

Hospital Quality Incentive Program (HQIP)

The Hospital Quality Improvement payment program will be based on measuring potentially preventable admission (PPA) events as defined by the “3M™ Population-focused Preventables Software for identifying preventable hospital admissions.”

<http://multimedia.3m.com/mws/media/8552360/3m-ppe-solutions-fact-sheet.pdf>

Each hospital will be measured and rewarded on:

1. Incremental improvement in reducing PPA and
2. Achieving the 25th or 50th percentile benchmark of the statewide PPA rate.
3. Children’s Hospitals are rewarded for achieving the 50th percentile benchmark starting CY 2017 Performance Year.

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 MA events per provider.

Incremental improvement

1. Department of Human Services (DHS) will report the following for each hospital: the number of admissions (events) to an acute care hospital during Base Year paid by the physical health HealthChoices program, the number of PPA events admitted to that hospital, and the percent of overall PPA events for Base Year.

Example: Hospital X- CY 2015

Events	PPA Events	Percent PPA
3,782	489	12.93%

Each hospital will be measured on incremental improvement based on the difference of Base Year PPA percent of overall events minus the Performance Year PPA percent of overall events. Each hospital has the potential to earn incentive dollars 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%

Example: Hospital X- 2015 PPAs (12.9%) minus 2016 PPAs (9.6%) = incremental change in percent

YEAR	Events	PPA Events	Percent PPA
2015	3,782	489	12.9%
2016	4,401	423	9.6%
Incremental Change in Percent			3.3%

Hospital X would earn 100% of the incremental bonus based on a 3.3% absolute reduction in preventable events from 2015 to 2016.

Benchmark payments

Based on the statewide reported percent of PPA events for all hospitals, DHS will calculate a 25th and 50th percentile benchmark for non-Children’s Hospitals and 50th percentile benchmark for Children’s Hospitals for the base year. DHS will then report the same statistics for the performance year. Each non-Children’s hospital may earn a benchmark incentive payment by meeting the prior year’s 25th and 50th percentile benchmarks based on the PPA percent, and each Children’s hospital may earn a benchmark incentive payment by meeting the prior year’s 50th percentile benchmark. To receive a benchmark payment, a hospital has to have a PPA event rate less than or equal to the benchmark. For example, if the benchmarks for 2015 were:

	Benchmark	
Percentile	25th	50th
Result	10.2%	14.0%
% Payout	100%	90%

Hospital X would earn 100% of the benchmark reward since its 9.6% rate is less than the 25th percentile.

Since Hospital X qualifies for both the Incentive Improvement and Benchmark measure, Hospital X would earn both payments.

Total payments for performance are based on three factors: total funding allocated to the overall quality program, individual hospital performance, and the number of MA events for the individual hospital.

HQIP CY 2018 Percentiles for CY 2019 Performance Year

	Non-Children’s Hospital		Children’s Hospital
	25 th	50 th	50 th
Percentile	7.33%	10.27%	21.4%
Percentage Payout	100%	90%	100%

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.