

**Hospital Quality Incentive Program (HQIP)
Measurement – Potentially Avoidable Admission (PAA)
June 25, 2021**

The goal of HQIP is to incentivize acute care general hospitals to improve the quality of healthcare services. Pennsylvania’s Department of Human Services (Department) developed this initiative as part of its commitment to promote cost-effective, quality healthcare through an outcome and value-based payment structure. HQIP is available to Pennsylvania’s in-state acute care general hospitals which serve Medicaid beneficiaries enrolled in the Physical Health HealthChoices (PH-HC) Managed Care Program.

For calendar year (CY) 2022 and pending approval from the Centers for Medicare and Medicaid Services (CMS), the Department intends for the HQIP to be comprised of the following three components:

- Potentially Avoidable Admissions (PAAs);
- Emergency Department Opioid Use Disorder (OUD); and
- Racial and Ethnic Health Disparities (REHD).

This document provides information on the program measures for PAAs.

The PAA component of HQIP will measure PAA events based on the indicators developed by the Agency for Healthcare Research and Quality (AHRQ) and includes select prevention quality indicators (PQIs) and pediatric quality indicators (PDIs). The PQIs use data from hospital discharges to identify admissions that might have been avoided through access to high-quality outpatient care. The PDIs can be used to identify potential quality and patient safety issues specific to the pediatric inpatient population. These indicators can help hospitals identify problems in pediatric hospital care that may need further study and can help hospitals evaluate preventive care for children in outpatient settings. Detailed information related to PDIs and PQIs is available on AHRQ’s website at <https://www.qualityindicators.ahrq.gov/>.

The Department selected the following ten PQI and four PDI indicators for the PAA measurement beginning with CY 2022 performance.

AHRQ PQI #	PQI Description (Adult)
1	Diabetes Short-Term Complications Admissions Rate
3	Diabetes Long-Term Complications Admission Rate
5	COPD or Asthma in Older Adults Admission Rate
7	Hypertension Admission Rate
8	Heart Failure Admission Rate
11	Community Acquired Pneumonia Admission Rate
12	Urinary Tract Infection Admission Rate
14	Uncontrolled Diabetes Admission Rate
15	Asthma in Younger Adults Admission Rate
16	Lower-Extremity Amputation among Patients with Diabetes Rate
AHRQ PDI #	PDI Description (Pediatric)
14	Asthma Admission Rate
15	Diabetes Short-Term Complications Admission Rate
16	Gastroenteritis Admission Rate
18	Urinary Tract Infection Admission Rate

The HQIP PAA measurement will include a clinical global exclusion process. The Department will identify beneficiaries having clinical global exclusions on the basis of conditions and/or situations that may require more complex treatment, such as indications of trauma, cancer, burns, and HIV/AIDS. Admissions that are related to a beneficiary identified as having a clinical global exclusion are excluded from PAA measurement.

The PAA events identified in the Hospital Health Care Outcomes Report, issued as a requirement of Act 40 of 2018, is limited to readmission events and may not exactly match results in the Health Care Outcomes Report due to the timing which allows for additional encounter data runout and other differences between DHS' analysis and Mercer's methodology for identifying efficiencies in the annual capitation rate setting process.

Each hospital will be measured and rewarded on:

1. Incremental improvement in reducing PAA (performance year compared to the prior year, base year).
2. Achieving benchmark performance at either the 25th or 50th percentile of the statewide PAA rate for non-children's hospitals.
3. Children's Hospitals are rewarded for achieving benchmark performance the 50th percentile of the statewide rate for children's hospitals.

The total amount allocated for the quality initiative will be paid out each year. As a result, the actual payment amounts per hospital will vary based on the number of eligible hospitals. Payment will also be weighted by the total number of PH-HC events per provider.

Incremental improvement

DHS will report the following information for each acute care hospital:

- The number of admissions (events) during the Performance Year and Base Year paid by Pennsylvania's PH-HC program,
- The number and percent of overall PAA events for the Performance Year, and
- The number and percent of overall PAA events for the Base Year.

Each hospital will be measured on incremental improvement based on the difference between the Base Year's PAA percent and the Performance Year's PAA percent. Each hospital has the potential to earn an incremental improvement payment based on the following incremental sliding scale:

Incremental Improvement	% Payout
≥ 3 Percentage Point Improvement	100%
≥ 2 and < 3 Percentage Point Improvement	90%
≥ 1 and < 2 Percentage Point Improvement	80%
≥ 0.5 and < 1 Percentage Point Improvement	70%

Example¹

Hospital X - CY 2021 Base Year

Events	PAA Events	Percent PAA
3,782	489	12.9%

Hospital X - CY 2022 Performance Year

Events	PAA Events	Percent PAA
4,401	423	9.6%

12.9% - 9.6% = 3.3% incremental improvement

¹ Examples are for illustrative purposes only. Hospitals' incremental improvement and benchmark calculations will be based on actual CY 2021 and CY 2022 data.

Hospital X percent payment earned = 100%

Benchmark

Based on the statewide reported percent of PAA events relating to the Base Year, DHS will calculate a 25th and 50th percentile benchmark for non-Children's hospitals and the 50th percentile benchmark for Children's hospitals. DHS will update the benchmark statistics for each subsequent performance year. DHS will publish the prior year Benchmark Performance statistics to the website prior to notifying the hospitals of their earned Benchmark payment amounts.

- Each non-Children's hospital has the ability to earn a benchmark payment by meeting the prior year's 25th or 50th percentile benchmark, and
- Each Children's hospital has the ability to earn a benchmark payment by meeting the prior year's 50th percentile benchmark.
- To receive a benchmark payment, a hospital must have a PAA event rate in the performance year less than or equal to the benchmark in the prior year, Base Year.

Example¹

CY2021 Benchmarks for CY2022 Performance:

	Benchmark		
Percentile	25 th	50 th	Children's Only 50 th
Result	10.2%	14.0%	9.8%
% Payout	100%	90%	100%

Hospital X CY2022 Results:

Year	Events	PAA Events	Percent PAA
2022	4,401	423	9.6%

Since the CY 2022 PAA Percent for Hospital X, a non-Children's hospital, was 9.6% which is less than the 25th percentile rate of 10.2%, Hospital X will earn 100% of their benchmark payment.

Since Hospital X qualifies for both HQIP PAA Improvement and Benchmark Payments, Hospital X would earn a total payment as follows:

Hospital X's Improvement Payment + Hospital X's Benchmark Payment = Hospital X's Total HQIP PAA Payment

Please refer to the **PA Hospital Quality Incentive Payment** materials available on the DHS website for information related to the application of these measures, <https://www.dhs.pa.gov/providers/Providers/Pages/Hospital-Assessment-Initiative-.aspx>, or contact RA-PWPQUALINCEN@pa.gov with questions.