as the 50th percentile or the point at which half of the hospitals have performance rates lower or half of the hospitals have performance rates higher. Three, the
benchmark, which is defined as the mean of the top percentile or the top 10 percent of hospitals.

Now it’s worth noting here that the term the floor is only used in the patient experience of care domain to calculate consistency points but the threshold and benchmark are used in both the clinical process of care domain and the patient experience care domain. If a hospital performance on a certain measure or dimension is equal to or exceeds the achievement threshold then the hospital will receive achievement point for that measure of dimension and we will describe this again on subsequent slides.

If you’ll turn to the next slide, this sums it all up into what these scores actually mean to calculate a total performance score. The total performance score for fiscal year 2013 is comprised of the clinical practice of care domain which accounts for 70 percent and the patient experience of care domain which accounts for 30 percent.

On slide 17, we will now begin a detailed discussion of how a hospital will receive its clinical process of care domain score.

I’d like to turn it over to (Jim Poyer) who is the Director of the Quality Improvement Group, Divisions for Quality Improvement Policy for Acute Care to review several slides depicting how CMS will evaluate hospitals for fiscal year 2013. Specifically, (Jim) will walk you through how a hospital clinical practice of care domain will be calculated, (Jim).

(Jim Poyer): Thank you, (Ernessa). The next slide, slide 18 we show the same graphical representation of baseline performance data that was played earlier at slide 15. Like slide 15, this graph represents the three quarter baseline period between July 1st, 2009 through March 31st, 2010. The bell shaped curve represents all the hospitals performance for the fibrinolytic therapy measure. As mentioned in the previous slide the floor is not explained here but only applies to the calculation system points and the patient experience of care domain.

Represented on the curve here are two points, the achievement threshold and the benchmark. Achievement threshold is defined as the 50th percentile for
the point at which half of the hospitals have performance rate lower and half the hospitals have performance rates higher than this point because it measures the achievement threshold is 65.48 percent which indicates the median points for the hospital providing eligible AMI patients with fibrinolytic therapy that is half the hospitals provided this therapy to less than 65.48 percent of eligible patients and half the hospitals provide the therapy to more than 65.48 percent of patients.

If the hospital performance of this measure which is equal to or achieve the achievement threshold then the hospital will keep achievement points for that measure for dimension. The benchmark is defined as the mean of the top percentile where top 10 percent of the hospital. For this measure the benchmark is 91.91 percent. If a hospital’s performance of this measure is equal to or meets the benchmark then the hospital will receive the maximum achievement points for this measure. This will be described in detail on subsequent slides; next slide please.

Here on slide 19 this scale represents the percentage of eligible patients who received the applicable treatment, next slide please.

Here on slide 20, we show all 12 measures of the clinical process of care domain and the associated thresholds and benchmarks. Recall of the range between the achievement threshold and the benchmark represents the difference between the 50th percentile and the median of the top percentile of hospital performance during the baseline period.

If a hospital’s performance by any measure is equal to or greater than the achievement threshold then that hospital will achieve – receive an achievement points for that measure. As an example we will use the first measure on the slide AMI-7a to demonstrate how hospitals who are in clinical care process care domain; next slide please.

Here on slide 21, we show the first slides highlighting the fibrinolytic therapy example, why this displays the achievement range for this measure which is defined in the final rule as “the scale between the achievement threshold the minimum level of hospital performance required to achieve – receive
achievement point, and the benchmark, the mean of the top decile of hospital performance during the baseline period.”

Basically, the range where a hospital receives achievement point when it’s performance falls within this range. For this measure, the achievement range is noted on the slide. The achievement threshold represented by the square is 65 percent and the benchmark represented by a diamond is 91.8 percent.

As mentioned previously, achievement points for this measure are calculated as follows. If a hospital’s performance on this measure during the performance period is greater than or equal to the benchmark that hospital will receive a maximum ten achievement points, when the hospital performance on this measure during the performance period is less than the achievement threshold that hospital will receive zero points for achievement.

If a hospital’s performance is measured during the performance period is equal to or greater than the achievement threshold but below the benchmark then that hospital will receive between one and nine points dependent on where the hospital’s performance rate falls on the achievement range; next slide please.

Here in slide 22 we displayed an example of hospital performance during the performance period of 75 percent. A performance rate of 75 percent means that 75 percent of the hospital’s eligible acute myocardial infarction patients received fibrinolytic therapy during the performance period. Since the performance rate of 75 percent is higher than the achievement threshold rate of 65 percent then the hospital will receive achievement points. However, the actual number of points determined based on the formula included in the final role which we will display and discuss in the next few slides; next slide please.

On slide 23, we present that formula from the final rule that must be used to calculate the achievement points for the threshold. This formula calculates the relative position of this hospital’s performance rate, 75 percent during the performance period between the thresholds and the benchmark where it’s measured. It is important to note that in this formula the score actually refers
to the hospitals performance rate. This formula calculates the hospitals achievement points where it’s measured; next slide please.

Here on slide 24 we show the hospital’s performance rate, thresholds and benchmark used to calculate achievement points for this measure. In this example the number of achievement points equals 3.74 which is rounded to four; next slide please.

Here in slide 25 we must also calculate the hospitals improvement points for this measure and the improvement range is defined as a scale between the hospitals prior performance rate on the measure during the baseline period and the benchmark.

In this example, this hospital has a performance rate of 69 percent during the baseline period. The performance rate defines this hospital’s starting point for improvement. With all that’s possible performance during the performance period 75 percent which is also used to determine this hospital’s improvement point. The actual number of improvement points, however, is determined from a formula in the final rule which is displayed in the next few slides; next slide please.

Here on slide 26 we present this formula from a final rule that must be used to calculate the improvement points for this measure. The formula calculates the relative position of this hospital performance rate of 75 percent during the performance period between the improvement threshold and the benchmark for this measure. It is important to note that in this formula the score actually refers to the hospital’s performance rate. This formula calculates the hospital’s improvement points for this measure; next slide please.

Here on slide 27 we show how the hospital’s performance rate and benchmark for those measures are used to calculate the improvement points for this measure. In this example, the number of improvement points awarded equal 2.12 which is rounded to two; next slide please.

Here in slide 28 the slide displays both the achievement and the improvement ranges for this hospital on this measure. The greater of the achievement and
the improvement point is used to determine this hospital’s point for this measure. In this example, the four achievement points are greater than the two improvement points; therefore, four points as noted in the yellow circle are awarded to this hospital for the fibrinolytic therapy measure; next slide please.

Here on slide 29 we would like to make one additional distinction between the achievement and improvement ranges. For each measure, every hospital will have the same achievement range since that range is based on all hospital performance on the baseline period. However, the improvement range is unique to each hospital as based on each hospital’s own baseline rate. Examples of this are shown in the next few slides; next slide please.

Here on slide 30 we’re going to highlight some examples of these hospitals’ unique improvement ranges. Here in slide 30, we display hospital A with performance rate of 59 percent during the baseline period. This performance rate defines this unique starting point for its improvement range; all improvement ranges end at the benchmark similar to all of the achievement ranges. For this hospital’s performance during the performance period of 76 percent equates to achievement point of approximately four and improvement point of approximately five; however, as noted previously the exact points earned are based on the formula in the rule for achievement and improvement; next slide please.

Here on slide 31, we present hospital B that has a performance rate of 72 percent during the baseline period. This performance rate defines this hospital with a unique starting point for improvement range. For hospital B, its 87 percent performance during the performance period equates to achievement points of approximately eight and improvement point of approximately seven, next slide please.

On slide 32, we present hospital C that had a performance rate during the baseline period of 57 percent. This performance rate defines this hospital’s unique starting point for its improvement range. For hospital C, its 63 percent performance during the performance period equates to achievement point of zero and improvement point of approximately two; next slide please.
Here on slide 33, excuse me, we depict in the graph each of the 12 clinical process of care measured with their associated achievement and improvement range for an example hospital. This slide shows that the greater each measure of achievement improvement point as shown in a small yellow circle is used to calculate the clinical process of care domain.

In this example, this hospital’s measure points are aggregated to a clinical – total clinical process of care domain for a 48 and a couple of clarifying points on this slide. First you will notice that for the measure of PN-6, the hospital will receive zero points. This was due to this hospital’s performance during the performance period being lower than the achievement threshold which resulted in zero achievement points.

In addition, the hospital’s performance during the performance period was also lower than its performance during the baseline period which resulted in zero out of improvement points. Also, excuse me, you will notice for the SCIP-VTE-2 measure has been crossed out this is because this hospital did not have the minimum number of cases eligible for this measure as noted by the measure denominator account in terms of minimum number of cases measured or not hospitals are not penalized for measures that they do not have the required minimum and hospitals clinical process of care domains scores are normalized to account for measures without sufficient data. This normalization is displayed on the next slide; next slide please.

In slide 34, we display how we will normalize hospital clinical process of care domain floor. The clinical process of care domain floor is based only on the measure on which a hospital has 10 or more eligible cases in the denominator basically and a minimum of four measures during the performance period.

From the previous slide this hospital’s domain for a 48 is normalized by dividing 48 by the total possible points this hospital can achieve. The hospital has sufficient data for 11 of the 12 measures so multiplying the maximum 10 point for each measure by 11 possible measures results are equal, 110 possible points for this hospital.
Normalization is used to avoid penalizing a hospital for whatever reason does not have a minimum number of 10 cases in denominators, measured on denominators that are required for each clinical process measure. The result is a normalized score of 43.6 for this hospital.

I now like to introduce Bill Lehrman from the Division of Consumer Assessment and Plan Performance to discuss the patient experience of care domain.

Bill Lehrman: Thank you, (Jim). In the next part of the presentation we’d like to talk about the patient experience of care domain. These are the second of the two domains that comprise a total performance score for hospital VBP. The patient experience of care domain is based on a national standardized publically reported survey of inpatients experience of hospital care; also known as the HCAHPS survey.

Just in terms of a bit of background, the HCAHPS survey was implemented on a national basis in 2006, in 2007 IPPS Hospital’s annual payment update was linked to participation in the HCAHPS survey. In 2008 we began to publically report the HCAHPS scores on our hospital compare Web site. The hospital VBP scores are based on the percentage of a hospitals patient to choose the most positive response to HCAHPS survey items. If you’re familiar with Hospital Compare we call that the top box measure on Hospital Compare. It’s typically the answer always to HCAHPS survey question, next slide.

Slide 36 presents the same graphical representation of the baseline performance data that was displayed earlier in this presentation. As in an earlier slide the data here represents the three quarter baseline period of July 1, 2009 through March 31, 2010. The bell shaped curve represents all of the hospitals performance data for the nurse communication dimension, which represents the percentage of patients who reported that their nurses always communicated well. As mentioned previously, the floor displayed here since it applies to the calculation of consistency points within the patient experience of care domain and we’ll talk about that later. OK, so once again, this is the baseline period for the patient experience of care domain.
There are three points represented on the curve. The floor, the achievement threshold and the benchmark. The floor is defined as a zero percentile or the worst performing hospital from the baseline period. For this dimension the floor is 38.98 percent, which indicates that all hospitals received at least a 38.98 response that their nurses always communicated well. The achievement threshold is found at the 50th percentile or the point at which half the hospitals have performance rates lower and half the hospitals have performance rates higher than this point.

For this dimension, the threshold is 75.18 percent, which indicates that half of the hospitals received less than 75.18 percent response that the nurses always communicated well and half received a better than 75.18 percent response that their nurses always communicated well.

If a hospital’s performance on this dimension is equal to or exceeds the achievement threshold then that hospital will receive achievement points for this dimension.

The third point on this line is the benchmark, which is defined as the mean of the top percentile or the top 10 percent of hospitals. This sure sounds familiar because the same concepts apply to a clinical process measure. For this dimension the benchmark is 84.70 percent. If a hospital’s performance on this dimension is equal to or exceeds the benchmark then that hospital received a maximum achievement point possible of this dimension which is 10 points; next slide please.

Slide 37 displays the two components at a patient experience of care domain the basic score and consistency point. These two components are combined to arrive at a score for the patient experience of care domain; next slide.

Slide 38 highlights how the two components are calculated. The patient experience of care domain base score is similar to the clinical process of care domain in that each dimension had a maximum of eight points, I’m sorry a maximum of 10 points, however, unlike the clinical process of care domain the patient experience of care domains base score is not normalized since all
hospitals received survey results on all eight dimensions included in the
patient survey so every participating hospital will have eight HCAHPS
dimensions and therefore received scores on each of those eight dimensions.

The second component of the patient experience of care domain is consistency
points, which offer maximum of 20 additional points. Both of these
components will be discussed in greater detail on subsequent slides.

Slide 39 provides additional information on the patient experience of care
domain base score. Like the clinical process of care domain, the patient
experience of care domain base score consists of the greater of improvement
or achievement scores for each dimension. Up to 80 points are possible in a
base score, based upon a maximum of 10 points for each of the eight
dimensions; next slide.

This slide represents the percentage of a hospital’s patients who chose the
most positive response to HCAHPS survey item also known as the HCAHPS
top box score. There are eight dimensions in the patient experience of care
domain; next slide.

Slide 41 highlights the eight dimensions within the patient experience of care
domain and the associated achievement threshold and benchmarks and just for
the record the eight dimensions are nurse communication, doctor
communication, staff responsiveness and management, communication about
medicine, cleanliness and quietness of the hospital environment, discharge
information and overall rating of the hospital.

Recall that the range between achievement threshold and the benchmark
represents distance between the 50th percentile and the mean of the top
percentile of hospital performance during the baseline period.

If a hospital’s performance on any dimension is equal to or exceeds the
achievement threshold then that hospital will receive achievement points for
that dimension.

The first dimension on this slide, nurse communication will be used as an
example on subsequent slides. Slide 42 is the first of eight slides that
highlight nurse communication dimension which we use as an example. Displayed here is achievement range for this dimension which is defined in the final rule as and I “the scale between the achievement threshold, the minimum level of hospital performance required to receive achievement points and the benchmark” domain of the top percentile of hospital performance during the baseline period.”

Basically the range – this is the range where a hospital will receive achievement points when it’s performance falls within this range and on the graph you can see as the floor of the square indicates a threshold or the 50 percentile and the diamond, the benchmark or the main of the top percentile or the main of the top 10 percent.

As mentioned previously, achievement points for this dimension are calculated as follows. If a hospital’s performance on this dimension during the performance period is greater than or equal to the benchmark that hospital will receive the maximum 10 achievement points.

If a hospital’s performance on this dimension during the performance period is less than the achievement threshold then that hospital will receive zero achievement points and if a hospital’s performance on this dimension during the performance period is equal to or greater than the achievement threshold but below the benchmark that hospital will receive between one and nine points depending on where the hospital’s rate fall between the threshold and the benchmark and we’ll explain this in more detail in the following slides.

Slide 43 is an example of a hospital which had a performance of 77 percent on the nurse communication dimension during the performance period. The performance rate of 77 percent means that 77 percent of this hospital’s patients reported that their nurses always communicated well. Since performance rate of 77 percent is greater than the achievement threshold of 75 percent this hospital will achieve – will receive achievement points. The actual number of points is determined from a formula in the final rule which is displayed on the next few slides.
Slide 44 displays the formula from the final rule that is used to calculate the achievement points for this dimension. This formula calculates the physician of this hospital’s performance rate 77 percent relative to the achievement threshold and the benchmark for this dimension.

It is important to note that in this formula the score actually refers to the hospital’s performance rate. This formula calculated the hospital’s achievement point for the nurse communication dimension.

Slide 45, use of the hospital’s performance rate and the achievement threshold and benchmark to calculate achievement points for this dimension and this example, the number of achievement point equals 2.22 which is around two points as you can see here in this calculation; next slide.

This slide adds the improvement range which is defined as I quote “a scale between a hospital’s prior performance rate under dimension during the baseline period and the benchmark. In other words this scale is based on a hospital’s performance on a dimension during the baseline period. This marks the bottom of the scale and the benchmark for all hospitals that’s the mean of the top decile, which marks the top of the scale.

In this example, this hospital had a performance rate of 62 percent during the baseline period, which is this hospital’s starting point for improvement points. This hospital’s performance during the performance period 77 percent as introduced on the previous slide is also used to determine improvement points. However, the actual number of improvement points is determined from a formula in the final rule displayed on the next few slides; next slide please.

Slide 47 displays the formula from the final rule that is used to calculate improvement points for this dimension. This formula calculates a relative position of this hospital’s performance rate of 77 percent during the performance period between the improvement threshold and benchmark for the nurse communication dimension.

It is important to note that in this formula the score actually refers to the hospital’s performance rate. This formula calculates the hospital’s achievement points for this dimension.
Slide 48 uses the hospitals performance rate and benchmark for this dimension to calculate the improvement points for this dimension. Working through the formula for this example the number of improvement points equals 6.11 which is rounded to six points and here in this slide you can see how we worked this example through the formula to end up at six improvement points.

On slide 49 we see both achievement and improvement ranges for this hospital for this dimension so you see them side by side here. The points scored based on achievement and the points scored based on improvement. As before – as for the clinical measures please note that the greater of the achievement and improvement point is used to determine this hospital’s number of points for this dimension. As can be seen in this example, the six improvement point is great than the two achievement points therefore six points are awarded to this hospital for the nurse communication dimension.

On slide 50 we see each of the eight patient experience of care domain dimension with their associated achievement and improvement ranges. So for each of the eight dimensions you can see what their achievement range was, what their improvement range was and the number of points associated with the higher of those two scores, achievement or improvement. The significance of this slide is to show that the greater of each dimensions achievement and improvement points is used for the patient experience of care domain score.

In this example, this hospital’s dimension point comes to a total base score of 36. It’s important to notice that this hospital received a zero point for two dimensions, pain management and discharge information. This is indicated by the dash lines that extend to the left of the achievement range on these two dimensions.

How did this happen? First, during a performance period, this hospital scores in these dimensions were below the respective threshold which as we noted earlier results in zero achievement points. In addition, this hospitals performance during the performance period on these two dimensions was also
lower than its performance during the earlier baseline period which also result in zero improvement points. So zero points for achievement and zero points for improvement.

These circumstances also effect the second component of the patient experience of care domain consistency point which we discussed next.

Slide 51 introduces the second component of the patient experience of care domain consistency point; consistency points which range from zero to 20 provide an added incentive for hospitals to achieve at least medium performance on all eight dimensions of the patient experience of care domain. Consistency points are awarded based on the single lowest of a hospital’s eight dimensions. A hospital will be awarded the maximum 20 consistency points when its performance on each dimension during the performance period equals or exceeds each dimensions achievement threshold.

If a hospital’s performance on one dimension is lower than the achievement threshold median then consistency points are awarded in proportion to that lower scoring dimensions position relative to the floor – sorry in the previous point, let me restate that. A hospital will be awarded the maximum 20 consistency points when it’s performance on each dimension during the performance period equals or exceeds each dimensions benchmark so if a hospital has exceeded that benchmark, I’m sorry — I’m confused myself, I was right the first time.

The hospital will receive 20 consistency points when performance on each dimension during the performance period equals or exceeds each dimensions threshold that is the median for that dimension.

If a hospital’s performance on two or more dimensions is lower than their respective achievement threshold or median then an additional calculation is performed to determine which sub-median dimension is the lowest. Consistency points are then awarded in proportion to the lowest scoring dimension position relative to the floor. We’ll walk through these processes probably in the next few slides.
As a reminder, all hospitals report all eight dimensions of the HCAHPS survey. Consistency points recognize and reward consistent achievement across all HCAHPS dimensions. It’s important to note that consistency points are owned on only the lowest dimension and if the numbers consistency points awarded with a minimum of zero and a maximum of 20 increases as the lowest dimension approaches the achievement threshold for the median so the hospital’s lowest dimension approaches the median it receives more and more consistency points and once that hospital’s dimension the lowest dimension crosses achievement threshold or median it will receive all 20 consistency points.

There are consistency points in the patient experience of care domain provide an additional incentive for hospitals to raise each dimension to the median performance; next slide please.

Slide 53 describes how consistency points are awarded. First if a hospital’s performance on any dimension is lower than or equal to the worst performing hospitals performance during the baseline period that is the floor or the zeroes percentile then that hospital receives zero consistency points.

Second if a hospital’s performance on all dimension is equal to or greater than the respective achievement thresholds or median then that hospital receives all 20 consistency points, which is the maximum possible.

Third, if a hospital’s performance on its lowest dimension is greater than the worst performing hospital’s performance that is greater than the floor, lower than the achievement threshold that is lower than the median then that hospital receives between zero and 20 consistency points. The number of consistency points awarded in this situation is based on the position of the lowest dimension relative to the floor as explained in the following slides.

Slide 54 displays the eight patient experience of care dimensions and the associated achievement ranges along with an example of the hospital’s performance. It is important to note that only the achievement range and not the improvement range is considered with respect to consistency points. We direct your attention to pain management and discharge information.
As noted earlier, this hospital’s performance on these two dimensions fell below the achievement threshold as shown by the dash line that extends to the left of the achievement ranges. Since this hospital has two dimensions on which it performance falls below the threshold both of these dimensions are candidates for being at the lowest dimension score. A key factor in determining the number of consistency points for this hospital.

As noted earlier, because this hospital’s performance on these two dimensions is greater than the worst performing hospital’s performance that is the floor, but lower than each dimensions achievement threshold that is the medium, this hospital will receive between zero and 20 consistency points. The back calculation is shown on the subsequent slides.

In slide 55 we see just the two dimensions pain management and discharge information that will determine the number of consistency points this hospital receives.

Slide 56 displays the formula for the first of the two consistency point calculations. This formula is used to determine which of these hospitals two sub threshold dimension is it’s lowest dimension so the first thing we have to determine is which is actually the lowest dimension. The formula calculates the position of each of the two dimensions relative to the floor during the performance period; next slide.

This slide represents the calculation for the first of the two lowest dimension, pain management. In the numerator the floor for this dimension 34.76 is subtracted from this hospital’s performance 49 percent. In the denominator the floor is subtracted from the achievement threshold 68.75 percent, the result is 0.419 or 41.9 percent.

Stated another way, the hospital’s performance at 49 percent on the pain management dimension is 41.9 percent above the floor.

Slide 58 presents the same calculation but this time to the second of the two lowest dimensions; discharge information. Using this hospital’s performance the 54 percent for discharge information along with this dimension’s floor and
achievement threshold the result is 0.112 or 11.2 percent that is this hospital’s performance at 54 percent on discharge information places it 11.2 percent above the floor; next slide.

Putting together results presented on the two previous slides, this slide shows that this hospital’s lowest dimension is in fact discharge information that is 11.112 is smaller than 0.419. It is important to reiterate that the key – that the key to determining the lowest dimension score, is the position of the hospital’s performance on a dimension relative to the floor. Even though this hospital has a pain management rate of 49 percent is lower than its discharge information rate of 54 percent the discharge information rate is closer to its floor than the pain management rate is to its floor.

As you recall, consistency points are based upon the single lowest dimension. As we have shown in this example, discharge information is the lowest dimension.

Finally we note that unlike clinical process of care domain and the base score in the patient experience of care domain in which the greater of the achievement and improvement points are used. For consistency points, the lowest dimension point is used.

Slide 60 displays the second part of the consistency point formula. This formula is used to determine the hospitals numbers consistency points awarded.

In slide 61, using the lowest dimension score 0.112 for discharge information this slide depicts the final calculation of consistency points. Entering 0.112 into the second part of the consistency point formula which is 20 times the lowest dimension score minus 0.5 results in 1.74 which is rounded to two according to the formula.

In slide 62 we see the total performance score formula of the patient experience of care domain. It also inserts the example hospital scores for the two components. As you recall, 36 point of the base score plus two points for consistency score which sum to a patient experience care domain score of 38.
I’d now like to turn it back over to (Ernessa Brawley) who will discuss the methodology we will use to calculate the total performance score.

(Ernessa Brawley): Thank you, (Jim) and Bill. We’re now on slide 63; slide 63 is an aggregate of the scores from the two domains in order to derive at a total performance score. Now you may recall from slide 34 that the – and now on slide 64 that for the clinical process of care domain the clinical process of care score was 43.6 points and as Bill just discussed the patient experience of care domain received 38 points. So just as recap on slide 34, once (Jim) walked through the patient experience of care example we arrived at 46.3 points and then Bill just walked through an example that got to 38 points for the patient experience of care domain.

So slide 65 is this way of how clinical process of care domain is actually weighted. Since 70 percent of the total performance score is based on the clinical process of care domain the score of 43.6 is multiplied by 70 percent resulting in a weighted clinical process of care score of 30.5. On slide 66, this slide displays how the patient experience of care domain is weighted. Since 30 percent of the total performance score is based on the patient experience of care domain the score of 38 is multiplied by 30 percent resulting in a weighted patient experience of care domain of 11.4.

So putting it all together on slide 67 these two weighted domain scores are added together resulting in a total performance score of 41.9. This is the score that is then translated into a hospital’s incentive payment by the exchange function which is described next.

At this point, I’d like to introduce (Kim Spalding Bush) from the Center for Medicare who will discuss how a hospital’s total performance score will translate into a value based incentive payment.

(Kim Spalding Bush): Thank you, (Ernessa). So on slide 68, you’ll see a description of how hospital’s total performance score is converted into a value based incentive payment. The law requires that the total amount of value based incentive payments which CMS may distribute across all hospitals must be equal to the amount of the base operating DRG reduction. So fiscal year 2013 that
reduction is one percent. The law also requires that CMS redistributes that available amount across all participating hospitals based on their performance score.

The exchange function is the relationship between a hospital’s total performance score and the amount of money the hospital will get as a value based incentive payment. CMS will use a linear or straight line exchange function to distribute the available amount of value based incentive payments to hospitals. Based on the hospital’s total performance score on the hospital value based purchasing measures and dimension. Each hospital’s value based incentive payment for a fiscal year will depend on the range and distributions of hospital scores for that fiscal years performance period and on the amount of money available for redistribution. The value based incentive payment amount for each hospital will be applied as an adjustment to the hospital’s base operating DRG amount for discharges beginning in fiscal year 2013.

On the next slide, you see a diagram of the linear exchange function. A linear or straight line exchange function provides the same marginal incentive for improvement for lower performing as for higher performing hospitals providing incentives for all hospitals to continually improve the quality of care they provide to their patients. The exact slope of the linear exchange function will be determined until the performance period and will be subject to the amount available for value based incentive payment.

This slide is meant to illustrate that once the exact slope is determined a hospital’s total performance score can be plotted on the X axis and their incentive payment percentage determined on the Y axis. At the point where their total performance score intercepts that exchange function line. We have finalized that the Y intercept is at zero which means that any hospital who’s total performance score is above zero will receive some value based incentive payment. I will now turn it back over to Barbara.

Barbara Cebuhar: Thank you very much, (Kim). I would like to, at this time – we would like to stop for a few minutes and take questions on the fiscal year 2013 hospital value based purchasing program. In order to allow everyone an opportunity to
ask their questions please limit yourself to one question. After this period, we’ll discuss the proposals we have made for fiscal year 2014.

(Alisha), could you give people instructions on how to get in the queue for questions please.

Operator: Absolutely. At this time, I would like to remind participants in order to ask a question, you may press star then the number one on your telephone keypad.

Our first question comes from the line of Joanna Kim with American Hospital Association, your line is open.

Joanna Kim: Hi and thanks for the presentation today, it was very helpful. I was wondering if CMS would be able to give us any kind of timeframe as to when it would propose and finalize the exchange function and the method it will use to determine and distribute those payments.

(Kim Spalding Bush): Thank you for the question. CMS finalized the linear exchange function in the hospital value based purchasing final rule so we finalized that we are doing a linear exchange function instead of – we talked about some of the other options we considered in that rule where there were curves that provide different incentives to lower performing hospitals or higher performing hospitals so we finalized that we are doing that linear exchange function so that we provide the same marginal incentives to improve to all hospitals and we also finalized that the intercept is at zero. We won’t be able to determine the exact spoke of the exchange function though until the end of the performance period because it’ll depend on what all the hospital scores are and the distribution of those scores.

So, our CMS actuaries will determine which slope of a line would redistribute that 1 percent reduction that we take from the base operating DRG back to all hospitals depending on their performance scores.

Joanna Kim: When would you propose and finalize the method you’ll used to hand the payments out?
(Kim Spalding Bush): I’m not sure that I understand the question, is that one that you could forward to us maybe with a little bit more description, so we could get back to you.

Joanna Kim: Yes, that’s fine.

Barbara Cebuhar: So, hey, Joanna, it’s Barb Cebuhar. I just want to make sure you know that if people have questions or comments, you can send them to the following e-mail address. It’s ocsqbox@cms.hhs.gov and that would be very helpful, thank you.

Our next question please, (Alisha).

Operator: Our next question comes from the line of (Helen MacAfee) with Memorial Care and Health, your line is open.

(Helen MacAfee): Good morning from California, thanks for taking the question. I was just wondering as you go through your examples there are a lot of them like slide 45, the rule is very specific about the achievement threshold and benchmarks and all that and takes it out to two decimal points. And then for your examples in this slide deck, you’re always rounding off the hospital performance to a whole percentage and the question for you is will you be taking hospital performance out to two decimal points. It might sound like a small thing, but on some of these the ranges are so tight that the decimal points make a difference.

Bill Lehrman: Yes, thanks for the question. When we report for hospital VBP, we will be taking those out to decimal point.

(Helen MacAfee): Thank you.

Barbara Cebuhar: (Alisha), our next question please.

Operator: Our next question comes from the line of Patrick Torcson with Hospital Medicine, your line is open.

Patrick Torcson: Yes, thank you for the informative presentation. I’m with the Society of Hospital Medicine. We are the Physician (Bubble) Professional Society for
hospitalists, who care for more hospitalized patients than any other medical specialty.

My question has to do with the incentive payment, do you perceive that certain hospitals will achieve incentive payments or bonuses beyond the original 1 percent withhold on the based ERG?

(Kim Spalding Bush): Yes thank you for the question. This is (Kim Spalding Bush). We do foresee that some hospitals will receive more than the 1 percent withhold because when some hospitals receive less than the 1 percent withhold in order for us to be redistributing that 1 percent some hospitals will achieve higher than 1 percent though we won’t be able to determine that final amount until after the performance period, thank you.

Patrick Torcson: Yes, thank you.

Barbara Cebuhar: Thank you. (Alisha) our next question please.

Operator: Our next question comes from the line of (Ann Silva) with San Juan Regional, your line is open.

(Ann Silva): Hi yes, thank you. We’re just wondering in the formulas that you had what the half a percent was that you were figuring where that came from. You haven’t done all your formula slides?

Bill Lehrman: Which slide were you referring to?

(Ann Silva): It’s all of your formula slides when you’re trying to, you know, the – and then you had a subtracted a half percent on the – or a plus of a half percent, what is that half, I don’t know if it’s a percent, a 0.05 or?

Female: Slide 44.

(Ann Silva): Slide 24?

Michael Lee: Hi, this is Michael Lee from MITRE, the plus and minus 0.5 is not a percent and it’s actually – it’s a function of a formula to ensure that the intervals and on the achievement and improvement ranges are equally spaced so when
including the round and the plus or minus 0.5 we’re able to ensure those intervals are equally spaced and that scoring is there for I’ll say across the full range.

(Ann Silva): OK thank you.

Barbara Cebuhar: (Alisha), our next question please?

Operator: Our next question comes from the line of Mary-Michael Brown with Washington Hospital, your line is open.

Mary-Michael Brown: Thank you very much. My question is when is the 1 percent based MSDRG payments going to start to be withheld?

(Kim Spalding Bush): They have been with the FY 2013 payment adjustment so at the same time that we’ve – the same fiscal year that we’re making the incentive payment.

Mary-Michael Brown: So that’s going to be next October.

(Kim Spalding Bush): For discharges beginning in next October, yes.

Mary-Michael Brown: OK, thanks very much.

(Kim Spalding Bush): Thank you.

Barbara Cebuhar: Our next question please.

Operator: Your next question comes from the line of Cheryl Chapman with Long Beach Medical Center, your line is open.

Cheryl Chapman: Yes, thank you very much for this clarification. We have received the achievement and national benchmark statistics from our health association, do you have the floor statistics as well that are available for the HCAHPS?

Bill Lehrman: We have the floors – no, we won’t have the floor until the performance period is over.

Cheryl Chapman: OK.
Bill Lehrman: Would be March of 2012.

Cheryl Chapman: OK.

Barbara Cebuhar: Thank you for your question. Our next question please, (Alisha).

Operator: Your next question comes from the line of (Anita Markowitz) with (Stewards) Hospital, your line is open.

(Anita Markowitz): Hi, thank you for this presentation, it was most helpful. Again, I have a question regarding the formula. I’m looking at slide 24 and there is a number that precedes the formula nine but that number seems to change both the clinical measures and for the age cap. Sometimes it’s nine, sometimes it’s 10, sometimes it’s eight can you tell me how that’s calculated? That is a set number.

Michael Lee: OK. The numbers should be 9 or 10. Again this is Michael Lee from MITRE and the nine reflects the fact that the achievement range runs from 1 to 10 points. The policy CMS finalized was that a hospital reaching the achievement threshold should receive at least one point. The 10 reflects the fact that the improvement range runs from zero to nine that’s the difference in those formulas and I believe Bill wants to speak.

Bill Lehrman: Yes, just with respect to the previous question actually, the floor for HCAHPS is in the baseline period and so the floor had already been published in the final VBP rule so the floors for each of the HCAHPS dimension is already public in the VBP rule.

Barbara Cebuhar: Thank you Bill and thank you, (Ms. Markowitz). Our next question please.

Operator: And as a reminder, if you’d like to ask a question you may press star then the number one on your telephone keypad.

Our next question comes from the line of (Brook Howell) with St. Michael, your line is open.
(Brook Howell): Hi, good afternoon. I had a question about slide number 68 on the one, two, three, the first bullet down which says it will depend on the amount of money available for redistribution. What does that mean exactly?

(Kim Spalding Bush): Hi, thank you for the question, this is (Kim Spalding Bush). The amount available by laws as to redistribute has to be equal to the amount that we withhold. So CMS’ actuaries will estimate what 1 percent of the total payments for FY 2013 would be and then that’ll be the amount that’s available to redistribute to hospitals based on their scores. So they’ll have to determine that number in order for us and then we have to find out what the hospital scores were in order for us to determine the scope of the line that would redistribute that amount.

(Brook Howell): Thank you.

Barbara Cebuhar: Our next question please, (Alisha).

Operator: Our next question comes from the line of Amanda Skinner with Yale New Haven Health care, your line is open.

Amanda Skinner: Hi, my question is about the budget neutrality and we know that for fiscal year ‘13, it’s going to be budget neutral and the money is going to be redistributed but do we know what that looks like in future years yet or is there any proposal on the table?

(Kim Spalding Bush): The requirement in the law is that for each year of the program the amount available for redistribution has to be equal to the amount of the withhold as estimated by the secretary. The amount of withhold does change with each year but it would still be fully redistributed back to the hospital …

Amanda Skinner: So it’s – for the duration of the program, it’s budget neutral?

(Kim Spalding Bush): Correct.

Amanda Skinner: OK, thank you.

Barbara Cebuhar: Thank you for your question. (Alisha), our next one please.
Operator: Our next question comes from the line of Tim Copeland with St. Mary’s Regional Memorial, your line is open.

Tim Copeland: My question has to do with slide number 34 and the process for normalizing the clinical domain scores whenever there is – one of the majors does not have any cases in it. It seems to me like the number is going in the wrong direction. If you’re wanting to normalize the scores that you would get credit for the domain that doesn’t have any points associated with it and the score would actually go up. Is there any possibility that there is a problem with that formula?

(Jim Poyer): Hi, (Jim Poyer) here. We believe that the – we double checked the math, it’s correct. Basically normalizing to a scale of a 100, so that’s why it’s going downward. So basically if it were 12 measures normalizing to a factor of 100 percent, there will be a further downward, but we double checked it, hopefully that clarifies.

Tim Copeland: OK, thank you.

(Jim Poyer): Basically it’s 48 over 110 and you’re basically normalizing to what the denominator would be if the denominator were 100, so that’s why you’re seeing it downward.

Tim Copeland: OK.

Barbara Cebuhar: (Alisha), our next question please.

Operator: We have no further questions at this time. I turn the call back over to the presenters.

Barbara Cebuhar: Thank you very much. I just want people to know that (Ernessa Brawley) is going to go over the last slide. I would like to thank you all. We hope this overview has provided you with an understanding of what’s on the horizon for the hospital value based purchasing program and how CMS will score hospitals for the fiscal year 2013. We believe this program will ultimately result in better quality of care and best practices being adopted industry wide.
So (Ernessa), can you go ahead and explain the next slide, which is slide 71, I think.

(Ernessa Brawley): Thank you, Barbara, and thank you all for your participation and your thoughtful questions today. I want to remind you that if you – still that you want to further explore the questions that you asked or if you think of questions later, you can send us an e-mail at ocsqbox@cms.hhs.gov and we’ll be happy to get back to you and direct the questions in the right direction.

Kelly Anderson: This is Kelly Anderson, I’m the Communications Manager for the Office of Clinical Standards and Quality at CMS. If I could just chime in for one moment. Just to clarify, we’re happy to take your questions at ocsqbox, but we do ask that you keep them limited only to those proposals or only to those policy issues that relate to the FY ‘13 program that we’ve just presented to you up-to-date. We know that there’s a lot going on in the regulatory community right now and we cannot address questions about the current regulations through that e-mail box.

(Ernessa Brawley): Thank you, Kelly, and that’s a great segway into our discussion about the additional proposals for the FY ‘14 program. I want to note that it’s not on the slide but that we have proposed a Medicare spending per beneficiary measure in the FY ‘12 IPPS rules. So the public comment period for that rule has closed, and so I just wanted to alert you that we have additional hospital value based purchasing proposals in that rule as well. However, currently, the Outpatient Prospective Payment System rule has been proposed and the comment period for that role closes on August 30, 2011.

CMS is proposing additions to the hospital value based purchasing program including new measures or a new measure that will further improve quality in patient outcomes. These additions build upon assets that were introduced under the FY ‘13 program and those that you heard about on the call today. The additions are listed below on this slide and I’ll just take a moment for you to review the additions.

And again, I want to know that the public comment period for the FY ‘14 proposals in the Outpatient Prospective Payment System rules close on
August 30th. So if you would formally like to submit comments about any of our proposals please do so through the vehicles noted in the rule and on regulations.gov.

This concludes our presentation today, slide 71, discusses the hospital value based purchasing Web site, which again is CMS.gov – www.cms.gov/hospital-value-based-purchasing, and we really hope that this overview has provided you with an understanding of what is on the horizon for hospital value based purchasing and how CMS will score hospitals for fiscal year 2013. We really believe this program will ultimately result in better quality of care and best practices adopted industry-wise.

This concludes our presentation and I’ll turn it over to Barb for closing remarks.

Barbara Cebuhar: Great, thank you very much, (Ernessa). I would like to thank you all for attending our special open door forum. We hope that this has provided you with a better understanding of the goals, procedures and standards of performance for the hospital value based purchasing program. The impetus behind hospital value based purchasing is better care, better outcomes for patients and transforming the healthcare system to a payment system that recognizes and rewards quality.

For additional resources, visit the Web site www.cms.gov/hospital-value-based-purchasing. Just wanted to remind you all and you can see on slide 71 that an audio recording and transcript will be available starting August 24th at www.cms.gov/opendoorforums and you can get it there.

And once again just a reminder, if you have any questions or comments about the 2013 proposal or final rule, excuse me, please send them to ocsqbox@cms.hhs.gov.

(Alisha), this concludes our presentation. We are very grateful for everyone’s participation and we look forward to hearing your comments.

Operator: And this concludes today’s conference call, you may now disconnect.
END