

## **Table of Contents**

**State/Territory Name: WI**

**State Plan Amendment (SPA) #: 13-008**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

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



FEB 05 2014

Mr. Brett Davis  
Administrator  
Division of Health Care Access and Accountability  
Department of Health Services  
1 West Wilson St., Room 350  
Madison, WI 53701-0309

RE: Wisconsin State Plan Amendment (SPA) 13-008

Dear Mr. Davis:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 13-008. Effective for services on or after May 15, 2013, this amendment revises withhold-based pay for performance supplemental payments for inpatient hospital services. Specifically, this amendment changes the measurement period, adds a performance measure, and makes some technical changes to the methodology.

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 and the regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 13-008 is approved effective May 15, 2013. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Todd McMillion at (312) 353-9860.

Sincerely,

A handwritten signature in black ink, appearing to be 'h' or 'C', located to the right of the typed name 'Cindy Mann'.

Cindy Mann,  
Director

Enclosure

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

1. TRANSMITTAL NUMBER:  
13-008

2. STATE  
Wisconsin

FOR: HEALTH CARE FINANCING ADMINISTRATION

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

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

4. PROPOSED EFFECTIVE DATE  
05/15/2013

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 2013 ..... \$0 ..... \$0K  
b. FFY 2014 ..... \$0 ..... \$0K

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A page 19. ....  
Attachment 4.19-A page 19a. ....

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):  
Same  
New

10. SUBJECT OF AMENDMENT:

Inpatient hospital rates and methodologies - withhold-based performance-based payments.

11. GOVERNOR'S REVIEW (Check One):

- ☒ GOVERNOR'S OFFICE REPORTED NO COMMENT  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Brett Davis

14. TITLE:

State Medicaid Director

15. DATE SUBMITTED:

16. RETURN TO:

Brett Davis  
State Medicaid Director  
Division of Health Care Access and Accountability  
1 W. Wilson St.  
P.O. Box 309  
Madison, WI 53701-0309

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

FEB - 5 2014

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

MAY 15 2013

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Penny Thompson

22. TITLE:

Deputy Director, Policy & Financial Mgt. & Ops

23. REMARKS:

Pen + Ink change made to Block # 7

#### 5600 Withhold-Based Performance-Based Payments

The Department has a Hospital Withhold Pay-for-Performance (HWP4P) program that provides for payments for acute care, children's, critical access, and psychiatric hospital services. Long term care, rehabilitation, and out of state hospitals are exempt from the HWP4P program.

The HWP4P program is administered on a measurement year (MY) basis. The chart below shows the start and end dates for the first two MYs, which did not occupy a full 12 months.

<b>MY 2013</b>	<b>Start:</b> July 1, 2012	<b>End:</b> March 31, 2013
<b>MY 2014</b>	<b>Start:</b> May 15, 2013	<b>End:</b> March 31, 2014

Subsequent MYs will be on a 12 month cycle, from April 1 through March 31 of the next calendar year.

For each MY, the Department will pay claims for services at the rate of 98.5% of the fee schedule in effect at the beginning of the MY. The HWP4P pool will be calculated as an amount equal to 1.5% of the fee schedule amounts in effect at the beginning of the MY for those same claims.

The calculation of the pool amount does not apply to hospital supplemental payment amounts made to eligible providers, including access payments.

Payments for each MY will be made annually by the December 31 following the conclusion of the MY.

The remainder of this section describes the program's design and requirements for MY 2014. In order to be eligible for HWP4P program payments, hospitals are required to report performance measure data and meet performance-based targets as specified in the Hospital Pay-for-Performance (P4P) Guide (effective May 15, 2013 for MY 2014) available at:

[https://www.forwardhealth.wi.gov/WIPortal/Tab/42/icscontent/Provider/medicaid/hospital/P4P\\_MY2014\\_051513.pdf.spage](https://www.forwardhealth.wi.gov/WIPortal/Tab/42/icscontent/Provider/medicaid/hospital/P4P_MY2014_051513.pdf.spage)

Hospitals that meet both reporting requirements and performance-based targets, for the measures described below, are eligible to receive payments from the HWP4P pool as follows:

- The total amount available in the HWP4P pool for hospital services will be calculated as an amount equal to 1.5% of the total claim-based fee-for-service payments, excluding supplemental payments, made during the MY for Medicaid inpatient services to eligible hospitals.
- HWP4P pool amounts will be individually calculated for each eligible hospital as an amount equal to 1.5% of the total claim-based fee-for-service payments, excluding supplemental payments, made during the MY for Medicaid inpatient services to the eligible hospital. At the end of the MY, the total HWP4P pool amount available for each hospital will be divided by the number of measures applicable to that hospital to determine the value of each measure. (E.g., if the hospital's individual pool equals \$100,000 and the hospital qualifies to participate in four measures, each measure would be worth a maximum supplemental payment of \$25,000.)
- If a hospital meets all of its performance targets for all applicable measures, it will receive a supplemental payment equal to the hospital's total HWP4P pool amount for all measures.
- If a hospital does not meet all of its performance targets, it will earn dollars for those measures where the targets were met in a graduated manner, as specified in the P4P Guide.
- If all participating hospitals meet all of their individually applicable targets, no HWP4P additional pool funds would be available and no supplemental payments above those described in 5600.a would be made to any hospital.
- If any participating hospital does not meet any of its performance targets, the hospital will not receive any additional payment and the pool amount attributable to that hospital for that measure will be aggregated and distributed as an additional bonus payment to other hospitals that meet all of their performance targets.

The Department has designed the additional bonus pool to ensure that all HWP4P pool dollars are paid back to hospitals. Bonus dollars will be shared proportionally among hospitals based on the relative amounts calculated for the HWP4P pool for all hospitals that qualified for the additional bonus. Therefore, hospitals with a larger HWP4P pool calculated amount will receive a larger portion of the additional bonus dollars available. The University of Wisconsin Medical Center and Critical Access Hospitals are only eligible for payment up to cost for base hospital payments, including the performance-based payments.

The state will notify each eligible hospital, prior to the MY, of the minimum performance requirements to receive the 1.5% HWP4P pool payment. Complete details including technical information regarding specific quality and reporting metrics, performance requirements and HWP4P adjustments are available in the Hospital Pay-for-Performance (P4P) Guide referenced above. The performance measures that are in effect in this SPA on the first day of each MY will be the measures that are used for that MY. Except in cases of emergency rule, providers will receive at least 30-days written notice of any and all changes to the Hospital Pay-for-Performance (P4P) Guide.

The HWP4P pool amount will be distributed prior to the December 31 following the MY to participating hospitals for the following seven measures, as applicable to the hospitals:

- 1) Thirty-day hospital readmission – Hospitals will be scored on the percent of patients that had a qualifying readmission within 30 days of a qualifying discharge. This measure will be applicable to a hospital that has at least 30 observations during the MY. To qualify for its earn back on this measure, a hospital must improve upon its past performance (since the Department is not using a risk adjustment methodology for this measure, a hospital's score will not be compared to the statewide average). Past performance was calculated using 12 months of data (4/1/11 – 3/31/12).
- 2) Mental health follow-up visit within 30 days of discharge for mental health inpatient care – Hospitals will be scored on the percent of patients who had a mental health follow-up appointment within 30 days of qualifying mental health discharge. This measure will be applicable to a hospital that has at least 30 observations during the MY. To qualify for its earn back on this measure, a hospital must improve upon its past performance (since the Department is not using a risk adjustment methodology for this measure, a hospital's score will not be compared to the statewide average). Past performance was calculated using 12 months of data (4/1/11 – 3/31/12).
- 3) Asthma care for children – Hospitals will be scored on the percent of children admitted to a hospital with a qualifying asthma diagnosis that were discharged with a Home Management Plan of Care (HMPC). This measure will be applicable to children's hospitals that have at least 30 observations during the MY. To qualify for its earn back on this measure, a hospital must submit its data to the Joint Commission by the September 30 following the MY and must exceed either the national average or their past performance on this measure.
- 4) Surgical infection prevention index (SCIP Index) – Hospitals will be scored on the percent of surgical patients that were given all the care they needed to prevent an infection based on selected measures. This measure will be applicable to a hospital that has at least 25 observations during the MY. To qualify for its earn back on this measure, a hospital must submit its data to the Wisconsin CheckPoint ([www.checkpoint.org](http://www.checkpoint.org)) prior to the September 15 following the MY and must exceed either the state average or its past performance on this measure.
- 5) Initial antibiotic for community-acquired pneumonia (PN-6) – Hospitals will be scored on the percent of immunoincompetent patients with community-acquired pneumonia that receive an initial antibiotic within 24 hours of admission into the hospital. This measure will be applicable to a hospital that has at least 25 observations during the MY. To qualify for its earn back on this measure, a hospital must submit its data to CheckPoint prior to the September 15 following the MY and must exceed either the state average or its past performance on this measure.
- 6) Healthcare personnel influenza vaccination – Hospitals will be evaluated based on their performance on the Health Care Personnel Influenza Vaccination measure submitted via the CDC's National Healthcare Safety Network (NHSN) module. To qualify for its earn back on this measure, a hospital must exceed either the national average (as published by NHSN) for the previous flu season (for MY2014 the target for hospitals is 66.9%) or its baseline (calculated using the hospital's performance on the measure during the previous MY). Hospitals must report their healthcare personnel influenza vaccination results to the NHSN module prior to the deadline set by NHSN.
- 7) Early elective induced deliveries - PC-01 (pay-for-reporting) – Hospitals will be evaluated based on their submission of the early elective induced delivery data to CheckPoint. This measure will be applicable to a hospital that has at least 25 observations during the MY. To qualify for its earn back on this measure, a hospital must submit its data to CheckPoint prior to the September 15 following the MY.

HWP4P payments, including the additional bonus payments, are limited by the federal upper payment limit (UPL) regulations at 42 CFR §447.272. All HWP4P payments, including the additional bonus payments, are included in the UPL calculation for the MY regardless of when payments are actually made.