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 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.

August 2016

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 <u>potentially</u> 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: aprdrg028

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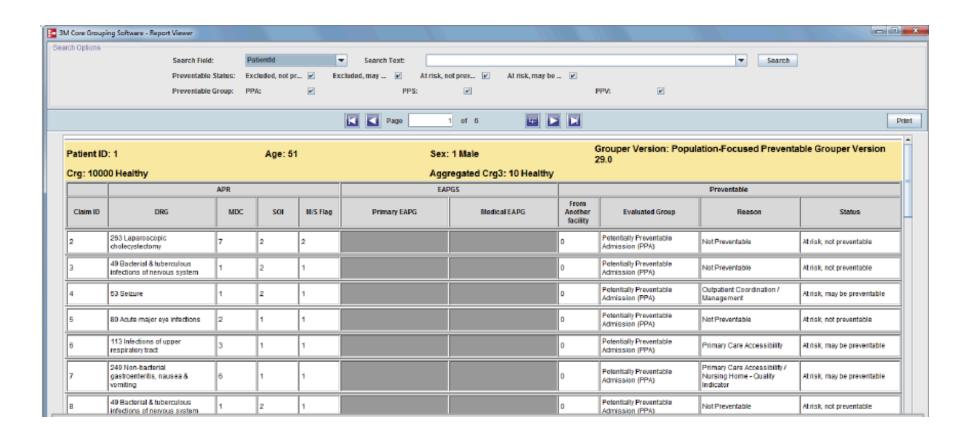
Top 20 PPAs in Pennsylvania

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



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

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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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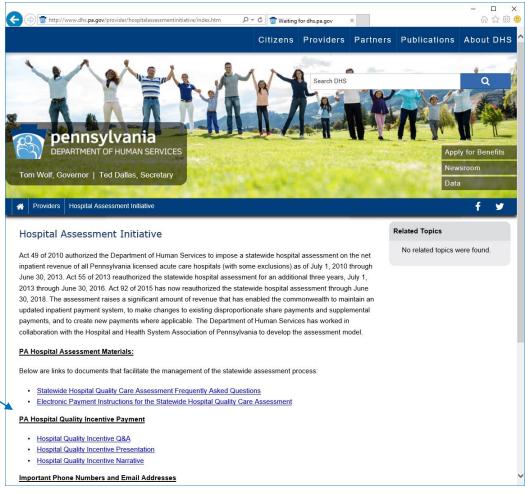
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DHS Website

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





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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