Medicaid Hospital Advisory Group

Division of Medicaid Services
Bureau of Fiscal Management

March 21, 2017

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Agenda

- Potentially Preventable Readmissions
  - Overview
  - Methodology and Findings
- Outpatient Drug Update
- State Budget Update
- Additional Updates
- Public Comment
- Adjournment

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Potentially Preventable Readmissions

Overview

Potentially Preventable Readmissions

□ DHS recognizes the hospital community's initiatives and commitment to improving quality and reducing readmissions:

- P4P Readmission Measure
- CMS Readmission Measure
- WHA All Cause Readmission Measure
- AHA HRET HEN Readmission Initiative
- Great Lakes Partners for Patients HIIN

□ A Potentially Preventable Readmission (PPR) policy will replace the current FFS P4P withhold program as the Department revises and updates the inpatient quality program

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Potentially Preventable Readmissions

3M PPR Software

- 3M's PPR software is a patient classification system that identifies inpatient hospital readmission "chains" where subsequent readmissions are potentially preventable using a clinically-based algorithm.

- PPR software can use historical inpatient discharge data to:
  - Assign APR DRGs
  - Identify specific types of excluded admissions ("intrinsically clinically-complex and extensive" DRGs)
  - Identify readmission "chains" (initial admissions and potentially clinically-related readmissions) across providers within a specified time frame (i.e. 30 days)
  - Determine clinical relationship
    - Developed by 3M™ physicians and nurses, reviewed annually
  - The hospital for which the first admission in a PPR chain (initial admission) occurs is assigned all subsequent PPRs in that chain, regardless if the PPR occurred at a different hospital.

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PPR Assignment Phases

□ PPR assignment is defined by three distinct phases:

- Phase I – Identify Excluded Admissions and Non-Events

- Phase II – Determine Preliminary Classification of Admissions

- Phase III – Identify PPRs and Determine Final Classification of Admissions

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PPR Assignment

	Step	Step Described
Phase I	1	Assign an APR DRG
	2	Identify Excluded Admissions
	3	Identify "Non-Event" Exclusions
Phase II	4	Calculate Days
	5	Apply Readmission Time Interval
	6	Determine Preliminary Admission Type
	7	Determine Preliminary "Initial Admissions"
	8	Determine Preliminary "Transfer Admissions"
	9	Determine Preliminary "Only Admissions"

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PPR Assignment

	Step	Step Described
Phase III	10	Determine Clinical Relationship
	11	Determine if Readmission Not Preventable
	12	Identify Readmission Chains
	13	Determine if Chain is Terminated
	14	Reclassify PPR When Not Clinically-Related
	15	Reclassify Initial Admissions When Not Clinically-Related
	16	Assign Final PPR Classification
	17	Identify Mental Health Conditions

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PPR Clinical Relationship

□ 3M PPR software assigns clinical reasons for preventable readmissions:

1 - Medical readmission for recurrence of initial admission reason

2A - Ambulatory care sensitive conditions as designated by ARHQ

2B - All other readmissions plausibly related to initial care during or after

3 - Medical readmission plausibly related to initial admission medical condition

4 - Readmission for procedure to address continuation of initial admission problem

5 - Readmission for procedure to address an initial admission complication

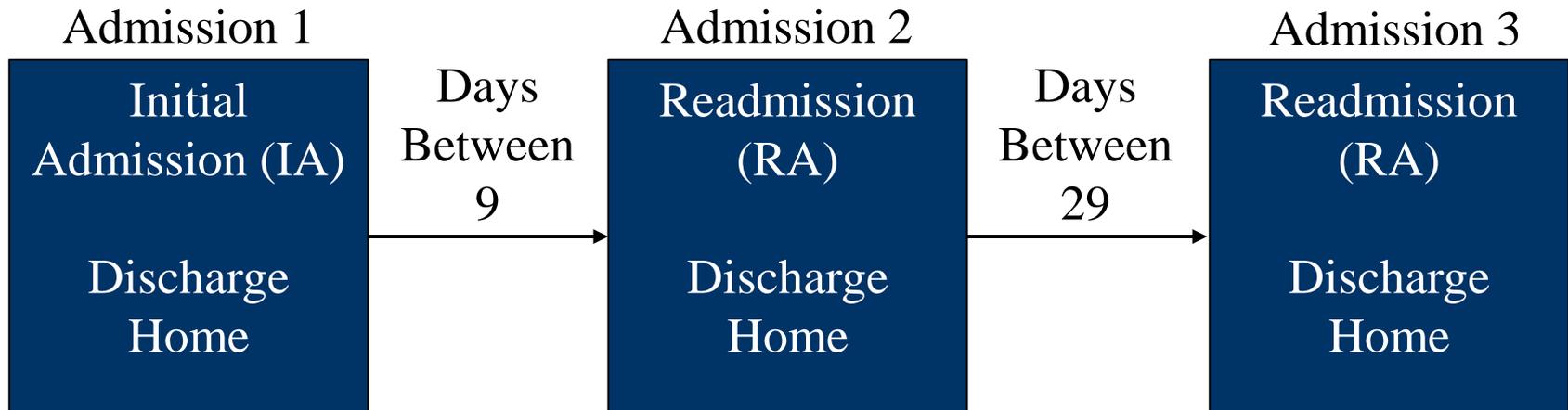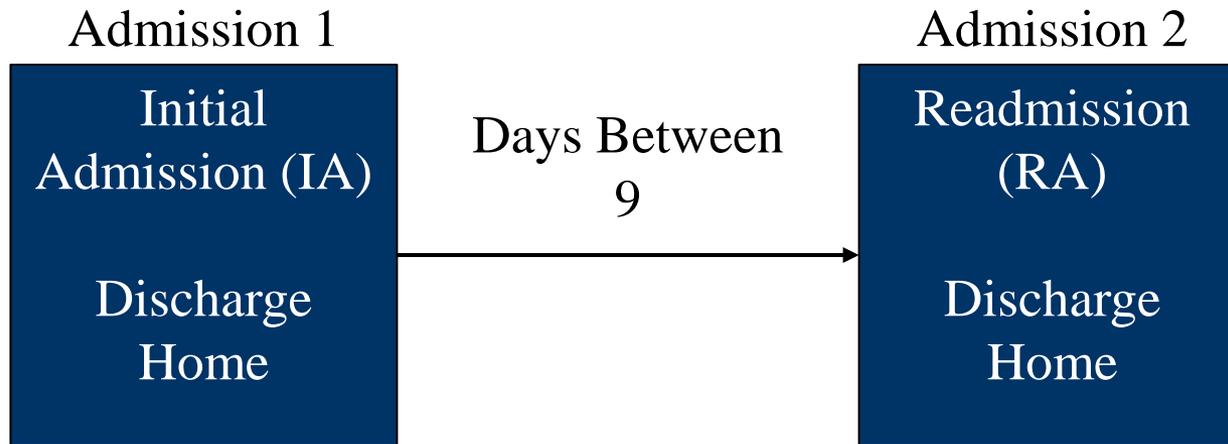6A - Readmission for mental health following a non-mental health initial admission

6B - Readmission for substance abuse after non-substance abuse initial admission

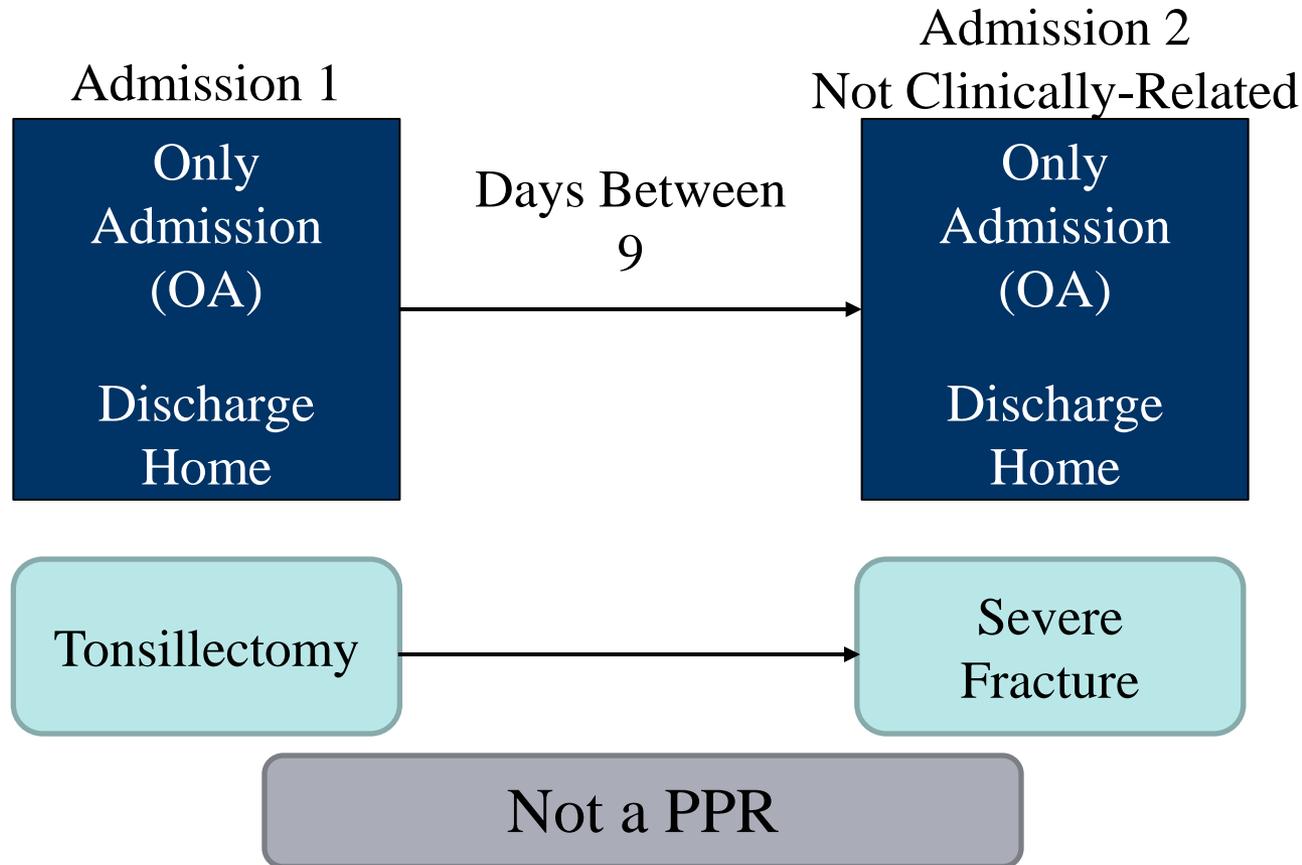6C - Mental health/substance abuse readmission after initial admission for MH/SA

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PPR Examples

Readmission - Overview

Admission 1		Admission 2
Initial Admission (IA) Discharge Home	Days Between 9 →	Readmission (RA) Discharge Home

Admission 1		Admission 2		Admission 3
Initial Admission (IA) Discharge Home	Days Between 9 →	Readmission (RA) Discharge Home	Days Between 29 →	Readmission (RA) Discharge Home

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PPR Examples

☐ Readmission – Not Clinically-Related

Admission 1

Admission 2
Not Clinically-Related

Only Admission (OA)

Discharge Home

Days Between 9

Only Admission (OA)

Discharge Home

Tonsillectomy → Severe Fracture

Not a PPR

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PPR Examples

□ Readmission – Outside Time Window

Admission 1		Admission 2
Only Admission (OA) Discharge Home	Days Between **33** →	Only Admission (OA) Discharge Home

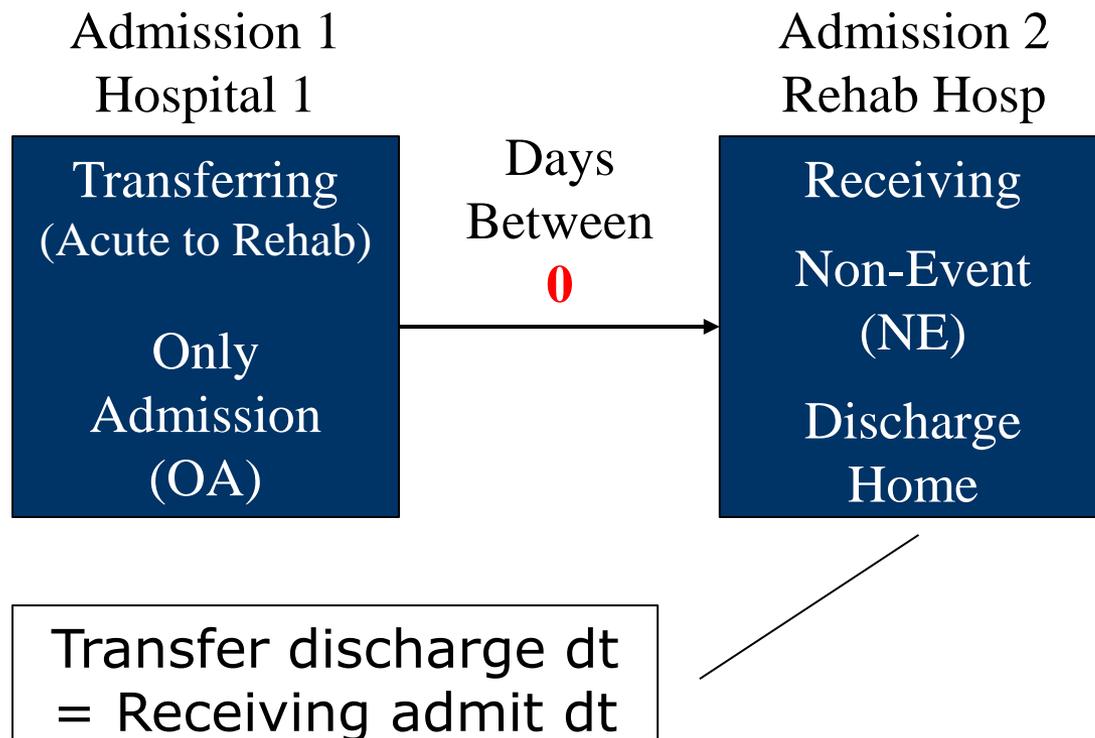Not a PPR

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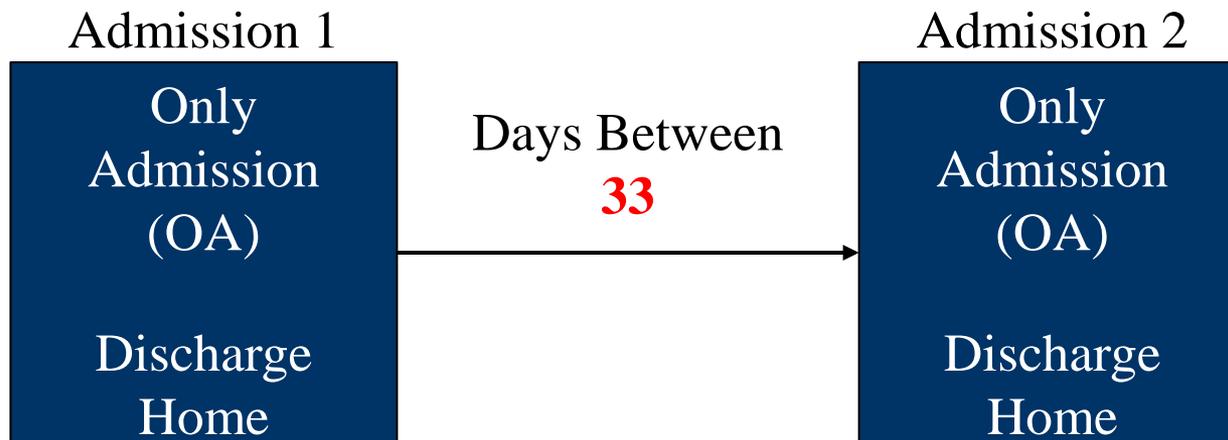
PPR Examples

- Readmission – Non-Event Transfer
- Acute care providers with a same-day transfer can be considered a non-event based upon discharge status

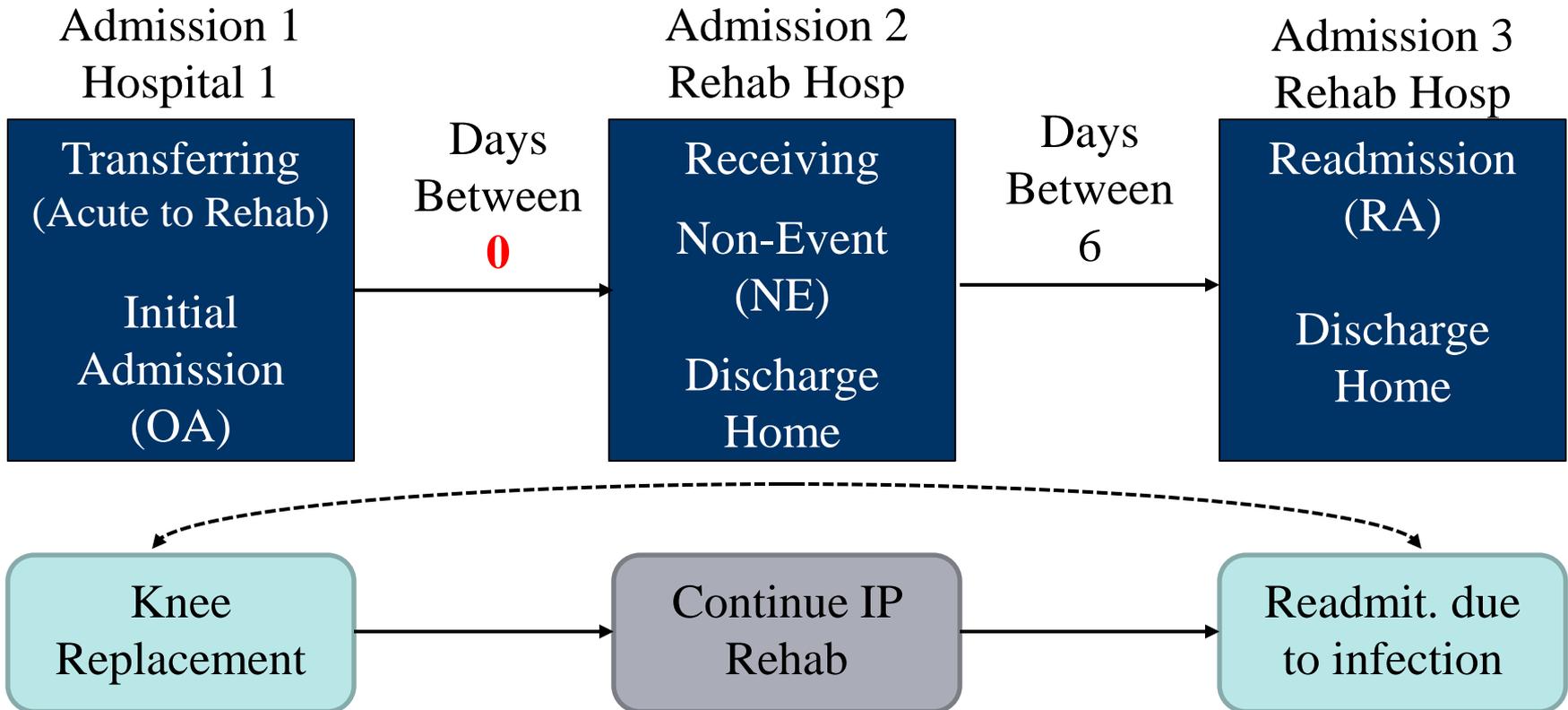|	
03 - Skilled nursing facility	84 - Custocial or supportive care w/ planned acute care hospital inpatient readmisison
04 - Custodial/Supportive care	87 - Court/law enforecment w/ planned acure care hospital inpatient readmission
21 - Court/Law enforcement	89 - Swing bed w/ planned acute care inpatient readmission
51 - Hospice medical facility 61 - Swing bed	90 - IRF including rehab distinct part units of hospital w/ planned acute care hospital inpatient readmission
62 - Rehabilitation facility/unit 63 - Long term hospital	91 - Long term care hospital w/ planned acute care hospital inpatient readmission
64 - Nursing facility 65 - Psych hospital or unit	92 - Nursing facility certified under Medicaid but not certified under Medicare w/ planned acute care hospital inpatient readmission
70 - Transfer to another type of healthcare institution	93 - Psychiatric hospital or psych distinct part unit of a hospital w/ planned acute care hospital readmission
83 - SNF w/Medicare certification w/ planned acute care hospital inpatient readmission	95 - Transfer to another type of health care institution not defined elsewhere in this code list w/ planned acute care hospital inpatient readmission

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PPR Examples

Readmission − Non-Event Transfer

Admission 1
Hospital 1

Transferring
(Acute to Rehab)

Only
Admission
(OA)

Days
Between
0

Admission 2
Rehab Hosp

Receiving

Non-Event
(NE)

Discharge
Home

Transfer discharge dt
= Receiving admit dt

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PPR Examples

□ Readmission – Non-Event Transfer

Admission 1 Hospital 1		Admission 2 Rehab Hosp		Admission 3 Rehab Hosp
Transferring (Acute to Rehab) Initial Admission (OA)	Days Between **0** →	Receiving Non-Event (NE) Discharge Home	Days Between 6 →	Readmission (RA) Discharge Home
Knee Replacement	→	Continue IP Rehab	→	Readmit. due to infection

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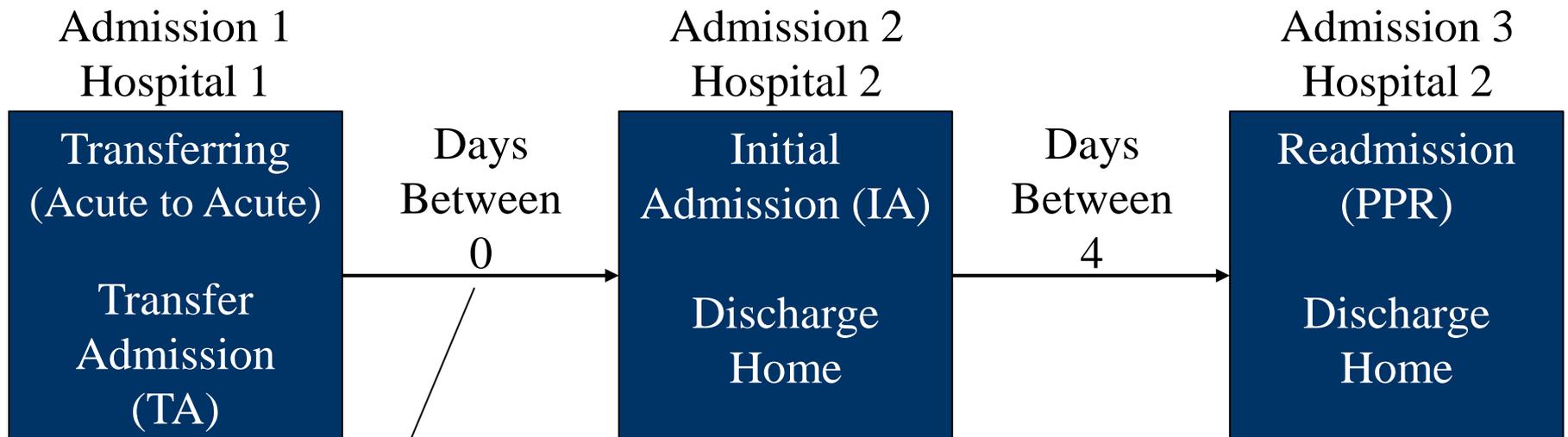
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PPR Examples

- Readmission – Transfer Admission
- When an acute-care provider (including critical access) transfers a recipient to another acute-care provider (discharge status codes 02, 05, 82, 85):
  - Transferring provider admission is reclassified from initial admission (IA) to transfer admission (TA)
  - Receiving provider is classified as an only admission (OA) if no readmission post-discharge or initial admission (IA) if a readmission follows

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PPR Examples

Readmission – Transfer Admission

Admission 1
Hospital 1

Admission 2
Hospital 2

Admission 3
Hospital 2

| Transferring (Acute to Acute) Transfer Admission (TA) | Days Between 0 | Initial Admission (IA) Discharge Home | Days Between 4 | Readmission (PPR) Discharge Home |

Software does not check discharge date/admit date on acute transfer

Receiving admission considered OA or IA

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Potentially Preventable Readmissions

Methodology and Findings

PPR Methodology

- Model Data
- 30-day PPR analysis based on SFY 2015 Medicaid inpatient FFS and HMO claims
  - Includes Medicare dual eligible and out-of-state, non-border hospitals
  - Excludes newborn claims with the mother's patient information (age, recipient ID)
- To accurately reflect PPR chains that straddle the experience period begin and end dates, three months of "buffer" claims experience are initially analyzed. Then,
  - Initial admissions with dates of service before SFY 2015, along with any associated PPRs, are excluded from the final performance measurement, even if the PPRs have dates of service in SFY2015.
  - Initial admissions with dates of service during SFY 2015, and associated PPRs, are included in the final performance measurement, even if the PPRs have dates of service outside of SFY 2015.
  - All other claims not included in a PPR chain with dates of service outside of SFY 2015 are excluded from the final analysis.

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PPR Methodology

- Benchmark PPRs are risk-adjusted based on each provider's own APR DRG case mix
- Model uses the statewide average readmission rates for each APR DRG to determine benchmark for each provider

Admit	APR DRG	Example Statewide Average Readmission Rate*
1	082-3	0.05
2	094-2	0.13
3	365-3	0.003
Total Benchmark Readmissions:		**0.183**

*For demonstration purposes only

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PPR Methodology

- Benchmark PPRs can be adjusted by policy considerations.
  - Example: Current preliminary model adjusts for age and major mental health
- Preliminary model assumes benchmark based on 100% of statewide average readmission rates, and identifies providers with readmissions above and below the statewide benchmark
  - Providers with above benchmark have "excess" readmissions

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PPR Methodology

- No PPR payment incentive has been finalized
  - Pending provider input
- Initial PPR model has no censoring
  - All provider types are reflected in the model
- Initial model benchmark shown as state-wide average
  - Reflected as a benchmark of 100%
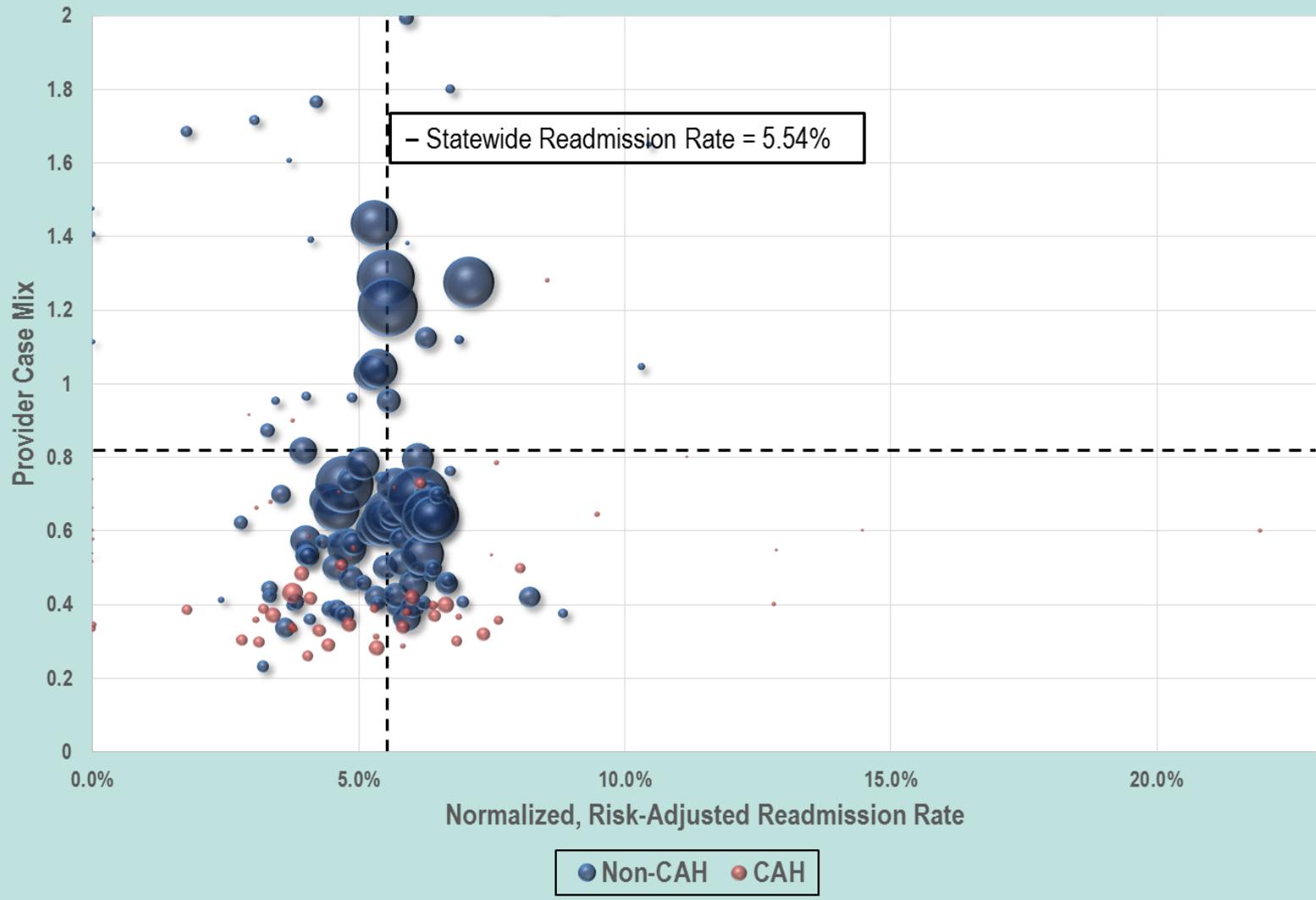
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PPR Methodology

- How does PPR handle low volume?
  - Readmission measurement must be comprehensive and include all types of providers to identify readmissions in the system
  - Low volume providers currently under review for payment incentive modeling
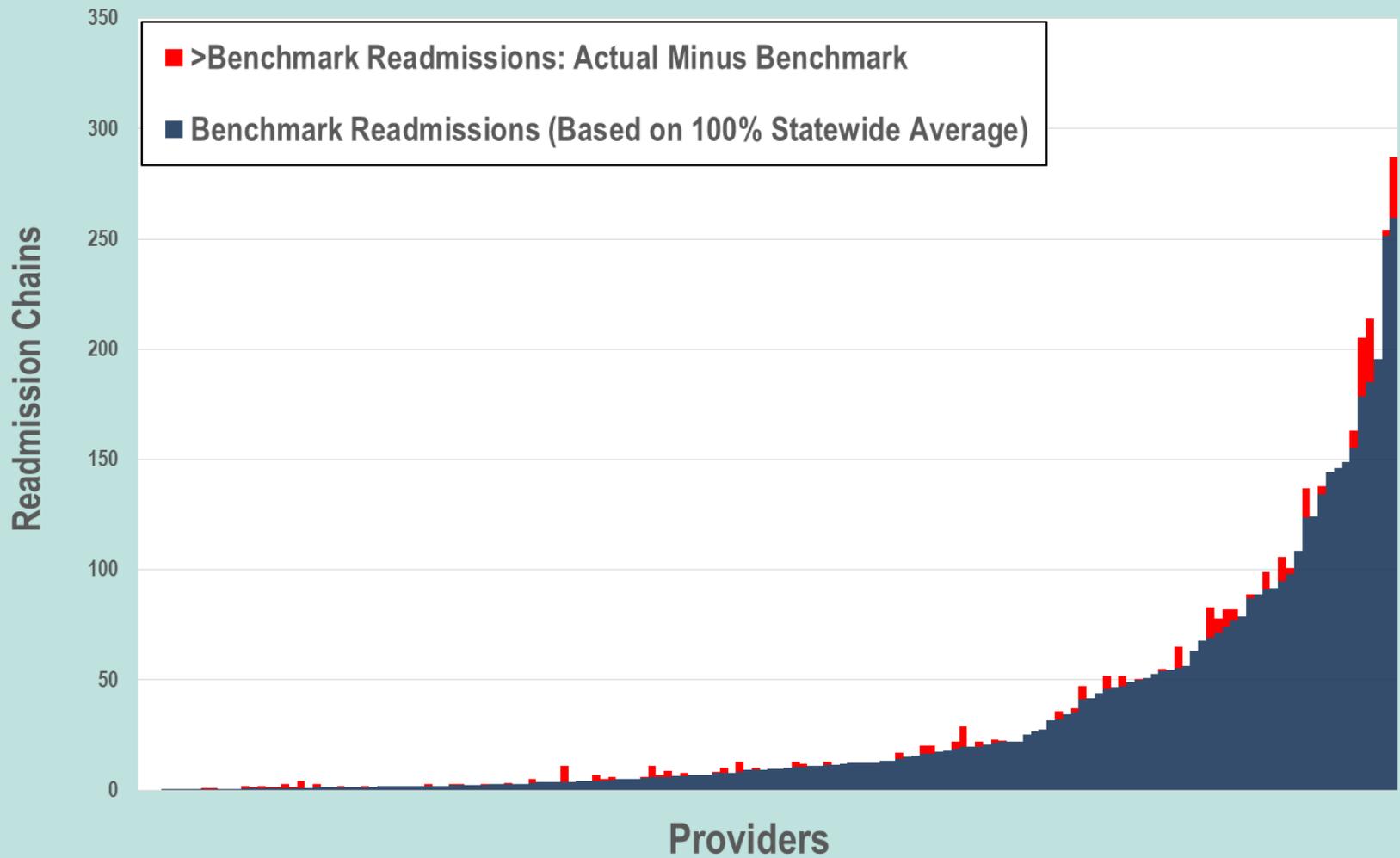 - Payment incent should be proportionate to volume and scale of readmissions

Provider	OA	IA	RA	Benchmark RA	RA Above/Below Benchmark
Provider 1	6	1	1	0.8	0.2
Provider 2	150	7	11	4.25	2.75

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Normalized, Risk-Adjusted Readmission Rate and Provider Case Mix

>Benchmark Readmission Chains by Provider

Legend:
- >Benchmark Readmissions: Actual Minus Benchmark
- Benchmark Readmissions (Based on 100% Statewide Average)

Y-axis: Readmission Chains
X-axis: Providers

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PPR Findings

- Handout 1
  - PPR definition manual subset
- Handout 2
  - Provider-specific report
- Handout 3
  - Provider-specific extract

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P4P-PPR Transition

- Sunset of Pay-for-Performance Withhold program, 1.5% withhold
- Assessment P4P program will continue, with alignment to rate setting measurement period

Wisconsin Medicaid Assessment Pay-for-Performance Transition Plan, <u>CY</u> Measurement Year			
Measurement Period	CheckPoint Data Due Per State Plan (6 Months Post Measurement Period)	Payout Due Date Per State Plan (3 Months Post CheckPoint Due Date)	Payment Period
MY 16 - April 1, 2015 - March 31, 2016	September 30, 2016	12/31/2016	SFY 17 - July 1, 2016 - June 30, 2017
MY 17 - April 1, 2016 - March 31, 2017	September 30, 2017	12/31/2017	SFY 18 - July 1, 2017 - June 30, 2018
MY Transition - April 1, 2017 - Dec 31, 2017	June 30, 2018 (proposed)	Sept 30, 2018	SFY 19 - July 1, 2018 - June 30, 2019
MY 18 - Jan 1, 2018 - Dec 31, 2018	June 30, 2019 (proposed)	Sept 30, 2019	SFY 20 - July 1, 2019 - June 30, 2020

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Potentially Preventable Readmissions

❑ Questions or comments?

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Outpatient Drug Update

- Handout 4
  - Covered Outpatient Drug Draft Policy Update

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State Budget Update

- Handout 5
  - 2017-19 Gov's Budget Human Services Items

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Additional Updates

□ ForwardHealth Portal Remittance Advice

  ■ Handout 6, Portal User Guide

□ ForwardHealth Hospital Portal Home Page

  ■ https://www.forwardhealth.wi.gov/wiportal/content/provider/medicaid/hospital/resources_01.htm.spage

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Additional Updates

- Disproportionate Share Hospital Payments
  - Q3 payment out soon, same as Q2
  - Meyers and Stauffer audit, SFY14 & 15

- First Call for Policy Changes for Rate Setting Period
  - APR DRG system now in place – Through March 17th 10,584 FFS claims were paid and 7,105 HMO encounters were processed
  - Revenue Code Cross-Walk Committee Meeting Wed. 3/22

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Request for Public Comment

Questions

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All questions can be sent by email to:
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