

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid and State Operations (CMSO)

Mr. Jason A. Helgerson
Administrator, Division of Health Care Access and Accountability
Wisconsin Department of Health Services
P.O. Box 309, Room 350
1 West Wilson Street
Madison, WI 53701-0309

DEC - 7 2009

RE: Wisconsin 09-006

Dear Mr. Helgerson:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 09-006. Effective for services on or after January 1, 2009, this amendment proposes new performance-based payments to acute care, children's, and rehabilitation hospitals.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment TN 09-006 is approved effective January 1, 2009. The HCFA-179 and the amended plan pages are attached.

If you have any questions, please call Todd McMillion at (608) 441-5344.

Sincerely,

A handwritten signature in black ink that reads "Cindy Mann". The signature is written in a cursive style with a large initial "C".

Cindy Mann

Director

Center for Medicaid and State Operations

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:
09-006

2. STATE
Wisconsin

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE
01/01/2009

5. TYPE OF PLAN MATERIAL (Check One):
 NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 447.250

7. FEDERAL BUDGET IMPACT:
a. FFY 2009 \$3,250K
b. FFY 2010 ~~\$3,250K~~ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-A, page 21.a.

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):
None

10. SUBJECT OF AMENDMENT:
Inpatient hospital rates and methodologies - pay for performance payments

11. GOVERNOR'S REVIEW (Check One):
 GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:
Jason Helgerson

16. RETURN TO:
Jason Helgerson
State Medicaid Director
Division of Health Care Access and Accountability
1 W. Wilson St.
P.O. Box 309
Madison, WI 53701-0309

13. TYPED NAME:
Jason Helgerson

14. TITLE:
State Medicaid Director

15. DATE SUBMITTED:
March 31, 2009

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:
12-07-09

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
JAN 1 - 2009

20. SIGNATURE OF REGIONAL OFFICIAL:
William Lasowski R CM

21. TYPED NAME:
William Lasowski

22. TITLE:
Deputy Director, CMSO

23. REMARKS:
PEN AND INK CHANGE - BOX 7 - PER DECEMBER 2, 2009 EMAIL REQUEST FROM THE STATE.

5500 Performance-Based Payments

The Department will reserve \$5 million All Funds for the period of January 1, 2009 through June 30, 2009 for performance-based payments to acute care, children's hospitals and rehabilitation hospitals located in Wisconsin. Critical access hospitals will not be included in the performance-based payment system because they already receive cost-based reimbursement. Psychiatric hospitals are not included because they are paid under a different reimbursement methodology in the state plan.

The Department will commence performance-based payments by providing incentives for hospitals to begin reporting performance measures. Identified measures are part of Wisconsin CheckPoint (www.wicheckpoint.org) hospital quality survey instrument.

Four CheckPoint measures will serve as the basis of the January 1, 2009 through June 30, 2009 performance-based payments. They are:

- 1) Flu Vaccine for Pneumonia Patients – Percent of patients discharged during October, November, December, January or February with pneumonia, age 50 and older, who were screened for influenza vaccine status and were vaccinated prior to discharge, if indicated. To qualify for funding, a hospital must report their data for the reporting period of October 1, 2007 through September 30, 2008 by February 15, 2009 to CheckPoint. The data will be available on CheckPoint beginning June 15, 2009. Each qualifying hospital will receive a lump-sum one-time payment of \$16,393.44.
- 2) Patient Experience of Care – The Hospital Consumer Assessment of Healthcare Providers and Systems survey includes 27 questions that are used to report 10 measures (six summary, two individual and two global measures) that reflect the patient's perception of the care that they have received in the hospital. Note: These measures include communication with nurses/doctors/staff, pain management, discharge and medication information, cleanliness and quietness of hospital environment, and overall rating of hospital. To qualify for funding, a hospital must report their data for the reporting period of October 1, 2007 through September 30, 2008 by February 15, 2009 to CheckPoint. The data will be available on CheckPoint beginning June 15, 2009. Each qualifying hospital will receive a lump-sum one-time payment of \$15,625.00.
- 3) Surgical Infection Prevention Index – The percent of surgical patients who were given all the care they needed to prevent an infection based on two measures (prophylactic antibiotic received within one hour prior to surgical incision and prophylactic antibiotic discontinued within 24 hours after surgery end time). To qualify for funding, a hospital must report their data for the reporting period of October 1, 2007 through September 30, 2008 by February 15, 2009 to CheckPoint. The data will be available on CheckPoint beginning June 15, 2009. Each qualifying hospital will receive a lump-sum one-time payment of \$24,193.55
- 4) Medication Reconciliation – The percent of patients with a complete medication reconciliation form in their medical record within 48 hours of admission. To qualify for funding, a hospital must report their data for the reporting period July 1, 2008 through December 31, 2008 by February 28, 2009 to CheckPoint. The data will be available on CheckPoint beginning March 15, 2009. Each qualifying hospital will receive a lump-sum one-time payment of \$25,423.73

Payments will be made once annually, by June 30 of the rate year.

OS Notification

State/Title/Plan Number: Wisconsin 09-006
Type of Action: SPA Approval
Required Date for State Notification: December 22, 2009
Fiscal Impact: FY 2009 \$ 3,250,000
FY 2010 \$ 0

Number of Services Provided by Enhanced Coverage, Benefits or Retained Enrollment: 0

Number of Potential Newly Eligible People: 0

Eligibility Simplification: No

Provider Payment Increase: Yes

Delivery System Innovation: No

Number of People Losing Medicaid Eligibility: No

Reduces Benefits: No

Detail: Effective for services on or after January 1, 2009, this amendment proposes new performance-based payments to acute care, children's, and rehabilitation hospitals. The payment amounts are based on four performance measures that are identified in the proposed plan language. The State proposes to make a one-time lump-sum payment, per each performance measure satisfied, to each qualifying hospital.

Other Considerations:

This plan amendment has not generated significant outside interest and we do not recommend the Secretary contact the governor.

Recovery Act Impact:

The Regional office has reviewed this state plan amendment in conjunction with the Recovery Act and, based on the available information provided by the State regarding 1) MOE; 2) local match; 3) prompt pay; 4) rainy day funds, and 5) eligible expenditures, the Regional Office believes that the State is not in violation of the Recovery Act requirements noted above.

CMS Contact:

**Todd McMillion (608) 441-5344
National Institutional Reimbursement Team**