

**Office of External Affairs**

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# FACT SHEET

## HOSPITAL QUALITY REPORTING EXPANSION PROVISIONS IN CY 2007 HOSPITAL OUTPATIENT PROSPECTIVE PAYMENT SYSTEM PROPOSED RULE

On August 7, 2006, the Centers for Medicare & Medicaid Services (CMS) issued the hospital outpatient prospective payment system (OPPS) proposed rule for calendar year (CY) 2007. In addition to proposing policy and payment changes for services furnished to Medicare beneficiaries in hospital outpatient departments, the rule also includes a proposed expansion of quality measures for hospital reporting of quality data for the FY 2008 inpatient prospective payment system (IPPS) annual update. The expanded measures have been endorsed by the Hospital Quality Alliance (HQA), a privately-led collaborative effort to support measuring and improving the quality of care in hospitals, and have also been endorsed through the National Quality Forum's public consensus process.

- Section 5001(a) of the Deficit Reduction Act of 2005 (DRA) requires hospitals to report additional quality measures to receive the full market basket increase to their payment rates. Payment rates will be reduced by 2.0 percentage points for any hospital that does not submit certain quality data in a form and manner, and at a time, specified by the Secretary.
- On August 1, 2006 CMS issued the final hospital inpatient prospective payment system (IPPS) rule for FY 2007. As part of this outpatient rule, the measurement set for FY 2007 has been expanded to include the 21 HQA-approved clinical quality measures currently reported on Hospital Compare.

The expanded set of quality measures included in the proposed rule will broaden the scope of the hospital quality initiative into HCAHPS<sup>®</sup> (Hospital - Consumer Assessment of Health Plan Survey) patients' perspectives of care measures, surgical care, and mortality outcome measures.

### HCAHPS<sup>®</sup> Patients' Perspectives of Care Measures

- The HCAHPS<sup>®</sup> survey is composed of 27 items:
  - 18 substantive items that encompass critical aspects of the hospital experience (communication with doctors, communication with nurses, responsiveness of hospital staff, cleanliness and quietness of hospital environment, pain management, communication about medicines, and discharge information);

- 4 items to skip patients to appropriate items; three items to adjust for the mix of patients across hospitals; and
- 2 items to support congressionally-mandated reports.
- National implementation of HCAHPS<sup>®</sup> begins October 2006 for hospitals and survey vendors that have taken training and participated in a “dry run” for at least one month. The initial public reporting period will cover nine months of patient discharges (October 2006 through June 2007). Hospital results will be publicly reported on the CMS Hospital Compare website, starting in late 2007.
- For hospitals and survey vendors that have not yet had training in quality reporting, training sessions will take place in early 2007. A brief “dry run” will be held for March 2007 discharges.
- For FY 2008, hospitals will need to submit HCAHPS<sup>®</sup> data to the QIO Clinical Warehouse, beginning with discharges that occur in the third calendar quarter of 2007 (July through September discharges). CMS is also requiring the submission of March 2007 “dry run” data to the QIO Clinical Warehouse by July 13, 2007 from those hospitals not yet collecting and submitting HCAHPS<sup>®</sup> data on an ongoing basis.

### **Surgical Care Improvement Project (SCIP) Measures**

- The Surgical Care Improvement Project (SCIP) is a national quality partnership of organizations committed to improving the safety of surgical care through the reduction of postoperative complications. The ultimate goal of the partnership is to save lives by reducing the incidence of surgical complications by 25 percent by the year 2010.
- CMS is proposing to add three SCIP measures for FY 2008 related to venous thromboembolism (VTE) prophylaxis and prophylactic antibiotic selection for surgical patients.
- For FY 2008, hospitals will be required to submit SCIP data starting with discharges that occur in the first quarter of calendar year (CY) 2007. The deadline for hospitals to submit their first quarter data is August 15, 2007.

### **Mortality Measures**

- CMS is proposing to adopt 30-day mortality measures for patients with Acute Myocardial Infarction (AMI), Heart Failure (HF), and Pneumonia.
  - The measures are claims-based, risk-adjusted assessments of mortality within 30 days of admission for each of the three conditions.
  - The measures reflect outcomes of care for Medicare patients only, and rely on Medicare patients’ historical medical care use, including inpatient and physician office visits and outpatient care one year prior to their hospitalizations, for the risk adjustment calculation.

- No additional data collection from hospitals will be required in order to calculate the 30-day mortality measures. All three measures will be calculated using Medicare inpatient and outpatient claims data that is already reported to the Medicare program for payment purposes. The statistical process of risk adjustment will be performed to adjust for variation in patient outcomes that stem from differences in patient characteristics, including demographics and specific diagnoses, across hospitals.
- CMS will conduct a national “dry run” for the AMI and HF measures in late 2006 to test implementation and educate hospitals on the methodology. During this “dry run,” hospitals will be given the opportunity to examine their rates and other data associated with the measures, and to provide feedback to CMS on questions related to the calculation of the rates.
- Claims data submitted to CMS for hospitalizations occurring from July 2005 through June 2006 will be used to calculate the mortality rates that will be used for the FY 2008 annual payment determination. These rates will be posted on Hospital Compare in June 2007.