

# **Hospital Transformation Performance Program (HTPP)**

## **Oregon Fall HFMA Meeting 2014**

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# Background

- CMS incentive program for DRG hospitals
- Allows payments to hospitals for implementing and reporting on health system reform initiatives
- Goal is to improve quality and access of care for Medicaid and all population
- Collaborative effort among the Oregon Health Authority (OHA), the Oregon Association of Hospitals and Health Systems (OAHHS) and Apprise Health Insights



# Background

- Builds on the CMS Medicaid Demonstration Waiver that was approved for Oregon in 2012
- Approval of HTPP is an amendment of that waiver, and recognize the role hospitals play in health care transformation
- Short transitional program, approved through June 30, 2016
- Funded by Oregon's Medicaid hospital provider tax
- Measures developed by OHA-led Hospital Performance Metrics Advisory Committee

# Hospital metrics committee

## Authority

In 2013, Oregon House Bill 2216, Section 1, established the nine-member hospital performance metrics advisory committee appointed by the Director of the Oregon Health Authority.

## Membership

The members of the committee include:

- Four members who represent hospitals;
- Three individuals with expertise in measuring health outcomes; and
- Two representatives of coordinated care organizations.

# HTPP Program Details

1. Program parameters and requirements
  - a. Eligibility
  - b. Domains and Measures
  - c. Data reporting requirements
  - d. Timing of reporting and payments
  - e. Payment distribution methodology
2. Data collection and reporting mechanisms
3. Technical assistance

Much of this info was presented in a joint OHA-OAHHS webcast  
on October 7, 2014

# Eligibility

- Diagnostic-Related Group (DRG) hospitals that are assessed the provider tax are eligible
- 28 Oregon hospitals are considered DRG hospitals

# Domains and Measures

Focus Area	Domains	Measures
<b>Hospital focus</b>	1. Readmissions	1. Hospital-Wide All-Cause Readmission
	2. Medication Safety	2. Hypoglycemia in inpatients receiving insulin
		3. Excessive anticoagulation with Warfarin
		4. Adverse Drug Events due to opioids
	3. Patient Experience	5. HCAHPS, Staff always explained medicines (NQF 0166)
		6. HCAHPS, Staff gave patient discharge information (NQF 0166)
	4. Healthcare-Associated Infections	7. CLABSI in all tracked units (adapted from NQF 0139)
		8. CAUTI in all tracked units (adapted from NQF 00754)
<b>Hospital-CCO Coordination focus</b>	6. Emergency Department (ED) visit information	9. Hospitals sharing ED visit information with primary care providers and other hospitals to reduce unnecessary ED visits
	7. Behavioral Health	10. Follow-up after hospitalization for mental illness (adapted from NQF 0576)
		11. Screening for alcohol and drug misuse, brief intervention, and referral to treatment (SBIRT) in the Emergency Department

# Data & Reporting Requirements

- Year 1 (Baseline Year)
  - Hospital receives funding upon OHA review and acceptance of baseline data submission for each measure.
- Year 2 (Performance Year)
  - Hospital receives funding for each measure on which it achieves an absolute benchmark or demonstrates improvement over its own baseline (improvement target)

# Timing of Reporting and Payments

As Approved by CMS	
<b>Year 1</b>	
Baseline Year	October 1, 2013-September 30, 2014
Data submitted by OAHHS/Apprise to the OHA by	February 28, 2015
Payment to hospitals by	<b>April 30, 2015</b>
<b>Year 2</b>	
Performance Year	October 1, 2014-September 30, 2015
Data submitted by OAHHS/Apprise to the OHA by	March 31, 2016
Payments to hospitals by	<b>June 30, 2016</b>

# Payment Allocation



Phase 1



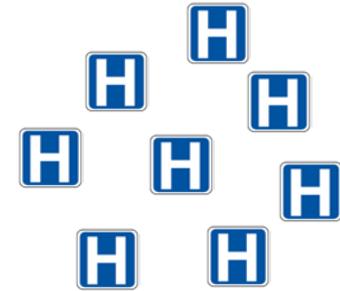
Hospital achieves 75% of the measures



Floor Allocation



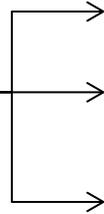
Hospital receives a floor payment of \$500,000 each



Phase 2



Allocation Per Measure Achieved



How successful is the hospital on the measures?

How successful are other hospitals on the measures?

What is the hospital size in comparison to others?

# Phase 1: Floor Allocation (1)

- Each hospital eligible to earn \$500,000 floor in each year
- Must achieve at least 75% of the measures to earn floor payment

## Example 1: Phase 1 Floor Allocation

- Assuming all **28** participating hospitals meet at least 75% of measures

Total HTPP available funds/year	\$133.0 million
Floor payment = 28 hospitals * \$500,000	\$14.0 million
Remaining to earn in Phase 2 allocation (payment per measure achieved) (Total – floor)	\$119.0 million

# Phase 1: Floor Allocation (2)

## Example 2: Phase 1 Floor Allocation

- Assuming only **10** participating hospitals meet at least 75% of measures

Total HTPP available funds/year	\$133.0 million
Floor payment = 10 hospitals * \$500,000	\$5.0 million
Remaining to earn in Phase II allocation (payment per measure achieved) (Total – floor)	\$128.0 million

- Depending on the number of hospitals receiving floor payments, remaining funds for phase 2 allocation per measure varies.

# Phase 2: Allocation per Measure Achieved

- **Step 1:** Determine hospital performance against each measure
- **Step 2:** Calculate amount each measure is worth (“base amount”)
- **Step 3:** Allocate base amount to hospitals according to hospital size (adjustment factor)

# Phase 2, Step 1 – Determine Hospital Performance Against Each Measure

- Funds remaining after floor payments are allocated based on the number of measures a hospital achieves
- Hospital performance on these measures is per measure (pass/fail) and all measures are treated independently of each other
- Once the number of hospitals achieving each measure target is determined, the amount of Phase 2 funds each hospital will receive is calculated

# Phase 2, Step 2: Calculate Amount Each Measure Is Worth (1)

- Per CMS, payment is split across the domains, 75% hospital-focused and 25% hospital-CCO collaboration focused. Given the short timeframe of the program, this allows hospitals to build capacity in terms of collaboration with CCOs

## Year One

75%	Data submission on Hospital-focused domains and measures – 4 domains (18.75% each)
25%	Data submission on Hospital-CCO focused domains and measures – 2 domains (12.50% each)

## Year Two

75%	Performance on Hospital-focused domains and measures – 4 domains (18.75% each)
25%	Performance on Hospital-CCO focused domains and measures – 2 domains (12.50% each)

# Phase 2, Step 2: Calculate Amount Each Measure Is Worth (2)

Domains	Measures	Share of Funds	
		YR 1	YR 2
<b>Readmissions</b>	1. Hospital-Wide All-Cause Readmission	18.75%	18.75%
<b>Medication Safety</b>	2. Hypoglycemia in inpatients receiving insulin	6.25%	6.25%
	3. Excessive anticoagulation with Warfarin	6.25%	6.25%
	4. Adverse Drug Events due to opioids	6.25%	6.25%
<b>Patient Experience</b>	5. HCAHPS, Staff always explained medicines (NQF 0166)	9.38%	9.38%
	6. HCAHPS, Staff gave patient discharge information (NQF 0166)	9.38%	9.38%
<b>Healthcare-Associated Infections</b>	7. CLABSI in all tracked units (modified NQF 0139)	9.38%	9.38%
	8. CAUTI in all tracked units (modified NQF 00754)	9.38%	9.38%
<b>ED visit information</b>	9. Hospitals share ED visit information with primary care providers and other hospitals to reduce unnecessary ED visits	12.50%	12.50%
<b>Behavioral Health</b>	10. Follow-up after hospitalization for mental illness (modified NQF 0576)	6.25%	6.25%
	11. Screening for alcohol and drug misuse, brief intervention, and referral to treatment (SBIRT) in the Emergency Department	6.25%	6.25%

# Phase 2, Step 2: Calculate Amount Each Measure Worth (3)

- The amount each measure is worth after the floor allocation is the 'base amount'.
- This is impacted by the number of measures achieved by hospitals.
- Apply proportions from table above (adjusted for number of measures achieved by hospitals, if needed) to amount remaining after floor allocation. This is the 'base amount' available for each measure.

# Phase 2, Step 3: Adjust Base Amount by Hospital Size

- After base amount is calculated, it is adjusted and allocated to hospitals achieving the measure based on **hospital size**:
  - 50% based on hospital's share of total Medicaid discharges
  - 50% based on hospital's share of total Medicaid inpatient days
- Note hospital size calculation is based on discharge data as reported to COMPDATA for the period October 1, 2011 – September 30, 2012 for payments in both Year 1 and Year 2. This ensures hospitals are not penalized for reducing Medicaid inpatient days.

# Phase 2 Payment Example: Sharing ED Visit Info

## (1)

<b>Total HTPP Fund Available for the Year</b>	<b>\$133,000,000</b>
Floor payment	\$500,000
Number of Hospitals Eligible for Floor Payment	20
Floor Allocation (\$500,000 * # eligible hospitals)	\$10,000,000
Funds Remaining (Total – Floor)	\$123,000,000
<b>ED Visit Measure</b>	
Value of Measure (%)	12.50%
Value of Measure (\$)	\$15,375,000

# Phase 2 Payment Example: Sharing ED Visit Info (2)

- Assume 3 hospitals are successful on this measure.

ED Visit Info Measure								\$15,375,000	
Hosp	# Disch	% Disch	# Days	% Days	Adjustment Factor		Amount Earned for Measure (Total Available for Measure* Adjustment Factor)		
					(% discharges*0.5) + (% days*0.5)				
A	2,500	20.00%	8,000	21.05%	(20.00%*.5)+ (21.05%*.5) =	0.21	\$15,375,000 *0.21 =	\$3,228,750	
B	5,000	40.00%	10,000	26.32%	(40.00%*.5)+ (26.32%*.5) =	0.33	\$15,375,000 *0.33 =	\$5,073,750	
C	5,000	40.00%	20,000	52.63%	(40.00%*.5)+ (52.63%*.5) =	0.46	\$15,375,000 *0.46 =	\$7,072,500	
<b>Total</b>	<b>12,500</b>	<b>100.00%</b>	<b>38,000</b>	<b>100.00%</b>		<b>1</b>		<b>\$15,375,000</b>	

# Data Collection & Reporting Mechanism

- OAHHS/Apprise
  - Key intermediary for HTPP data collection and reporting
  - Launch a secure, web-enabled reporting platform for data submission
  - Work with hospitals to ensure timely reporting
  - Check submitted data for validity
  - Submit final data to OHA for CMS reporting and payment calculations – **timeliness of data is critical for payment**
    - Note hospitals will work directly with OHA regarding the follow-up after hospitalization for mental illness measure

# Data Collection & Reporting Mechanism

## OHA

- Work with hospitals on data submission for follow-up after hospitalization for mental illness measure
- Review submitted data to determine whether it meets thresholds and requirements for payment
- Perform payment calculations
- Distribute payments

# Technical Assistance

## OAHHS/Apprise

- Internal website with webinar slides and recordings, FAQ (see <http://www.oahhs.org/hospital-transformation-performance-program>)
- List serve for discussions re measures
- Monthly webinars (next 2 are: Oct 21, 9-10 am on SBIRT and Oct 28, 1-2:30 pm on measures}

## OHA

- Visit <http://www.oregon.gov/oha/Pages/Hospital-Baseline-Data.aspx> for program documentation, including:
  - Measure info, specifications, and benchmarks table
  - Rules
  - Payment protocol reference instructions and details on the improvement target methodology
  - Detailed timeline
  - Baseline submission guidance (forthcoming)

# Questions?

## Contacts at OAHHS and Apprise:

- Elyssa Tran, Apprise, [elyssa.tran@apprisehealthinsights.com](mailto:elyssa.tran@apprisehealthinsights.com) ,  
(payment questions and reporting)
- Diane Waldo, OAHHS, [diane.waldo@oahhs.org](mailto:diane.waldo@oahhs.org),  
(measure specification questions)

## Contact at the OHA:

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