MY 2018 Hospital P4P and PPR

Wisconsin Department of Health Services
Division of Medicaid Services

Bureau of Fiscal Management
November 17, 2017

Agenda

1. Introduction and Welcome
2. Review Final Model
3. Benchmarks and Risk Adjustments
4. Discuss Report Changes
5. Report Delivery Timeline
6. Dashboard Demo
7. Overview P4P Manual
8. Overview of Incentives and Penalty Model
9. Next Steps

Introduction and Welcome

Statewide FFY 2016 PPR Performance

FFY 2016 PPR Overall Performance

A	B	C	D	E = A + B + C + D	F = B / (A + B)	G	H = G / B	I	J = I / (A + B)	K = F / J
Only Admissions	Initial Admissions	Potentially Preventable Readmissions	Other, Non-Qualifying Admissions	Total Admissions	Readmission Chain Rate	Total PPR Paid	PPR Paid per Chain	State-Wide Benchmark PPR Chains	State-Wide Benchmark PPR Chains Rate	Ratio of Actual to Benchmark Rates
32,763	2,670	3,731	5,652	44,816	7.54%	$33,840,942	$12,675	2,670	7.54%	1.00

A — Only Admissions

Admissions that are "qualifying" by PPR logic and are not part of a PPR chain.

B — Initial Admissions

The first admission that results in a PPR chain.

D — Other, Non-Qualifying Admissions

Admissions excluded by PPR logic as a non-qualifying admission (i.e. left AMA, malignancy, neonatal)

G — Total PPR Paid

The total paid amount for claims classified as a PPR.

I — State-Wide Benchmark PPR Chains

The benchmarked number of PPR chains (initial admissions) as determined by the statewide average readmission rate, risk-adjusted for age group, mental health DRG, and secondary mental health status).

FFY16 FFS PPR Analysis- Hospital Type and Size

Hospital Classification: Type and Size	OA	IA	RA	Other, Non-Qualifying Admissions	Total Admissions	Readmission Chain Rate	State-Wide Benchmark PPR Chains	State-Wide Benchmark PPR Chains Rate	Ratio of Actual to Benchmark Rates
Critical Access	2,421	127	177	283	3,008	4.98%	128	5.00%	1.00
Less than 100 Beds	3,556	249	310	858	4,973	6.54%	260	6.83%	0.96
100-200 Beds	3,779	216	326	552	4,873	5.41%	257	6.44%	0.84
201-300 Beds	3,681	294	399	676	5,050	7.40%	301	7.57%	0.98
301-400 Beds	6,931	539	694	1,011	9,175	7.22%	543	7.27%	0.99
401-500 Beds	3,657	196	283	516	4,652	5.09%	216	5.62%	0.91
Greater than 500 Bed	6,868	816	1,216	1,559	10,459	10.62%	751	9.77%	1.09
Pysch/Rehab Provider	1,608	208	298	131	2,245	11.45%	189	10.38%	1.10
Out of State	262	25	28	66	381	8.71%	25	8.79%	0.99
Total	**32,763**	**2,670**	**3,731**	**5,652**	**44,816**	**7.54%**	**2670**	**7.54%**	**1.00**

OA = Only Admission
IA = Initial Admission
RA = Potentially Preventable Readmission

Detailed Readmission Benchmark Calculation

Readmission Benchmark Calculation Steps

- Determining the Potentially Preventable Readmission (PPR) benchmark for a hospital involves the following steps:

Using statewide fee-for-service data:

1. Process statewide FFS claims using the 3M PPR software, which classifies each admission as follows based on the APR DRG:
   - Only Admission (OA), not followed by a PPR within 30 days
   - Initial Admission (IA), followed by a PPR within 30 days
   - Potentially Preventable Readmissions (RA), following an IA within 30 days
   - Excluded, based on the PPR clinically based algorithm (ex: clinically complex)
2. For each combination of APR DRG and severity of illness (SOI) level, calculate the statewide average readmission rate (based on IAs divided by sum of OAs and IAs)

Using hospital-specific data:

3. Multiply the hospital's number of APR DRG/SOI claims times the statewide average readmission rate for each APR DRG/SOI combination to determine an hospital's initial readmission benchmark
4. Apply additional adjustments to account for differences in readmission rates for mental health and pediatric services to determine an HMO's final readmission benchmark

Detailed Readmission Benchmark Calculation

Readmission Benchmark Example *(Not Actual Figures)*

APR DRG	DRG Description	Statewide Average Readmission Rate	Hospital 1		Hospital 2	
			Qualifying Admissions	Benchmark Readmissions	Qualifying Admissions	Benchmark Readmissions
A	B	C	D	E = D x C	F	G = F x C
023-3	SPINAL PROCEDURES	22.2%	5	1.11	1	0.22
045-2	CVA & PRECEREBRAL OCCLUSION W INFARCT	1.1%	2	0.02	6	0.07
054-3	MIGRAINE & OTHER HEADACHES	20.0%	6	1.20	3	0.60
115-1	OTHER EAR, NOSE, MOUTH,THROAT & CRANIAL/FACIAL DIAGNOSES	4.5%	2	0.09	5	0.23
Total Benchmark Readmissions			**15**	**2.42**	**15**	**1.12**
Actual Readmissions			**15**	**1**	**15**	**3**
Actual Readmissions Over/(Under) Benchmark Readmissions				**(1.42)**		**2.88**
Actual-to-Benchmark Ratio				**0.413**		**2.679**

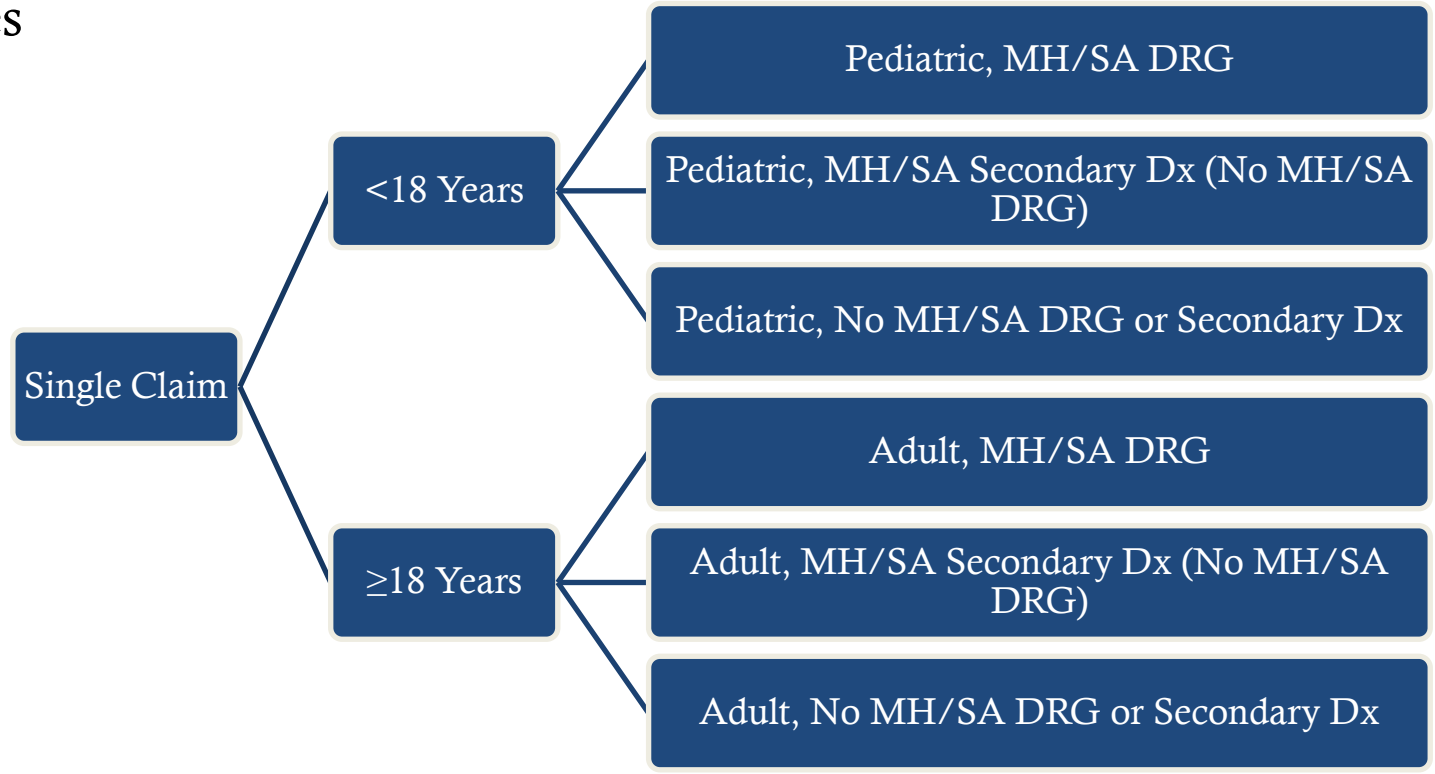
Appendix: Detailed Readmission benchmark Calculation

Readmission Benchmark Calculation Approach

- Readmission benchmark methodology establishes a standard readmission rate for each service which serves as the basis for the performance measurement for Hospitals
  - "Actual-to-Benchmark Ratio" calculated by dividing actual readmissions by benchmark readmissions
  - Actual readmissions that exceed benchmark readmissions (ratio greater than 1.0) are considered "excess" for performance measurement purposes
- Readmission benchmarks factor in differences in volume and service mix (both in terms of case mix and pediatric and mental health patient mix) to allow for meaningful comparison across Hospitals
  - Greater utilization and/or a greater proportion of services with higher readmission rates will be reflected in a Hospital's readmission benchmark

PPR Risk Group Assignment

- All claims are assigned one of six risk groups based upon age, mental health/substance abuse (MH/SA) DRGs and secondary MH/SA diagnosis codes



Risk Factors Calculation

- A risk factor is calculated based upon a risk group's performance relative to benchmark rates

FFY16 FFS Plus Risk Adjustment Factors

Risk Group	Risk Group Description	PPR Chains	Qualifying Claims	PPR Rate	Benchmark PPR Chains	Benchmark Rate	Risk Adj. Factor
1	Pediatric, MH/SA DRG	199	1,953	10.19%	207	10.58%	0.963
2	Pediatric, MH/SA Secondary Dx (No MH/SA DRG)	22	210	10.48%	19	9.14%	1.146
3	Pediatric, No MH/SA DRG or Secondary Dx	251	9,675	2.59%	316	3.27%	0.794
4	Adult, MH/SA DRG	538	4,166	12.91%	530	12.73%	1.014
5	Adult, MH/SA Secondary Dx (No MH/SA DRG)	671	4,115	16.31%	444	10.80%	1.510
6	Adult, No MH/SA DRG or Secondary Dx	989	15,314	6.46%	1,153	7.53%	0.857

Possible consideration for future PPR risk adjustments

- New ICD-10 codes can identify potential health hazards related to socioeconomic and psychosocial circumstances (Z55-Z65)
  - Problems related to education and literacy (Z55)
  - Problems related to employment and unemployment (Z56)
  - Occupational exposure to risk factors (Z57)
  - **Problems related to housing and economic circumstances (Z59)**
  - Problems related to social environment (Z60)
  - Problems related to upbringing (Z62)
  - Oth prob rel to prim support group, inc family circumstances (Z63)
  - Problems related to certain psychosocial circumstances (Z64)
  - Problems related to other psychosocial circumstances (Z65)

Provider PDF Report Changes

Header: Inclusion of claim type (Fee For Service or FFS) and Time Period

Wisconsin
Department of Health Services
Potentially Preventable Readmissions
FFS Claims from October 1, 2015 - September 30, 2016

Provider:	Hospital Name		
Medicaid ID:	123456789	Provider Type:	GENERAL

I. Claims Summary

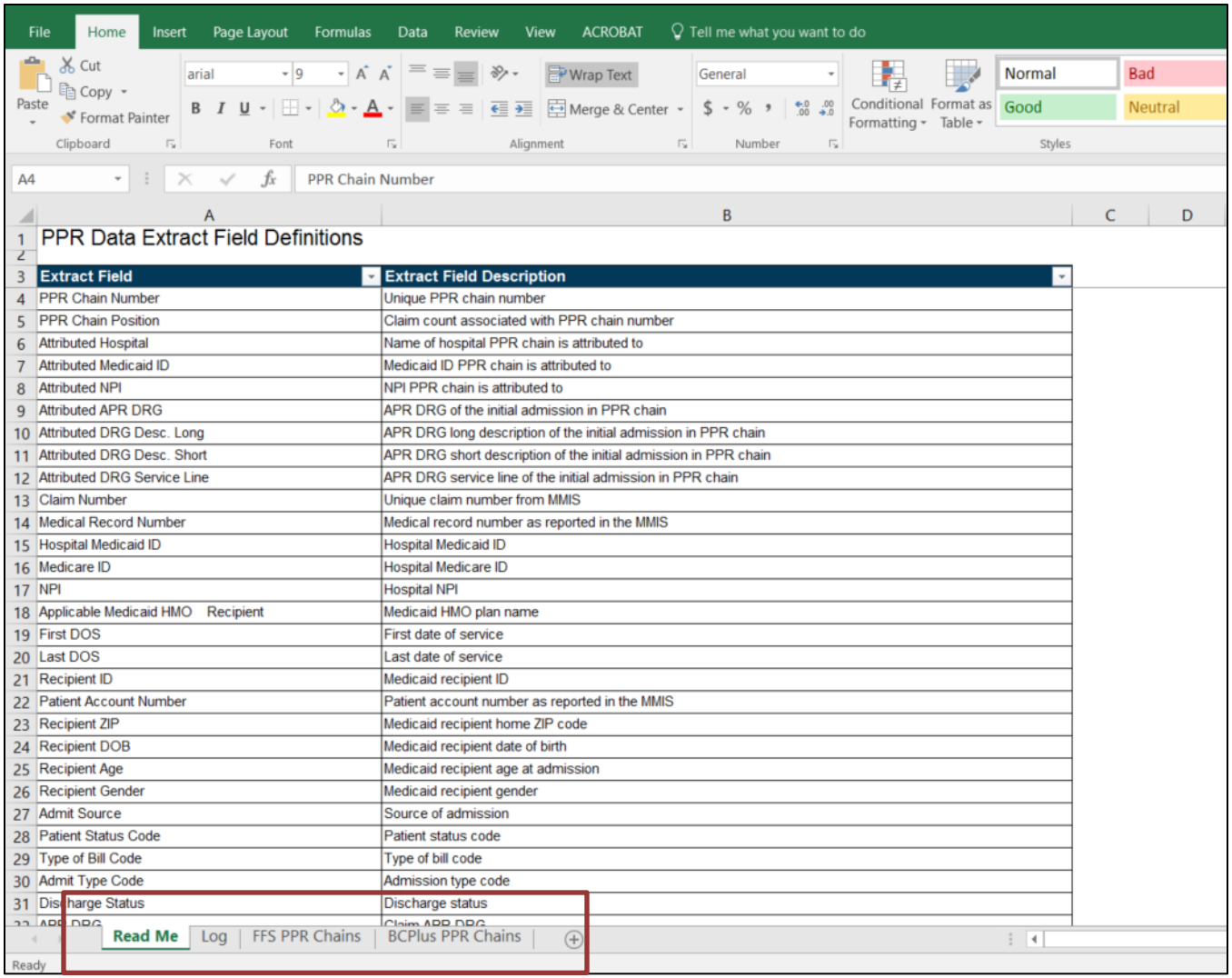
A) APR DRG Case Mix:	1.00	
B) Total Facility Admissions:	100	
C) Excluded Admissions:	5	
	0	*LA - Left against medical adivce admission*
	0	*MA - Malignancy admission*
	0	*MM - Major/metastatic malignancy admission*
	5	*NE - Non-event admission*

Provider PDF Report Changes

Addition of an Appendix on page two

Excluded Admissions	Admission that is globally excluded from consideration as both a readmission and Initial Admission due to the nature and complexity of the required follow up care (e.g., major or metastatic malignancy conditions) or because the patient left against medical advice.
LA - Left against medical advice admission	Discharge Status Code: 07
MA - Malignancy admission	APR DRG: 41, 690-694
MM - Major/metastatic malignancy admission	Any medical/surgical admission with a primary diagnosis or secondary diagnosis of a major/metastatic malignancy
NE - Non-event admission	Admission to a non-acute care facility such as a nursing home or an admission to an acute care hospital for non acute care (e.g., convalescence). Several procedure codes for chemotherapy, radiation therapy, and other cancer treatments that, if present, would classify the malignancy DRG as a Non-event. Non-events during the interval between an Initial Admission and a readmission are ignored.
NM - Non-event malignancy	Admission that has an APR-DRG on the Non-event Exclusion APR DRGs list (see below) and a supporting procedure (such as chemotherapy or radiation therapy) and/or diagnosis code (such as a diagnosis on the malignancy list). Requirements for additional procedures and diagnosis codes depend on the DRG. Non-event Exclusion APR DRG list: 110, 136, 240, 281, 343, 346, 382, 424, 442, 461, 462, 500, 530, 660, 661, 663, 680, 681, 860, 862, 863
NT - Neonatal admission	APR DRG: 580, 581, 583, 588, 589, 591, 593, 602, 603, 607-609, 611-614, 621-623, 625,

Provider PPR Excel Report Changes



PPR Data Extract Field Definitions

Extract Field	Extract Field Description
PPR Chain Number	Unique PPR chain number
PPR Chain Position	Claim count associated with PPR chain number
Attributed Hospital	Name of hospital PPR chain is attributed to
Attributed Medicaid ID	Medicaid ID PPR chain is attributed to
Attributed NPI	NPI PPR chain is attributed to
Attributed APR DRG	APR DRG of the initial admission in PPR chain
Attributed DRG Desc. Long	APR DRG long description of the initial admission in PPR chain
Attributed DRG Desc. Short	APR DRG short description of the initial admission in PPR chain
Attributed DRG Service Line	APR DRG service line of the initial admission in PPR chain
Claim Number	Unique claim number from MMIS
Medical Record Number	Medical record number as reported in the MMIS
Hospital Medicaid ID	Hospital Medicaid ID
Medicare ID	Hospital Medicare ID
NPI	Hospital NPI
Applicable Medicaid HMO Recipient	Medicaid HMO plan name
First DOS	First date of service
Last DOS	Last date of service
Recipient ID	Medicaid recipient ID
Patient Account Number	Patient account number as reported in the MMIS
Recipient ZIP	Medicaid recipient home ZIP code
Recipient DOB	Medicaid recipient date of birth
Recipient Age	Medicaid recipient age at admission
Recipient Gender	Medicaid recipient gender
Admit Source	Source of admission
Patient Status Code	Patient status code
Type of Bill Code	Type of bill code
Admit Type Code	Admission type code
Discharge Status	Discharge status

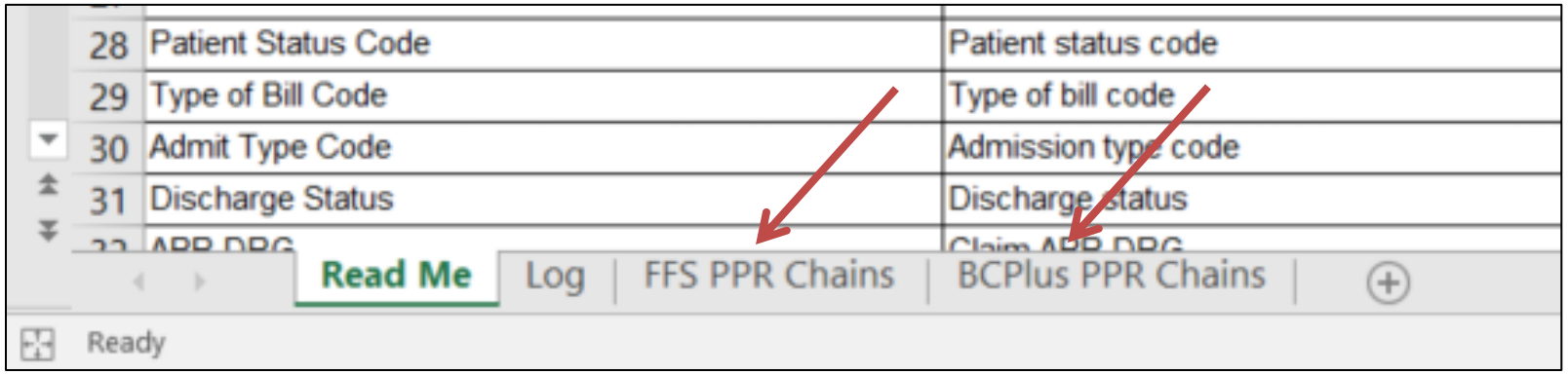
Provider PPR Excel Report Changes

New: Log Documenting Changes

PPR Data Extract Version Control

Extract	Extract Changes
SFY2015	N/A
FFY2016	Up to three PPR chain extracts are provided for each provider with encounters from FFY16. An extract is provided only when the provider had an attributable PPR chain for the given population (FFS, SSI, or BCPlus). Columns added: Patient Account Number and Medical Record Number (requested by provid

New: PPR Chains Split – FFS and BCPlus



Provider PPR Report Delivery

Measurement period	Working data available on approximately:	Preliminary annual report available on:	Final annual report available on:
2018			
1/1 – 3/31	5/15/2018	N/A	N/A
4/1 – 6/30	8/15/2018	N/A	N/A
7/1 – 9/30	11/15/2018	N/A	N/A
10/1 – 12/31	2/15/2018	N/A	N/A
2019			
1/1 – 3/31	5/15/2019	**5/15/2019 (data for MY2018)**	N/A
4/1 – 6/30	8/15/2019	N/A	N/A
7/1 – 9/30	11/15/2019	N/A	**8/15/2019 (data for MY2018)**
10/1 – 12/31	2/15/2019	N/A	N/A
2020			
1/1 – 3/31	5/15/2020	**5/15/2020 (data for MY2019)**	N/A
4/1 – 6/30	8/15/2020	N/A	N/A
7/1 – 9/30	11/15/2020	N/A	**8/15/2020 (data for MY2019)**
10/1 – 12/31	2/15/2021	N/A	N/A

Data Dashboard Demo

HMO PPR Policy

- Starting in 2018, Medicaid HMOs will have the opportunity to participate in a PPR incentive program.

- HMO performance will be based on HMO claims only, and will not include fee-for-service claims. HMOs will be eligible for incentive dollars based on their PPR performance, and will be required to share a portion of those dollars with the providers with whom they partner to reduce PPRs.

- The 2018 HMO P4P guide with PPR information will be posted prior to December 31, 2017 at the following website:
  - https://www.forwardhealth.wi.gov/WIPortal/content/Managed%20Care%20Organization/Quality_for_BCP_and_Medicaid_SSI/Home.htm.spage.

Overview of Withhold and Incentive Model

1. Exclude Per-Diem Paid Providers
2. Exclude Providers with 25 or fewer Qualifying Admissions (QA = Initial Admission + Only Admission)
3. 5% withhold applied to inpatient claims of qualifying providers
    1. Providers that do not qualify for the PPR measure are not subject to the withhold and will not be eligible for incentive payments.
    2. List of qualifying and non-qualifying providers will be distributed to this email list and provided as a ForwardHealth update
4. Model compares MY 18 performance to benchmark period of FFY16
    1. Benchmark IAs are multiplied by 85%, reflecting DHS goal of reducing FFS PPRs by 15%
5. Providers will receive no more than 10 percent of their MY 2018 FFS inpatient claim payments as an incentive, and will be penalized no more than the 5 percent that the withhold represents.

1	2	3	4	5	6	7	8	9
Hospital	Withhold $	PPR $	Initial Admissions (MY 18 performance)	Benchmark Initial Admissions (FFY16)	Chains Above Benchmark (4 – 5, 0 if negative)	Average $ PPR / Chain (3 / 4)	Amount Penalized (6 * 7, but no more than column 2 value)	Withhold Return (2 – 8)
A	$25,000	$80,000	27	22	5	$2,962.96	$14,814.80	$10,185.20
B	$110,000	$220,000	56	26	30	$3,928.57	$110,000	$0.00
C	$50,000	$35,000	8	15	0	$4,375.00	0	$50,000.00
D	$160,000	$230,000	18	20	0	$12,777.78	0	$160,000.00
E	$80,000	$64,000	20	16	4	$3,200.00	12,800	$67,200
Total	$425,000	$629,000	129	99	39		$137,614.80	$287,385.20

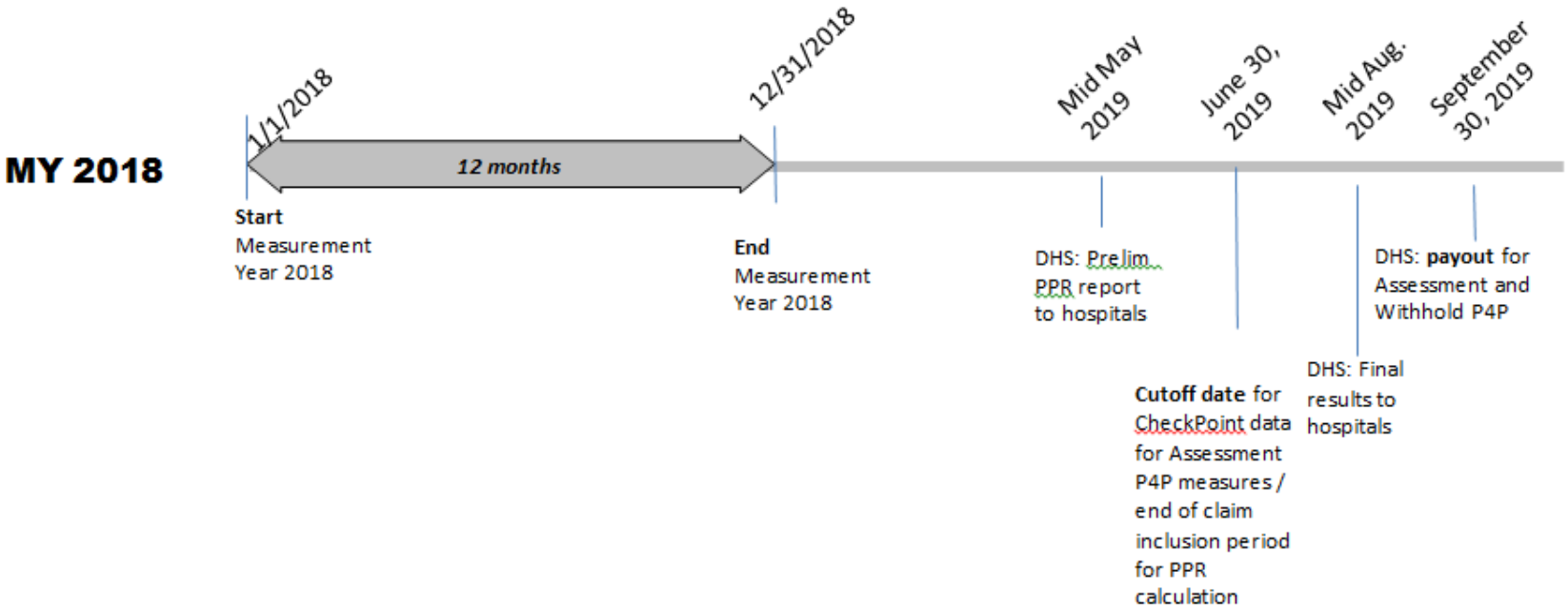
10	11	12	13	14	15	16
Hospital	Withhold Remaining for Redistribution (sum of 2 – sum of 9)	Chains Below Benchmark (5 – 4, or 0 if negative)	Incentive Scaling Factor (Statewide Average PPR $/Chain * 12)	Proportion of PPR $ for Incentive Payment (13 / Sum of Column 13)	Incentive Payment (14 * Total Column 11)	Total Payment (9 + 15)
A		0	0	0		$10,185.20
B		0	0	0		$0
C		7	$34,131.37	.7778	$100,000.00	$150,000
D		2	$9,751.82	.2222	$37,614.80*	$197,614.80
E		0	0	0		$67,200
Total	$137,614.80	9		1.00	$137,614.80	$425,000

Overview of Assessment P4P Measures

- $5m assessment fund, measures carried over from prior years

Measure	MY 2018	Share Division
Pay-For-Performance		
1. **Perinatal Measures**: 2 Sub-measures as follows: a) Cesarean Section b) Newborn Screening Turnaround Time	**$ 2 million** Target = statewide average	100% = 2 of 2 75% = 1 of 2
2. Patient Experience of Care	**$1.5 million** Target = statewide average	100% = 3 of 10
3. Central-line Associated Blood Stream Infection (CLABSI)	**$1.5 million** Target = statewide average	100%= statewide avg.

MY 2018 Timeline



Next Steps

- PDF reports corrected for typo in Line Q will be distributed
- P4P Guide will be distributed and posted to ForwardHealth hospital page along with this slide deck:
  - https://www.forwardhealth.wi.gov/wiportal/content/provider/medicaid/hospital/resources_01.htm.spage
- Spotfire Data Dashboard available in the coming weeks
- DHS will monitor PPR performance over 2018 and will report results in 2019

Request for Public Comment

Questions

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Appendix: PPR MH/SA APR DRGs

APR DRG	Description	APR DRG	Description
740	MENTAL ILLNESS DIAGNOSIS W O.R. PROCEDURE	758	CHILDHOOD BEHAVIORAL DISORDERS
750	SCHIZOPHRENIA	759	EATING DISORDERS
751	MAJOR DEPRESSIVE DISORDERS & OTHER/UNSPECIFIED PSYCHOSES	760	OTHER MENTAL HEALTH DISORDERS
752	DISORDERS OF PERSONALITY & IMPULSE CONTROL	770	DRUG & ALCOHOL ABUSE OR DEPENDENCE, LEFT AGAINST MEDICAL ADVICE
753	BIPOLAR DISORDERS	772	ALCOHOL & DRUG DEPENDENCE W REHAB OR REHAB/DETOX THERAPY
754	DEPRESSION EXCEPT MAJOR DEPRESSIVE DISORDER	773	OPIOID ABUSE & DEPENDENCE
755	ADJUSTMENT DISORDERS & NEUROSES EXCEPT DEPRESSIVE DIAGNOSES	774	COCAINE ABUSE & DEPENDENCE
756	ACUTE ANXIETY & DELIRIUM STATES	775	ALCOHOL ABUSE & DEPENDENCE
757	ORGANIC MENTAL HEALTH DISTURBANCES	776	OTHER DRUG ABUSE & DEPENDENCE

Note: All MH/SA APR DRGs are sequentially numbed. No MH/SA DRGs are omitted. Gaps in sequential numbering is intentional by 3M™. For example, APR DRG 771 is not a valid DRG in version 31, 32, 33 or 34 and is not reflected above.