Quality Measurement 101: Overview of Medicare Programs

NATIONAL QUALITY FORUM

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Clinician Programs

Merit-based Incentive Payment System (MIPS)

Medicare Access and CHIP Reauthorization Act of 2015 (MACRA):

- Sunsets PQRS, VBPM, EHR Incentive programs in 2018
- Authorizes MIPS program beginning 2019 - consolidates existing clinician quality and incentive programs
  - Positive and negative payment adjustments based on performance in 4 categories:
    - Quality – 30%
    - Resource use – 30%
    - Clinical practice improvement activities – 15%
    - Meaningful use of certified EHR technology – 25%
  - Will use measures from existing programs (PQRS, VBPM, EHR)

Medicare Shared Savings Program

- Authorized by the Affordable Care Act
- Designed to facilitate coordination and cooperation among providers of Medicare FFS patients
- Participants are Accountable Care Organizations (ACOs)
- ACOs may earn shared savings by meeting program requirements and quality standards
- Beneficiaries are assigned to an ACO based on utilization of primary care services provided by ACO professionals
- ACA specified following measures for the MSSP:
  - Clinical processes and outcomes
  - Patient and caregiver experience of care
  - Utilization

Hospital and Acute Care Facility Programs

Inpatient Psychiatric Facilities Quality Reporting Program (IPFQR)

- **Program Type:**
  - Pay for Reporting
- **Incentive Structure:**
  - Inpatient psychiatric hospitals or psychiatric units that do not report data on the required measures will receive a 2 percent reduction in their annual federal payment update.
- **Program Goals:**
  - Provide consumers with quality information to help inform their decisions about their healthcare options.
  - Improve the quality of inpatient psychiatric care by ensuring providers are aware of and reporting on best practices.
  - Establish a system for collecting and providing quality data for inpatient psychiatric hospitals or psychiatric units.

Hospital Value-Based Purchasing Program (HVBP)

- **Program Type:**
  - Pay for Performance
- **Incentive Structure:**
  - Medicare bases a portion of hospital reimbursement on performance through the Hospital Value-Based Purchasing Program (VBP). Medicare began by withholding 1 percent of its regular hospital reimbursements from all hospitals paid under its inpatient prospective payment system (IPPS) to fund a pool of VBP incentive payments. The amount withheld from reimbursements increases over time:
    - » FY 2016: 1.75%
    - » FY 2017 and future fiscal years: 2%
  - Hospitals are scored based on their performance on each measure within the program relative to other hospitals as well as on how their performance on each measure has improved over time. The higher of these scores on each measure is used in determining incentive payments.
- **Program Goals:**
  - Improve healthcare quality by realigning hospitals' financial incentives.
  - Provide incentive payments to hospitals that meet or exceed performance standards.

Hospital Inpatient Quality Reporting Program (IQR)

- **Program Type:**
  - Pay-for-Reporting and Public Reporting
- **Incentive Structure:**
  - Hospitals that do not report data on the required measures will receive a 2 percent reduction in their annual Medicare payment update.
- **Program Goals:**
  - To provide an incentive for hospitals to report quality information about their services
  - To provide consumers information about hospital quality so they can make informed choices about their care

Medicare and Medicaid EHR Incentive Program for Hospitals and Critical Access Hospitals (CAHs)

- **Program Type:**
  - Pay for Reporting. The Medicare and Medicaid EHR Incentive Programs provide incentive payments to eligible professionals, eligible hospitals, and critical access hospitals (CAHs) as they adopt, implement, upgrade, or demonstrate meaningful use of certified EHR technology.
- **Incentive Structure:**
  - Eligible hospitals and CAHs are required to report on electronically specified clinical quality measures (eCQMs) using certified electronic health record (EHR) technology (CEHRT) in order to qualify for incentive payments. As of 2015, eligible hospitals that do not demonstrate meaningful use will be subject to Medicare payment reductions.
- **Program Goals:**
  - Promote widespread adoption of certified EHR technology by providers.
  - Incentivize "meaningful use" of EHRs by hospitals to:
    - Improve quality, safety, efficiency, and reduce health disparities
    - Engage patients and family
    - Improve care coordination, and population and public health
    - Maintain privacy and security of patient health information

End-Stage Renal Disease Quality Incentive Program (ESRD QIP)

- **Program Type:** Pay for Performance, Public Reporting
- **Incentive Structure:** As of 2012, payments to dialysis facilities are reduced if facilities do not meet or exceed the required total performance score. Payment reductions will be on a sliding scale, which could amount to a maximum of two percent per year.
- **Program Goals:** Improve the quality of dialysis care and produce better outcomes for beneficiaries.

Centers for Medicare and Medicaid Services. End Stage Renal Disease (ESRD) Center. http://www.cms.gov/Center/Special-Topic/End-Stage-Renal-Disease-ESRD-Center.html Last accessed October 2014.

Hospital Readmissions Reduction Program (HRRP)

- **Program Type:**
  - Pay for Performance and Public Reporting. HRRP measure results are publicly reported annually on the Hospital Compare website.
- **Incentive Structure:**
  - Diagnosis-related group (DRG) payment rates will be reduced based on a hospital's ratio of predicted to expected readmissions. The maximum payment reduction is 3%.
- **Program Goals:**
  - Reduce readmissions in acute care hospitals paid under the Inpatient Prospective Payment System (IPPS), which includes more than three-quarters of all hospitals.
  - Provide consumers with information to help them make informed decisions about their health care.

Hospital Acquired Condition Reduction Program (HACRP)

- **Program Type:**
  - Pay-for-Performance and Public Reporting. HAC scores are reported on the Hospital Compare website as of December 2014.
- **Incentive Structure:**
  - The 25% of hospitals that have the highest rates of HACs (as determined by the measures in the program) will have their Medicare payments reduced by 1%.
  - The measures in the program are classified into two domains: Domain 1 includes the Patient Safety Indicator (PSI) 90 measure, a composite of eight administrative claims based measures and Domain 2 includes infection measures developed by the Centers for Disease Control and Prevention's (CDC) National Health Safety Network (CDC NHSN).
- **Program Goals:**
  - Provide an incentive to reduce the incidence of HACs to improve both patient outcomes and the cost of care
  - Heighten awareness of HACs and eliminate the incidence of HACs that could be reasonably prevented by applying evidence-based clinical guidelines.
  - Support a broader public health imperative by helping to raise awareness and action by prompting a national discussion on this important quality problem.
  - Drive improvement for the care of Medicare beneficiaries, but also privately insured and Medicaid patients, through spill over benefits of improved care processes within hospitals.

PPS-Exempt Cancer Hospital Quality Reporting Program (PCHQR)

- **Program Type:**
  - Data Reporting
- **Incentive Structure:**
  - PCHQR is a voluntary quality reporting program. Data are published on Hospital Compare.
- **Program Goals:**
  - Provide information about the quality of care in cancer hospitals, in particular the 11 cancer hospitals that are exempt from the inpatient prospective payment system and the Inpatient Quality Reporting Program.
  - Encourage hospitals and clinicians to improve the quality of their care, to share information, and to learn from each other's experiences and best practices

Hospital Outpatient Quality Reporting Program (OQR)

- **Program Type:**
  - Pay for Reporting – Information is reported on the Hospital Compare website.
- **Incentive Structure:**
  - Hospitals that do not report data on the required measures will receive a 2 percent reduction in their annual Medicare payment update.
- **Program Goals:**
  - Establish a system for collecting and providing quality data to hospitals providing outpatient services such as clinic visits, emergency department visits, and critical care services.
  - Provide consumers with quality of care information that will help them make informed decisions about their health care.

Ambulatory Surgical Centers Quality Reporting Program (ASCQR)

- **Program Type:**
  - Pay for Reporting – Performance information is current reported to the Centers for Medicare & Medicaid Services (CMS) but it is expected to be publicly available in the future.
- **Incentive Structure:**
  - Ambulatory surgical centers (ACSs) that treat Medicare beneficiaries and fail to report data will receive a 2.0 percent reduction in their annual payment update.
- **Program Goals:**
  - Promote higher quality, more efficient care for Medicare beneficiaries.
  - Establish a system for collecting and providing quality data to ASCs.
  - Provide consumers with quality of care information that will help them make informed decisions about their health care.

Post-Acute Care and Long Term Care Programs

Skilled Nursing Facility Quality Reporting Program

- **Program Type:** Pay for Reporting
- **Incentive Structure:** The IMPACT Act added Section 1899 B to the Social Security Act establishing the SNF QRP. Beginning FY 2018, providers [SNFs] that do not submit required quality reporting data to CMS will have their annual update reduced by 2 percentage points.

Centers for Medicare and Medicaid Services. (2015). 2015 Measures Under Consideration. Program Specific Measure Priorities and Needs. Available at https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/QualityMeasures/Downloads/Program-Specific-Measure-Priorities-and-Needs.pdf . Last accessed October 9, 2015

Home Health Quality Reporting Program

- **Program Type:** Pay for Reporting
- **Incentive Structure:** The HH QRP was established in accordance with section 1895 of the Social Security Act. Home health agencies (HHAs) that do not submit data receive a 2 percentage point reduction in their annual HH market basket percentage increase.
- **Program Goals:** Alignment with the mission of the IOM which has defined quality as having the following properties or domains: effectiveness, efficiency, equity, patient centeredness, safety, and timeliness.

Centers for Medicare and Medicaid Services. (2015). 2015 Measures Under Consideration. Program Specific Measure Priorities and Needs. Available at https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/QualityMeasures/Downloads/Program-Specific-Measure-Priorities-and-Needs.pdf . Last accessed October 9, 2015

Inpatient Rehabilitation Facility Quality Reporting Program

- **Program Type:** Pay for Reporting
- **Incentive Structure:** The IRF QRP was established under the Affordable Care Act. Beginning in FY 2014, IRFs that fail to submit data will be subject to a 2.0 percentage point reduction of the applicable IRF Prospective Payment System (PPS) payment update.
- **Program Goals:** Address the rehabilitation needs of the individual including improved functional status and achievement of successful return to the community post-discharge.

Centers for Medicare and Medicaid Services. (2015). 2015 Measures Under Consideration. Program Specific Measure Priorities and Needs. Available at https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/QualityMeasures/Downloads/Program-Specific-Measure-Priorities-and-Needs.pdf . Last accessed October 9, 2015

Long-Term Care Hospital Quality Reporting Program

- **Program Type**: Pay for Reporting
- **Incentive Structure**: The LTCH QRP was established under the Affordable Care Act. Beginning in FY 2014, LTCHs that fail to submit data will be subject to a 2.0 percentage point reduction of the applicable Prospective Payment System (PPS) increase factor.
- **Program Goals**: Furnishing extended medical care to individuals with clinically complex problems (e.g., multiple acute or chronic conditions needing hospital-level care for relatively extended periods of greater than 25 days).

Centers for Medicare and Medicaid Services. (2015). 2015 Measures Under Consideration. Program Specific Measure Priorities and Needs. Available at https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/QualityMeasures/Downloads/Program-Specific-Measure-Priorities-and-Needs.pdf . Last accessed October 9, 2015

Hospice Quality Reporting Program

- **Program Type:** Pay for Reporting
- **Incentive Structure:** The Hospice QRP was established under the Affordable Care Act. Beginning in FY 2014, Hospices that fail to submit quality data will be subject to a 2.0 percentage point reduction to their annual payment update.
- **Program Goals:** Make the hospice patient as physically and emotionally comfortable as possible, with minimal disruption to normal activities, while remaining primarily in the home environment.

Centers for Medicare and Medicaid Services. (2015). 2015 Measures Under Consideration. Program Specific Measure Priorities and Needs. Available at https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/QualityMeasures/Downloads/Program-Specific-Measure-Priorities-and-Needs.pdf . Last accessed October 9, 2015