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## The Link between Payment and Measurement

Don May

Executive Vice President, Payment and Health Care  
Delivery, AdvaMed

Steve Brotman

Senior Vice President, Payment and Health Care Delivery,  
AdvaMed

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## Exploring the Link between Quality Measurement and Payment

December 14, 2017  
2:00-2:30pm ET



## Background

### Pay for Reporting

- Inpatient Quality Reporting
- Physician Quality Reporting System (PQRS)

### Pay for Performance

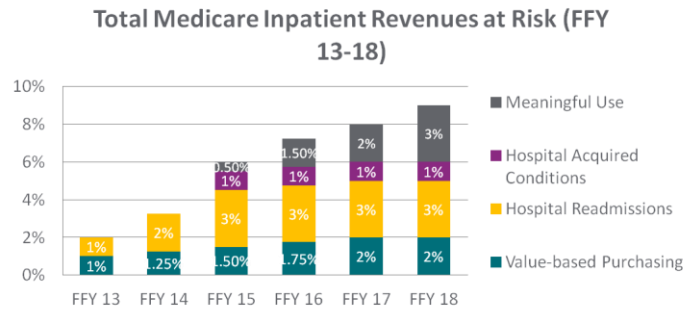
- Value-based Purchasing
- Hospital Readmission Reduction Program (HRRP)
- Hospital-acquired Condition (HAC) Reduction Program
- Electronic Clinical Quality Measures (eCQMs)

### New payment initiatives

- Bundled Payment
- ACOs
- Global Payment

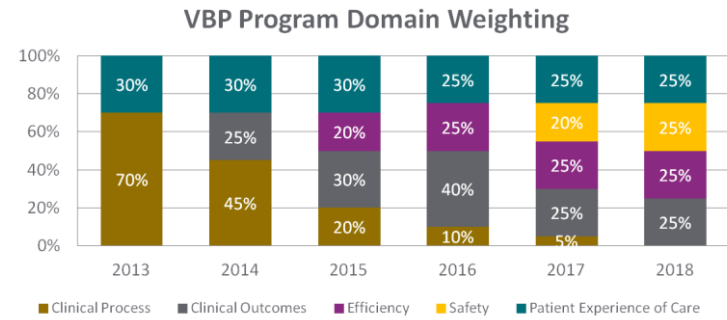


Payment Increasingly Linked to Quality



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Shifting Emphasis to Outcomes and Efficiency



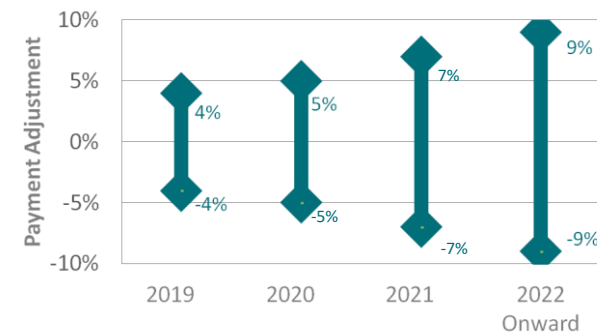
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## MACRA Accelerates Measure Development and Use

- CMS stressing improvements in measure approaches
  - Patient-reported outcomes measures (PROMs)
  - Emphasize electronic reporting (eCQMs)
  - Alignment of measures across programs and payers
  - More focus in the development process on usability
- For 2017, MIPS includes an inventory of 271 quality measures; APMs have 99

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## Timeline on MIPS payment adjustments



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## From Silos to Integrated Models

- CMS and CMMI Implementing a Wide Variety of Alternative Payment Models Since 2010:

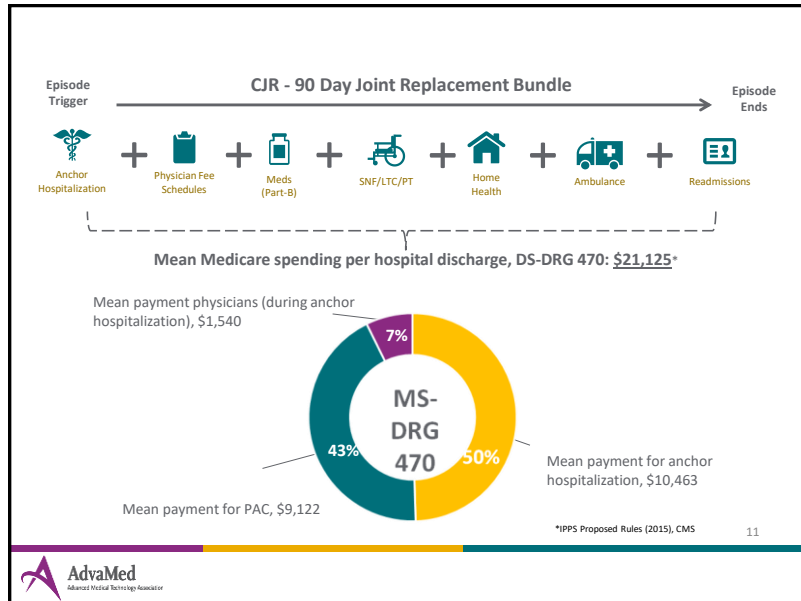
Model	Measures
Medicare Shared Savings Program (MSSP)	31
Oncology Care Model (OCM)	12
Next Generation ACOs	30
<b>Comprehensive Care for Joint Replacement (CJR) bundled payment model</b>	3
Comprehensive ESRD Care (CEC) Model	27
Comprehensive Primary Care and Comprehensive Primary Care Plus	10; 14
Bundled Payment for Care Improvement (BPCI) Initiative	Depends on models

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## Comprehensive Care for Joint Replacement (CJR)

- **90-Day Bundle for TJR in MS-DRGs 469 and 470**
  - Implementation began April 1, 2016 - ends December 31, 2020
  - Initially in 67 MSAs; recently taken 33 MSAs and flexibility for others
- Current FFS payments to all providers offering services with retrospective reconciliation for hospitals against target prices yielding shared savings or losses
- CMS will apply an automatic discount to the episode target cost of care. The discount percentage will vary from anywhere in between 1.5 and 3 percent, based upon the CJR hospital's quality composite score

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## CJR – Summary of Key Provisions

Payment eligibility dependent on performance (composite quality score) with target price adjustment based on three measures

Composite Score Weight	Quality Measures
50%	THA/TKA Complication Rate (NQF #1550): Hospital level risk-standardized complication rate (RSCR) following elective primary THA and/or TKA.
40%	HCAHPS Survey (NQF #0166): Hospital Consumer Assessment of Healthcare Provider and Systems Survey.
10%	THA/TKA Patient-Reported Outcomes (PRO) with focus on pain management

## CJR – Summary of Key Provisions

Hospitals with Good or Excellent quality scores receive reduced discounts = higher chance shared savings

Quality Composite Score (CQS) Range out of 20	Eligible for Reconciliation Payment	Effective Discount % for Reconciliation Payment
Excellent, CQS > 15	Yes	1.5%
Good, CQS > 6.9 and ≤ 15	Yes	2%
Acceptable, CQS ≥ 5 and < 6.9	Yes	3%
Below Acceptable, CQS < 5	No	3%

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## CJR – Example

- Episode Benchmark Price in year 2 for DRG-470 = \$21,125
- Base year actual spending is \$20,500
- Effective discount and Stop-Loss/Stop-Gain percentages are calculated using Quality-adjusted target price

Hospital in Quality Category	Effective Discount % for Reconciliation Payment	Quality-adjusted Target Price	Actual Spending	Raw Net Payment Reconciliation Amount Per Case	Net Payment Reconciliation Amount Per Case
Excellent	1.5%	\$20,808	\$20,500	\$308	\$308
Good	2%	\$20,702	\$20,500	\$202	\$202
Acceptable	3%	\$20,491	\$20,500	\$(9)	\$(9)
Below Acceptable	Ineligible	\$20,491	\$20,500	\$(9)	\$(9)

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# Q & A

## Your Feedback

Comments? Questions?



Please type into the chat box anytime



