

Hospital Quality Incentive Program

State Fiscal Year 2016-2017

3M Software Information

Hospital Quality Incentive Program

- Focus on Preventable Admissions
 - PA Medical Assistance Physical Health HealthChoices admissions
 - Identified using 3M Population-focused Preventable Software
- Aligns with programs implemented by other payers
- Measurements include
 - Incremental improvement in reducing preventable admissions, and
 - Achieving the 25th or 50th percentile benchmark of the CY 2015 statewide preventable event rate
- Incentive, not a penalty

3M

Health
Information
Systems

3M Potentially Preventable Admissions Overview



August 25, 2016

3M Health Information Systems

- Industry leader for coding, classification and payment systems used by CMS, MedPAC, 35 states, 140 payers, 80% of U.S. hospitals
- Created original Medicare DRGs (the original “bundled payment” system); contractor for CMS Medicare inpatient and outpatient hospital payment system for many years
- 3M inpatient payment systems (APR DRGs) adopted in 29 states
- 3M outpatient payment systems (EAPGs) adopted in 15 states
- 3M Potentially Preventable Event (PPE) measures used in outcomes based payment programs for hospitals, MCOs, ACOs in 15 states
- Clinical Risk Groups (CRG) population classification system utilized with medically complex patients (LTC, MH/SA, IDD, disabled children)
- Primary CMS contractor for ICD-10 conversion

Pennsylvania Organizations Using 3M Tools/Methods

97% of PA hospitals licensing 3M HIS products/ services

69% of PA hospitals licensing APR DRGs

PA Medicaid adopted APR DRGs for inpatient payment in 2011
(effective July 1, 2010)

Seven Pennsylvania managed care plans licensing 3M tools

- APR DRG Inpatient Payment
- PPR/PPV/PPA outcomes quality tracking and payment
- PA Medicaid using 3M PPEs in hospital and MCO VBP programs

The APR DRGs are the classification systems underlying the measurement tool since they are clinically precise, comprehensive, have a uniform and consistent structure, and are transparently available to affected providers.

- Hospitalizations from home: 25 APR DRGs

3M™ Potentially Preventable Admissions (PPAs)

- Hospital admissions make the largest contribution to rising health care costs.
 - Avoidable hospitalizations and associated physician costs
- To the extent that hospital care can be shortened, shifted to the outpatient setting, or eliminated altogether, the cost of health care can be reduced.
- PPAs are hospital admissions for problems that could potentially have been dealt with in the outpatient setting, having resulted from inefficiency, lack of adequate access to outpatient care, or inadequate coordination of ambulatory care services.
- PPAs can represent flare-ups of chronic conditions (e.g., asthma) for which adequate monitoring and follow-up, such as proper medication management could have avoided.

3M™ Potentially Preventable Admissions (PPAs)

- Inadequate care leading to preventable hospitalizations can occur from home or from other outpatient settings.
- Preventability can be judged based on whether the patient has been cared for in a longer term primary care relationship, such as a capitation-based program, accountable care organization, or medical home that should have been able to provide adequate access and coordination.
- Such a relationship could be expected to have an impact on the rate of hospitalizations for long-term complications, such as chronic renal failure, vision loss, and vascular disease in diabetic patients.
 - In the absence of such long-term arrangements, only acute complications of conditions (e.g. asthma, diabetes, or COPD) that would not have required years of good quality care might be expected to be preventable.

3M™ Potentially Preventable Admissions

- More comprehensive than AHRQ's PQIs
 - PPAs cover a greater range of conditions than PQIs
 - Advances in our understanding of the role coordinated care can play in avoiding admissions
 - Seizures, Migraines, Cardiac Catheterization, Chest Pain, Abdominal Pain
- PPAs are more restrictive for many conditions compared to AHRQ's PQIs
 - Conditions that could only be prevented by providing years of adequate primary and preventative care
 - amputations resulting from vascular complications of diabetes.
 - long term diabetes complications
- Could be prevented through adequate primary care or patient adherence (e.g., asthma, COPD, diabetes, heart failure)
- Emphasis on potentially preventable

3M™ Potentially Preventable Admissions

- PPAs are part of our Population Focused Preventable software (PFP)
- Each update of the PFP software includes:
 - Definition Manual (natively defined in both I9 and I10)
 - Methodology Overview
 - Summary of Modifications Documentation
- PFP Definition Manual available at APRDRGASSIGN.COM
 - Found under PPC section of the website
 - Type in User ID: **PAHosp** Then password: **aprdrdg028**

Top 20 PPAs in Pennsylvania

Below is a sample model of the 3M list of potentially preventable admissions listed by APR-DRG, clinical condition, and percent of preventable events within the PA Medicaid Health Choices program in calendar year 2014.

APR-DRG	Condition	%
141	ASTHMA	11.00%
140	CHRONIC OBSTRUCTIVE PULMONARY DISEASE	9.90%
383	CELLULITIS & OTHER BACTERIAL SKIN INFECTIONS	9.60%
420	DIABETES	8.20%
139	OTHER PNEUMONIA	7.70%
53	SEIZURE	7.50%
194	HEART FAILURE	5.20%
662	SICKLE CELL ANEMIA CRISIS	5.20%
463	KIDNEY & URINARY TRACT INFECTIONS	4.30%
249	NON-BACTERIAL GASTROENTERITIS, NAUSEA & VOMITING	4.10%
203	CHEST PAIN	4.00%
113	INFECTIONS OF UPPER RESPIRATORY TRACT	2.70%
251	ABDOMINAL PAIN	2.30%
198	ANGINA PECTORIS & CORONARY ATHEROSCLEROSIS	1.80%
54	MIGRAINE & OTHER HEADACHES	1.70%
245	INFLAMMATORY BOWEL DISEASE	1.60%
191	CARDIAC CATHETERIZATION W CIRC DISORD EXC ISCHEMIC HEART DISEASE	1.50%
137	MAJOR RESPIRATORY INFECTIONS & INFLAMMATIONS	1.40%
422	HYPOVOLEMIA & RELATED ELECTROLYTE DISORDERS	1.20%
199	HYPERTENSION	1.10%

Example PPA Output Report

3M Core Grouping Software - Report Viewer

Search Options

Search Field: PatientId Search Text: Search

Preventable Status: Excluded, not preventable Excluded, may be preventable At risk, not preventable At risk, may be preventable

Preventable Group: PPA: PPS: PPV:

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Patient ID: 1 Age: 51 Sex: 1 Male Grouper Version: Population-Focused Preventable Grouper Version 29.0											
Crg: 10000 Healthy Aggregated Crg3: 10 Healthy											
Claim ID	APR				EAPGS		Preventable				
	DRG	MDC	SOI	M/S Flag	Primary EAPG	Medical EAPG	From Another facility	Evaluated Group	Reason	Status	
2	283 Laparoscopic cholecystectomy	7	2	2			0	Potentially Preventable Admission (PPA)	Not Preventable	At risk, not preventable	
3	49 Bacterial & tuberculous infections of nervous system	1	2	1			0	Potentially Preventable Admission (PPA)	Not Preventable	At risk, not preventable	
4	03 Seizure	1	2	1			0	Potentially Preventable Admission (PPA)	Outpatient Coordination / Management	At risk, may be preventable	
5	80 Acute major eye infections	2	1	1			0	Potentially Preventable Admission (PPA)	Not Preventable	At risk, not preventable	
6	113 Infections of upper respiratory tract	3	1	1			0	Potentially Preventable Admission (PPA)	Primary Care Accessibility	At risk, may be preventable	
7	249 Non-bacterial gastroenteritis, nausea & vomiting	6	1	1			0	Potentially Preventable Admission (PPA)	Primary Care Accessibility / Nursing Home - Quality Indicator	At risk, may be preventable	
8	49 Bacterial & tuberculous infections of nervous system	1	2	1			0	Potentially Preventable Admission (PPA)	Not Preventable	At risk, not preventable	

Current Use of PPAs in Other States

- **Texas Medicaid** Managed Care Pay For Quality program: MCO comparative performance tracking and rate adjustment using PPAs and other PPEs
 - Reduction in PPA related expenditures of 18% over two year period
- **New York Medicaid** Value Based Payment (DSRIP and Managed Care)
 - Primary goals: PPAs begin used to reduce avoidable admissions/ED visits/readmissions by 25% in five years; 80% of MCO transactions with providers be value based in five years
- **Mass Medicaid** : PPAs core quality measure in their renewing DSRIP program
 - State and participating ACOs accountable for PPA reduction
- PPAs employed in many **Medicare Payment Advisory Commission (MedPAC)** population health and complex population studies
- PPA users in **other outcomes quality programs** include: Virginia, Illinois and Iowa Medicaid; MN DOH; WellMark, LA and MN BCBS; 10 New York Medicaid MCOs; Texas Association of Health Plans and four Texas MCOs

State Websites Publicly Reporting PPAs

See Texas Medicaid data here:

[Potentially Preventable Events Data at the Program, Health Plan, and Service Area level - Calendar Years 2012-2014 \(zip\)*](#)

See Minnesota DOH Report to Legislature here:

http://www.health.state.mn.us/healthreform/allpayer/potentially_preventable_events_072115.pdf

For More Information on Potentially Preventable Admissions (PPAs)

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DHS Website

<http://www.dhs.pa.gov/provider/hospitalassessmentinitiative/index.htm>

The screenshot shows a web browser window displaying the Pennsylvania Department of Human Services website. The page features a navigation menu with links for Citizens, Providers, Partners, Publications, and About DHS. A search bar is visible with the text "Search DHS". Below the navigation is a large banner image of a diverse group of people holding hands in a field. The banner includes the Pennsylvania Department of Human Services logo and the names of the Governor (Tom Wolf) and Secretary (Ted Dallas). A sidebar on the right contains links for "Apply for Benefits", "Newsroom", and "Data". The main content area is titled "Hospital Assessment Initiative" and contains a paragraph of text explaining the initiative. Below the text are two sections: "PA Hospital Assessment Materials" and "PA Hospital Quality Incentive Payment", each with a list of links. A blue arrow points to the first link in the "PA Hospital Assessment Materials" section: "Statewide Hospital Quality Care Assessment Frequently Asked Questions".

Hospital Assessment Initiative

Act 49 of 2010 authorized the Department of Human Services to impose a statewide hospital assessment on the net inpatient revenue of all Pennsylvania licensed acute care hospitals (with some exclusions) as of July 1, 2010 through June 30, 2013. Act 55 of 2013 reauthorized the statewide hospital assessment for an additional three years, July 1, 2013 through June 30, 2016. Act 92 of 2015 has now reauthorized the statewide hospital assessment through June 30, 2018. The assessment raises a significant amount of revenue that has enabled the commonwealth to maintain an updated inpatient payment system, to make changes to existing disproportionate share payments and supplemental payments, and to create new payments where applicable. The Department of Human Services has worked in collaboration with the Hospital and Health System Association of Pennsylvania to develop the assessment model.

PA Hospital Assessment Materials:

Below are links to documents that facilitate the management of the statewide assessment process:

- [Statewide Hospital Quality Care Assessment Frequently Asked Questions](#)
- [Electronic Payment Instructions for the Statewide Hospital Quality Care Assessment](#)

PA Hospital Quality Incentive Payment

- [Hospital Quality Incentive Q&A](#)
- [Hospital Quality Incentive Presentation](#)
- [Hospital Quality Incentive Narrative](#)

Important Phone Numbers and Email Addresses

Next Steps

- Hospitals should
 - Review resources
 - Continue to submit timely and accurate claim information to MCOs
- DHS will
 - Share CY 2015 statistics for benchmark measures in September
 - Review, analyze and calculate incentive payments based on CY 2016 encounter data
 - Review MCO quality incentive payments to ensure the entire \$25 million was paid to hospitals for SFY 2016-17
 - Consider comments received

Questions and Comments

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