

5500 Performance-Based Payments

The Department will reserve \$5 million All Funds in rate year 2010 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 continue performance-based payments in rate year 2010. The payment will consist of three different components. The first component of the payment will be for reporting five identified measures to the Wisconsin CheckPoint (www.wicheckpoint.org) hospital quality reporting program. The second component of the payment will be for scoring at or above the state wide average of the five CheckPoint measures. The five measures are:

- 1) Patient Experience of Care – Hospitals will report 10 measures based on patient completion of a 27-question Hospital Consumer Assessment of Healthcare Providers and Systems.
- 2) Surgical Infection Prevention Index – Percent of surgical patients that were given all the care they needed to prevent an infection based on selected measures.
- 3) Flu Vaccine for Pneumonia Patients – Percent of pneumonia patients, age 50 or older, that are asked if they had a flu shot and, if not, are given the flu vaccine shot before they leave the hospital.
- 4) Surgical Care Improvement, Clot Prevention Medication Given – Percent of surgical patients that received venous thromboembolism prophylaxis within 24 hours of surgery.
- 5) Perinatal Measures – Hospitals will report 7 measures of perinatal care.

For the first and second component the funds will be distribute for the first four measures based on the data submitted to *CheckPoint* as of March 15, 2010 update. The fifth measure, the perinatal measure will be based on the data entered into *CheckPoint* as of the May 19, 2010 update. Only the first three measures will be eligible for the second component of the payment.

The third component of the payment will provide funding for hospitals to submit a Readmissions Report. The report at a minimum must address the hospital's discharge planning policy, how the hospital measures readmissions, how the hospital identifies preventable readmissions, who the hospital partners with in the community to avoid readmissions and how the hospital follows-up with patients after they have left the hospital.

Methodology

The department will calculate each payment for each hospital as follows:

- 1) Patient Experience of Care – To qualify for funding for the first component, a hospital must have submitted their data to CheckPoint as of the March 15, 2010 update. Each qualifying hospital will receive a lump sum payment of \$8,064.52. To qualify for funding for the second component, a hospital must have submitted their data to CheckPoint as of the March 15, 2010 update. Each qualifying hospital will receive a lump sum payment of \$16,666.67.
- 2) Surgical Infection Prevention Index – To qualify for funding for the first component, a hospital must have submitted their data to CheckPoint as of the March 15, 2010 update. Each qualifying hospital will receive a lump sum payment of \$8,333.33. To qualify for funding for the second component, a hospital must have submitted their data to CheckPoint as of the March 15, 2010 update. Each qualifying hospital will receive a lump sum payment of \$13,888.89.

- 3) Flu Vaccine for Pneumonia Patients – To qualify for funding for the first component, a hospital must have submitted their data to CheckPoint as of the March 15, 2010 update. Each qualifying hospital will receive a lump sum payment of \$8,474.58. To qualify for funding for the second component, a hospital must have submitted their data to CheckPoint as of the March 15, 2010 update. Each qualifying hospital will receive a lump sum payment of \$16,129.03.
- 4) Surgical Care Improvement, Clot Prevention Medication Given – To qualify for funding for the first component, a hospital must have submitted their data to CheckPoint as of the March 15, 2010 update. Each qualifying hospital will receive a lump sum payment of \$8,196.72.
- 5) Perinatal Measures – To qualify for funding for the first component, a hospital must have submitted their data to CheckPoint as of the May 19, 2010 update. Each qualifying hospital will receive a lump sum payment of \$32,258.06.
- 6) Readmissions Report – To qualify for funding for the third component, a hospital must have submitted their readmissions report to the Department of Health Services by September 30, 2010. Each qualifying hospital will receive a lump sum payment of \$9,803.92.

Payments will be made once annually by December 31, 2010.

OS Notification

State/Title/Plan Number: Wisconsin 10-007
Type of Action: SPA Approval
Required Date for State Notification: December 16, 2010
Fiscal Impact:
FY 2010 \$ 0
FY 2011 \$ 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: No

Delivery System Innovation: No

Number of People Losing Medicaid Eligibility: No

Reduces Benefits: No

Detail: Effective for services on or after January 1, 2010, this amendment revises methodology for performance-based payments to acute care, children's, and rehabilitation hospitals. The payment amounts are based on reporting on and meeting the statewide average for five performance measures that are identified in the proposed plan language. Additionally, these payment amounts will be dependent on qualifying hospitals submitting a report on re-admissions. The plan language identifies the payment amounts available for meeting each measure. The State estimates that this amendment will have no impact on the Federal Budget, because the aggregate amount of these payments remains the same as in the previous methodology, only the distribution methodology has changed. Funding the non-Federal share of these payments comes from State appropriations and a permissible provider tax.

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.

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