

FINAL MEDICARE QUALITY CHANGES FOR FY 2010

The Centers for Medicare and Medicaid Services (CMS) published its final rule documenting changes to the inpatient prospective payment system (IPPS) for FY 2010 in the ***Federal Register*** on August 27, 2009. The FY 2010 final rule reinforces Medicare's emphasis on quality of service by continuing the hospital acquired conditions program and expanding the quality measures that hospitals must report in order to receive the full market basket update next year. Reporting Hospital Quality Data for Annual Payment Update (RHQDAPU) and Hospital-acquired condition (HAC) initiatives represent significant steps by CMS toward implementing value-based purchasing (VBP) in Medicare. VBP is intended to transform Medicare into a prudent purchaser of services by factoring in payment based on quality and not just the quantity of services.

REPORTING OF HOSPITAL QUALITY DATA

A hospital quality initiative developed by CMS in consultation with hospital groups gave birth to the RHQDAPU initiative. Initial levels of participation were disappointing, but Congress added a financial incentive in the Medicare Prescription Drug, Improvement and Modernization Act (MMA) of 2003. Under the MMA, hospitals that chose not to participate or failed to meet the criteria for successful reporting in a given year received the annual payment update reduced by 0.4 percentage points. The Deficit Reduction Act of 2005 increased this reduction to 2.0 percentage points. Since the implementation of the financial incentive, hospital participation has greatly increased; 97 percent of the participating hospitals met the quality reporting requirements and received the full annual payment update in FY 2009.

The RHQDAPU measures grew from a starter set of ten quality measures in 2004 to the current set of 43 quality measures, which include:

- 25 chart-abstracted measures (heart attack, heart failure, pneumonia, surgical care improvement)
- 16 claims-based measures (mortality and readmissions measures for heart attack, heart failure, pneumonia; AHRQ Patient Safety Indicators and Inpatient Quality Indicators; nursing sensitive care)
- One survey-based measure (patient satisfaction)
- One structural measure (participation in a cardiac surgery registry).

The IPPS FY 2010 final rule added four new measures and program requirements - two new chart-abstracted measures for surgical care improvement and two structural measures for participation in additional data registries. The new Surgical Care Improvement Project (SCIP) measures are additions to the existing SCIP measure set for which the additional chart abstraction burden will be minimal. CMS believes that the two structural measures will promote hospital participation in nursing-sensitive care and stroke care registries that collect quality data.

The FY 2010 final rule also combined PSI 04, Death among surgical patients with treatable serious complications; and Nursing Sensitive, Failure to rescue, into a single measure. This combined measure will be under the topic name of "AHRQ PSI and Nursing Sensitive Care." In addition, CMS retired two measures: Pneumonia Oxygenation Assessment and AMI-6, Beta blocker at arrival.

The full set of 46 quality measures that will have to be reported in 2010 to receive the full market basket update for FY 2011 is summarized in the following table. The final rule when each measure was added is indicated in parenthesis.

Quality Measures Reporting Required for FY 2011	
Heart Attack (Acute Myocardial Infarction)	
	<ul style="list-style-type: none"> AMI-1: Aspirin at arrival (starter set) AMI-2: Aspirin prescribed at discharge (starter set) AMI-3: ACE inhibitor (ACE-I) or angiotensin receptor blocker (ARBs) for left ventricular systolic dysfunction (starter set) AMI-4: Adult smoking cessation advice/counseling (FY 2007 IPPS) AMI-5: Beta blocker prescribed at discharge (starter set) AMI-7a: Thrombolytic agent received within 30 minutes of hospital arrival (FY 2007 IPPS) AMI-8a: Percutaneous coronary intervention (PCI) received within 120 minutes of hospital arrival (FY 2007 IPPS)
Heart Failure (HF)	
	<ul style="list-style-type: none"> HF-1: Discharge instructions (FY 2007 IPPS) HF-2: Left ventricular function assessment (starter set) HF-3: ACE inhibitor (ACE-I) or angiotensin receptor blocker (ARBs) for left ventricular systolic dysfunction (starter set) HF-4: Adult smoking cessation advice/counseling (FY 2007 IPPS)
Pneumonia (PNE)	
	<ul style="list-style-type: none"> PN-2: Pneumococcal vaccination status (starter set) PN-3b: Blood culture performed before first antibiotic received in hospital (FY 2007 IPPS) PN-4: Adult smoking cessation advice/counseling (FY 2007 IPPS) PN-5c: Timing of Initial antibiotic following hospital arrival (starter set) PN-6: Appropriate initial antibiotic selection (FY 2007 IPPS) PN-7: Influenza vaccination status (FY 2007 IPPS)
Surgical Care Improvement Project (SCIP)	
	<ul style="list-style-type: none"> SCIP-1: Prophylactic antibiotic received within 1 hour prior to surgical incision (FY 2007 IPPS) SCIP-3: Prophylactic antibiotics discontinued within 24 hours after surgery end time (FY 2007 IPPS) SCIP Cardiovascular-2: Surgery Patients on a Beta Blocker Prior to Arrival Who Received a Beta Blocker During the Perioperative Period (FY 2009 IPPS) SCIP Infection-2: Prophylactic antibiotic selection for surgical patients (FY 2007 OPPS) SCIP Infection-4: Cardiac surgery patients with controlled 6AM postoperative serum glucose (FY 2008 OPPS) SCIP Infection-6: Surgery patients with appropriate hair removal (FY 2008 OPPS) SCIP Infection-9: Urinary Catheter Removed on Postoperative Day 1 (POD1) or Postoperative Day 2 (POD2) (FY 2010 IPPS) SCIP Infection-10: Surgery Patients with Perioperative Temperature Management (FY 2010 IPPS) SCIP VTE-1: Venous thromboembolism (VTE) prophylaxis ordered for surgery patients (FY 2007 OPPS) SCIP VTE-2: VTE prophylaxis within 24 hours pre/post surgery (FY 2007 OPPS)
Mortality Measures (Medicare Patients) **	
	<ul style="list-style-type: none"> MORT 30-AMI: Acute myocardial infarction 30-day mortality Medicare patients (FY 2007 OPPS) MORT 30-HF: Heart failure 30-day mortality Medicare patients (FY 2007 OPPS) MORT 30-PN: Pneumonia 30-day mortality Medicare patients (FY 2008 IPPS)
Patients' Experience of Care	
	<ul style="list-style-type: none"> HCAHPS patient survey (FY 2007 OPPS)

Quality Measures Reporting Required for FY 2011	
Readmission Measures (Medicare Patients) **	
	<ul style="list-style-type: none"> • READ 30-AMI: Acute Myocardial Infarction 30-Day Risk Standardized Readmission Measure (FY 2009 IPPS) • READ 30-HF: Heart failure readmission (FY 2009 IPPS) • READ 30-PN: Pneumonia 30-Day Risk Standardized Readmission Measure (FY 2009 IPPS)
AHRQ Quality Indicators: Inpatient Quality Indicators and Patient Safety Indicators **	
	<ul style="list-style-type: none"> • PSI 06: Iatrogenic pneumothorax, adult (FY 2009 IPPS) • PSI 14: Postoperative wound dehiscence (FY 2009 IPPS) • PSI 15: Accidental puncture or laceration (FY 2009 IPPS) • IQI-11: Abdominal aortic aneurysm (AAA) mortality rate (with or without volume) (FY 2009 IPPS) • IQI 19: Hip fracture mortality rate (FY 2009 IPPS) • Mortality for selected medical conditions (composite) (FY 2009 IPPS) • Mortality for selected surgical procedures (composite) (FY 2009 IPPS) • Complication/patient safety for selected indicators (composite) (FY 2009 IPPS)
Cardiac Surgery Measures	
	<ul style="list-style-type: none"> • Participation in a systematic database for cardiac surgery (FY 2009 IPPS)
Stroke Care	
	<ul style="list-style-type: none"> • Participation in a Systematic Clinical Database Registry for Stroke Care (FY 2010 IPPS)
Nursing Sensitive Care	
	<ul style="list-style-type: none"> • Participation in a Systematic Clinical Database Registry for Nursing Sensitive Care (FY 2010 IPPS)
AHRQ Patient Safety Indicators and Nursing Sensitive Measures	
	<ul style="list-style-type: none"> • PSI 04: Death among surgical patients with treatable serious complications (Medicare claims only) (FY 2009 IPPS, modified FY 2010 IPPS)

** These measures are calculated using Medicare claims. CMS will use three-years of discharges from July 1, 2006 through June 30, 2009, for the 30-day mortality and 30-day readmission measures. For the AHRQ PSI, IQI and Composite measures CMS will use one-year of claims from July 1, 2008 through June 30, 2009.

Beginning with FY 2012, CMS has modified the data validation requirement. Annually, the agency will randomly select 800 hospitals. Each selected hospital will have twelve medical records validated every quarter throughout the year. This is an increase in the quarterly sample size from the current five to twelve records so as to achieve a more reliable validation estimate. CMS will also develop targeting criteria to supplement the random sample beginning in FY 2011.

HOSPITAL-ACQUIRED INFECTIONS AND PRESENT ON ADMISSION INDICATOR

Complications and conditions acquired in the hospital can trigger higher payments in two ways. First, the treatment of complications can increase the cost of a hospital stay enough to generate an outlier payment. Second, the condition acquired in the hospital could lead to the assignment of a more "severe" DRG, if that condition is considered a complication or comorbidity (CC) or a major complication or comorbidity (MCC).

The Deficit Reduction Act of 2005 (DRA) requires CMS to select at least two preventable, hospital-acquired conditions which lead to the assignment of a higher-paying DRG. Hospitals would not receive additional payment for cases in which one of the selected conditions is acquired during the patient's hospitalization. If the condition develops while the patient is hospitalized, the case will be paid as though the selected condition was not present. The list of hospital-acquired conditions will be revised from time to time, but will always contain at least two conditions.

CMS and the CDC (Centers for Disease Control and Prevention) collaborated on the development of a process for hospitals to submit a Present on Admission (POA) indicator for each diagnosis. The POA indicator specifies whether a condition was present on admission or acquired during the hospital stay. Specific instructions on how to select and report the correct POA indicator are documented in the ICD-9-CM Official Guidelines for Coding and Reporting and CMS Transmittal 1240. In the FY 2009 IPPS final rule, CMS finalized the proposed policy to “demote” as a CC or MCC any ICD-9-CM diagnosis codes on the HAC list reported with a POA value of “N” or “U” when calculating the MS-DRG. The “N” POA indicator is reported for diagnoses that were not present on admission. The “U” or unknown POA indicator is reported when the documentation is insufficient to determine if the condition as present on admission.

The POA indicators and reporting remains unchanged for FY 2010. Medicare will continue to pay the higher-weighted CC/MCC MS-DRGs for those HACs coded with “Y” and “W” indicators. Any HAC that is submitted with a POA value of “N” or “U” would be bypassed during DRG assignment as a complication or comorbidity. Only if another CC/MCC that is not designated as a HAC appears on the same claim would the case be paid at the higher-weighted MS-DRG.

The initial eight hospital acquired conditions were published in the FY 2008 final rule. Two additional conditions were added in the FY 2009 final rule. The FY 2010 final rule did not change the list of HACs, although CMS added the new ICD-9-CM codes 813.46, Torus fracture of ulna, and 813.47, Torus fracture of radius and ulna, to the falls and trauma category.

The current ten categories of hospital acquired conditions are as follows:

1. Foreign Object Retained After Surgery
2. Air Embolism
3. Blood Incompatibility
4. Stage III and IV Pressure Ulcers
5. Falls and Trauma
 - Fractures
 - Dislocations
 - Intracranial Injuries
 - Crushing Injuries
 - Burns
 - Electric Shock
6. Manifestations of Poor Glycemic Control
 - Diabetic Ketoacidosis
 - Nonketotic Hyperosmolar Coma
 - Hypoglycemic Coma
 - Secondary Diabetes with Ketoacidosis
 - Secondary Diabetes with Hyperosmolarity
7. Catheter-Associated Urinary Tract Infection (UTI)
8. Vascular Catheter-Associated Infection
9. Surgical Site Infection Following:
 - Coronary Artery Bypass Graft (CABG) - Mediastinitis
 - Bariatric Surgery
 - Orthopedic Procedures
10. Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE)
 - Total Knee Replacement
 - Hip Replacement

During the coming fiscal year, CMS is plans to conduct a joint evaluation of the program's financial and operational impact. This evaluation will be jointly conducted by CMS, the CDC, the Agency for Healthcare Research and Quality (AHRQ), and the Office of Public Health and Science (OPHS).

FOR FURTHER INFORMATION

If you have questions regarding the Medicare quality changes for FY 2010, please contact our Client Services department at 1-800-999-DRGS (3747). For additional information on the IPPS Final Rule, see the following *Industry Insights*:

INSIGHT NO.	TITLE
475	Final Medicare DRG Changes for FY 2010
476	Final Changes to the Medicare Code Editor (MCE) for FY 2010
477	Final Medicare Pricer Changes for FY 2010
479	Final ICD-9-CM Changes for FY 2010

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