



# Mastering Inpatient Value Based Care Measures for Maximum Reimbursement

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# Presenter



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# A Quick Primer on Value Based Care

# Value Based Care

*Is a system in which reimbursement is driven by quality of care and patient outcomes.*

It is...



*Not driven by volume, use, or "heads in beds"*



*About full continuum performance*



*Focused on Prevention*



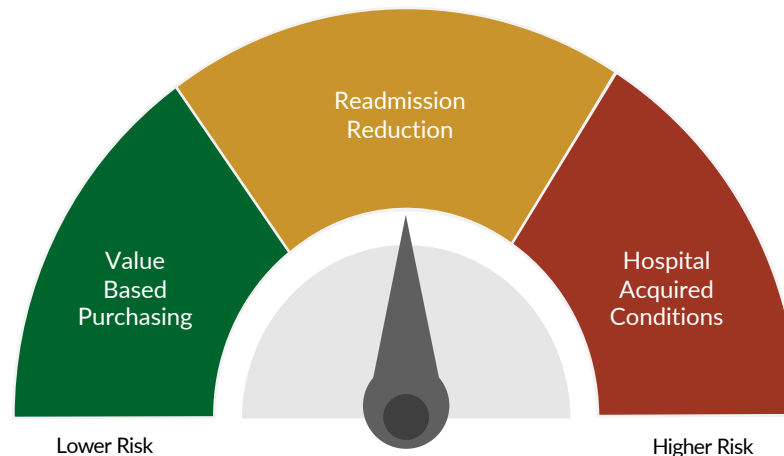
*Payment is based on performance against expected measures*

*Value Based Care is Risk Based Care*

# The Trifecta of CMS Inpatient Value Based Programs

Heart Attack · Heart Failure  
COPD · Knee/Hip Replacement  
Pneumonia

Mortality · Patient Experience  
Hospital Acquired Infections  
Cost Effectiveness

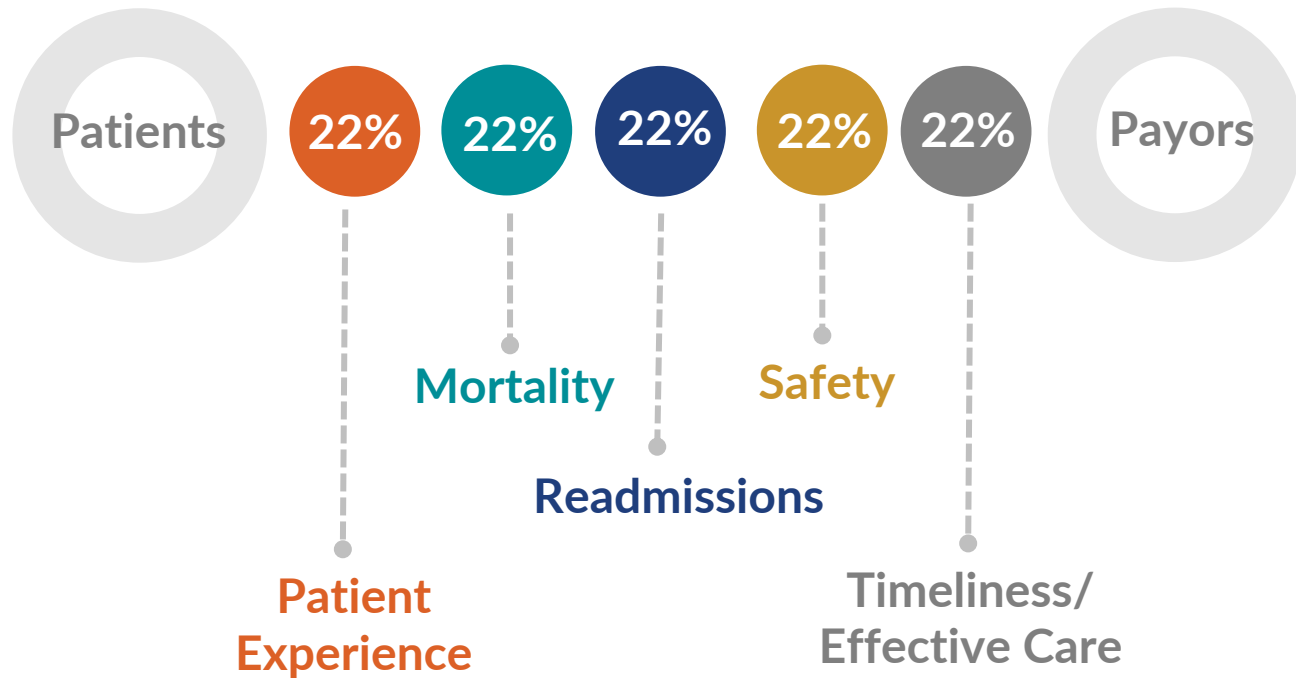


Hospital Acquired Infections  
Postoperative Complications

Level of Risk

# What About Star Ratings?

★ Star Ratings are for Consumer Use



Patients and Payors are Consumers ★

# Value Based Purchasing: How it Works

1

CMS withholds  
Medicare  
Payments by 2%

2

That 2% goes  
into a pool to  
fund the  
program

3

Hospitals can  
gain or lose  
based on their  
value-based  
performance

4

The incentive  
or reduction is  
redistributed to  
hospitals based  
on their total  
performance

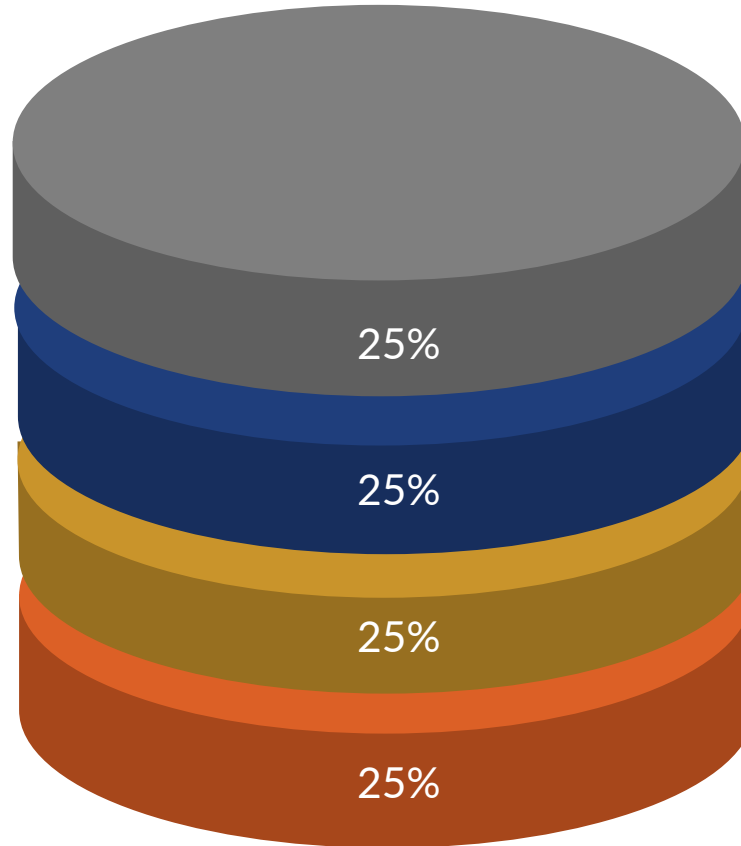
# What is Included? Value Based Purchasing

## Efficiency and Cost Reduction

- Average Spend per Medicare Beneficiary

## Mortality Rate

- Heart Attack
- Bypass Surgery
- Chronic Obstructive Pulmonary Disease
- Pneumonia
- Heart Failure
- Also includes complication rate for Knee/Hip Surgery



## Hospital Acquired Infections

- Central Line Infections
- Catheter Infections
- Surgical Site Infections (Colon surgery and Hysterectomies)
- MRSA
- C-difficile Illness

## Patient Satisfaction

- HCHAPS survey results for select measures



# 2025 Achievement Targets

## FY 2025 Hospital Value-Based Purchasing Program Quick Reference Guide



Payment adjustment effective for discharges from October 1, 2024, to September 30, 2025

| Clinical Outcomes               | Mortality Measures  |  | Performance Period  |           | 25% |       |
|---------------------------------|---|--|---|-----------|-----|-------|
|                                 | Measure ID  | Measure Name   | Achievement Threshold   | Benchmark |     |       |
| Clinical Outcomes               | Baseline Period<br>July 1, 2015–June 30, 2018               |  | Performance Period<br>July 1, 2020–June 30, 2023  |           | 25% |       |
|                                 | MORT-30-AMI   | Acute Myocardial Infarction 30-Day Mortality                         | 0.872624  | 0.889994  |     |       |
|                                 | MORT-30-CABG  | Coronary Artery Bypass Graft Surgery 30-Day Mortality                | 0.970100  | 0.979775  |     |       |
|                                 | MORT-30-COPD  | Chronic Obstructive Pulmonary Disease 30-Day Mortality               | 0.915127  | 0.932236  |     |       |
|                                 | MORT-30-HF  | Heart Failure 30-Day Mortality                                       | 0.883990  | 0.910344  |     |       |
|                                 | MORT-30-PN  | Pneumonia 30-Day Mortality   | 0.841475  | 0.874425  |     |       |
|                                 | Complication Measure  |  | Performance Period<br>April 1, 2020–March 31, 2023                                      |           |     | 25%   |
| COMP-HIP-KNEE                   | Total Hip Arthroplasty/Total Knee Arthroplasty Complication | 0.025332   | 0.017046  |           |     |       |
| Person and Community Engagement | Baseline Period<br>Jan. 1, 2019–Dec. 31, 2019               |  | Performance Period<br>Jan. 1, 2023–Dec. 31, 2023  |           | 25% |       |
|                                 | HCAHPS Survey Dimensions Floor (%)                          |  | Achievement Threshold (%)   |           |     |       |
|                                 | Communication with Nurses                                   |  | 53.50   | 79.42     |     | 87.71 |
|                                 | Communication with Doctors                                  |  | 62.41   | 79.83     |     | 87.97 |
|                                 | Responsiveness of Hospital Staff                            |  | 40.40   | 65.52     |     | 81.22 |
|                                 | Communication about Medicines                               |  | 39.82   | 63.11     |     | 74.05 |
|                                 | Hospital Cleanliness and Quietness                          |  | 45.94   | 65.63     |     | 74.64 |
|                                 | Discharge Information                                       |  | 66.92   | 87.23     |     | 92.21 |
|                                 | Care Transition   |  | 25.64   | 51.84     |     | 63.57 |
|                                 | Overall Rating of Hospital                                  |  | 38.31   | 71.66     |     | 85.39 |
| Safety                          | Baseline Period<br>Jan. 1, 2019–Dec. 31, 2019               |  | Performance Period<br>Jan. 1, 2023–Dec. 31, 2023  |           | 25% |       |
|                                 | Measure ID  | Measure Name   | Achievement Threshold   | Benchmark |     |       |
|                                 | CAUTI   | Catheter-Associated Urinary Tract Infection                          | 0.735   | 0.000     |     |       |
|                                 | CDI   | Clostridium difficile Infection                                      | 0.427   | 0.047     |     |       |
|                                 | CLABSI  | Central Line-Associated Bloodstream Infection                        | 0.918   | 0.013     |     |       |
|                                 | MRSA  | Methicillin-Resistant Staphylococcus aureus                          | 0.969   | 0.028     |     |       |
| SSI                             | Colon Surgery Abdominal Hysterectomy                        | 0.716  | 0.000   |           |     |       |
| Efficiency and Cost Reduction   | Baseline Period<br>Jan. 1, 2021–Dec. 31, 2021               |  | Performance Period<br>Jan. 1, 2023–Dec. 31, 2023  |           | 25% |       |
|                                 | Measure ID  | Measure Name   | Achievement Threshold   | Benchmark |     |       |
| MSPB                            | Medicare Spending per Beneficiary                           | Median MSPB ratio across all hospitals during the performance period | Mean of lowest decile of MSPB ratios across all hospitals during the performance period |           |     |       |

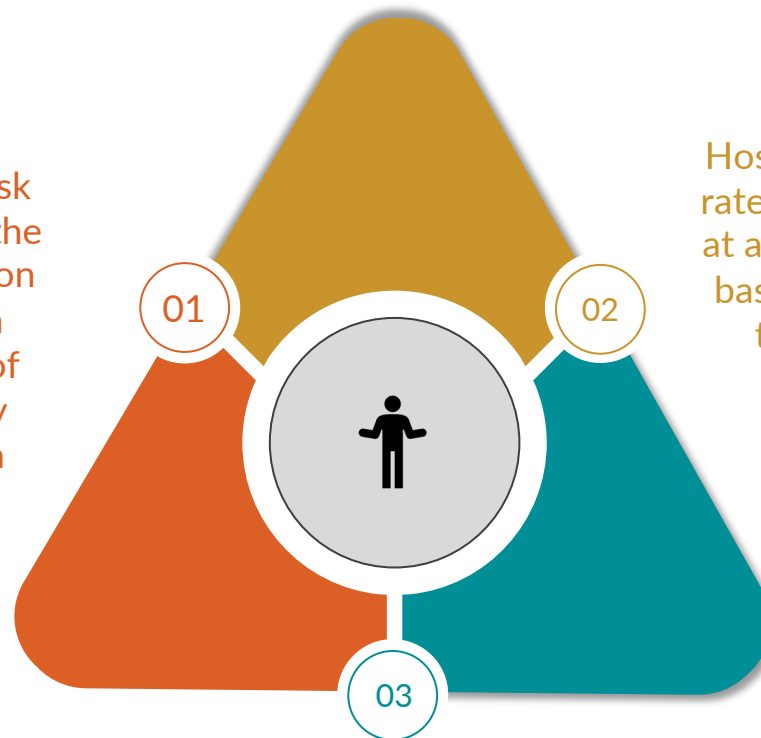
(\*) These performance periods are impacted by the Extraordinary Circumstances Exception (ECE) granted by CMS on March 22, 2020, further specified by CMS on March 27, 2020, and amended in the August 25, 2020, COVID-19 Interim Final Rule. Claims from 01-01-2020 and 02-01-2020 will not be used in the claims-based measure calculations.

↓ Indicates lower values are better for the measure.

Last Updated: November 2022

# Readmissions Reduction: How it Works

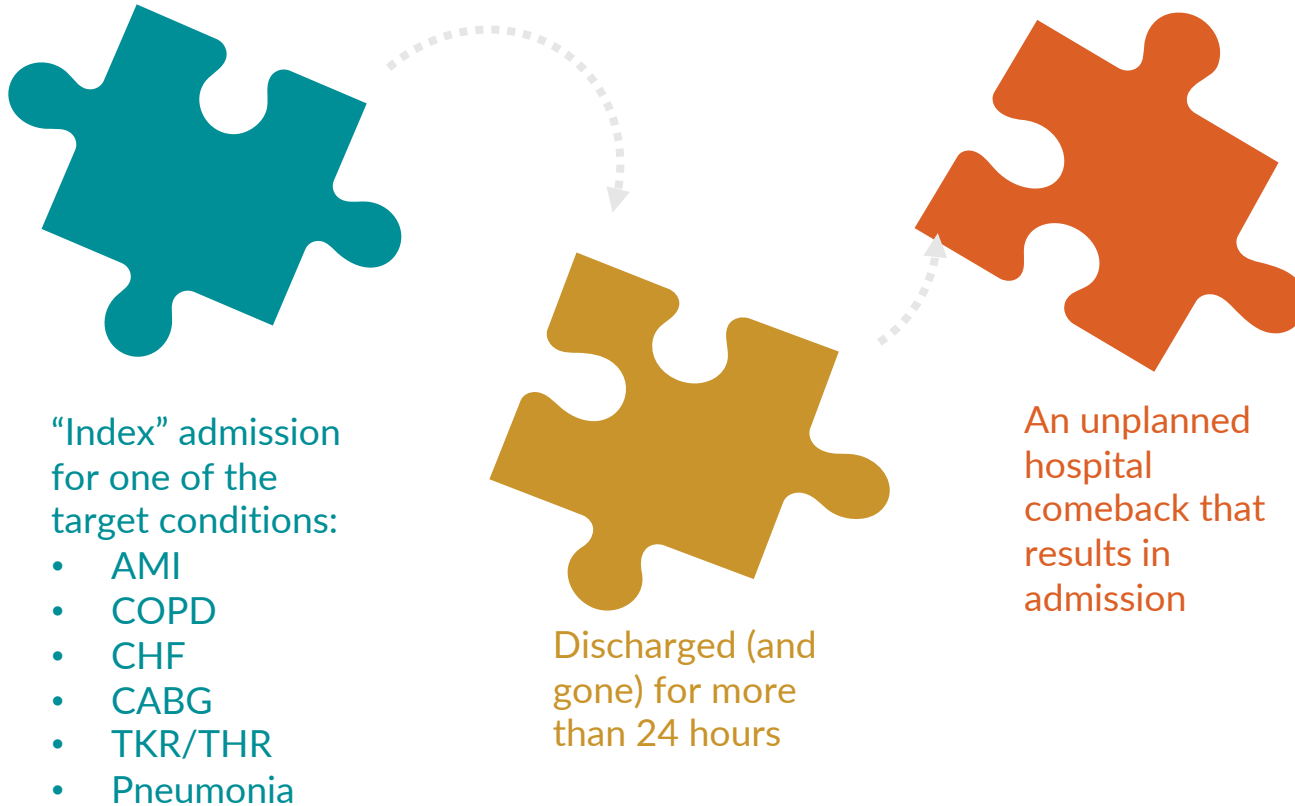
CMS uses the risk stratification of the patient population to calculate an expected rate of readmission by condition for a given facility



Hospitals that exceed this rate are penalized by CMS at a calculated percentage based on how far off the target they perform (maximum 3%)

The payment adjustment factor applies to all discharges in the fiscal year, no matter the condition

# What Counts as a Readmission?



# Hospital Acquired Conditions (HAC) Reduction: How it Works



## Mandatory Case Reporting

Hospitals report a series of post operative complications via their claims data.

Hospitals also mandatorily report actual infection data via the CDC's NHSN System



## CMS Compiles Score

CMS compiles a total HAC performance score which is a rollup of the Postoperative complications index (PSI-90) and the Hospital Acquire Infections Measures



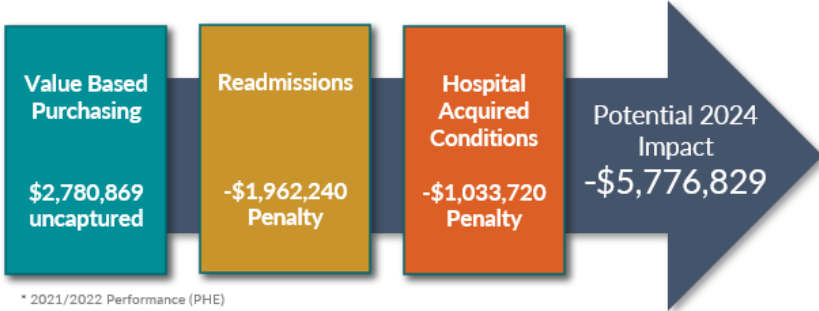
## Penalty Assigned To Bottom 25%

The bottom 25% of all performers incur a 1% payment reduction on all CMS dollars

# The Financial Impact

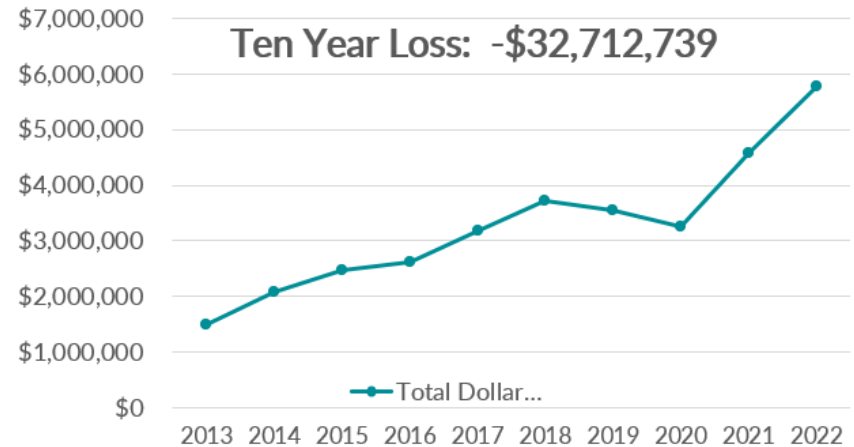
# Inpatient Value Based Performance Viewpoint: Memorial Hospital of Anywhere

Memorial Hospital of Anywhere, located in Pleasantville, Tennessee, was founded in 1902 as small community hospital. Now operating as a 250-bed acute care hospital, the organization has grown to offer a variety of inpatient and outpatient services including a Level II Trauma Center, Primary Stroke Center, Orthopedics Program, and Cancer Center.

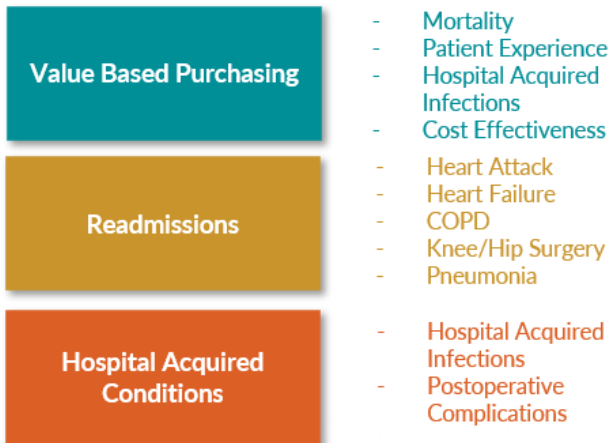


\* 2021/2022 Performance (PHE)

## Trended Value Based Performance



## Value Based Performance Drivers



## 2023 Labor Spend for Readmitted Patients



\*Calculated using reported Medicare Discharges, Readmission Rate, and Average LOS



## Top Opportunity: Hospital Acquired Conditions

| HAC Description                               | Hospital | US Avg. |
|---|----------|---------|
| Pressure Ulcers                               | 1.78     | 0.62    |
| Iatrogenic Pneumothorax                       | 0.21     | 0.19    |
| Falls with Fracture                           | 0.12     | 0.07    |
| Post Operative Hemorrhage/Hematoma            | 2.22     | 2.39    |
| Acute Kidney Injury                           | 1.18     | 0.92    |
| Post Operative Respiratory Failure            | 7.98     | 6.47    |
| PE/DVT  | 3.46     | 3.41    |
| Post Operative Sepsis                         | 6.23     | 4.09    |
| Wound Dehiscence                              | 1.05     | 0.82    |
| Unrecognized Accidental Punctures/Lacerations | 1.50     | 1.04    |

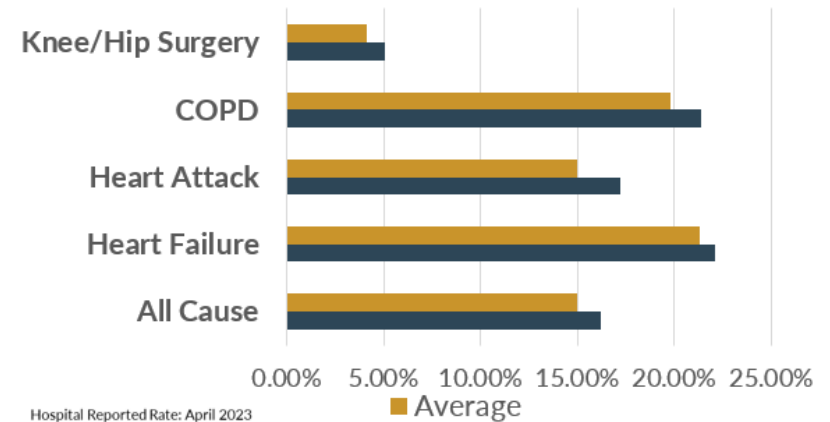
\*Hospital performance shown with highlight does not achieve threshold expected performance  
Hospital Reported Rate: April 2023

## Hospital Acquired Infection Rates

| HAC Description                                 | Hospital | US Avg. | 2024 VBP Threshold |
|---|----------|---------|--------------------|
| Central Line Associated Blood Stream Infections | 1.21     | 1.0     | 0.589              |
| Catheter Associated Urinary Tract Infections    | 1.48     | 1.0     | 0.650              |
| Surgical Site Infections (Colon)                | 0.79     | 1.0     | 0.717              |
| Surgical Site Infections (Hysterectomy)         | 0.89     | 1.0     | 0.738              |
| Methicillin Resistant Staph Aureus              | 1.76     | 1.0     | 0.726              |
| Clostridium Difficile                           | 0.61     | 1.0     | 0.520              |

Hospital Reported Rate: April 2023

## Readmissions



Hospital Reported Rate: April 2023

See your organization's custom viewpoint in your packet

Virtual Attendees:

Request your Value Based Viewpoint at the following link:

<https://www.plantemoran.com/explore-our-thinking/insight/2023/05/manage-your-hospitals-risk-with-a-value-based-performance-report>

# Q&A



# Contact your presenter



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Thank you for attending