Hospital-Acquired Condition Reduction Program
Fiscal Year 2016 Fact Sheet

Overview

Section 3008 of the Patient Protection and Affordable Care Act (ACA) established the Hospital-Acquired Condition (HAC) Reduction Program to provide an incentive for applicable hospitals to reduce HACs. Effective beginning Fiscal Year (FY) 2015 (discharges beginning on October 1, 2014), the HAC Reduction Program requires the Secretary of the Department of Health and Human Services to adjust payments to applicable hospitals that rank in the worst-performing quartile of all subsection (d) non-Maryland hospitals with respect to risk-adjusted HAC quality measures. These hospitals will have their payments reduced to 99 percent of what would otherwise have been paid for such discharges.

FY 2016 Results

In FY 2016, 758 out of 3,308 hospitals subject to the HAC Reduction Program are in the worst performing quartile and will have a one percent payment reduction applied to all Medicare discharges occurring between October 1, 2015 and September 30, 2016. In FY 2015, 724 hospitals were subject to a payment reduction.

We estimate that the total savings in FY 2016 will be $364 million.

In FY 2016, the 75th percentile of Total HAC Score cutoff was 6.75, compared to 7.00 in FY 2015. The cutoff contributed to the slight increase in the percentage of hospitals in the worst performing quartile, from 21.9 percent of applicable hospitals in FY 2015 to 22.9 percent of applicable hospitals in the FY 2016. Out of the 757 hospitals in the worst performing quartile in FY 2016, approximately 53.7 percent were also in the worst performing quartile in FY 2015.

Across the FY 2015 and FY 2016 programs, the average performance across eligible hospitals improved on two of the three measures included in both program years. In particular, the mean Patient Safety Indicator (PSI) 90 Composite Index Value decreased from 0.89 to 0.86 in FY 2016, and the mean Central Line-Associated Blood Stream Infection (CLABSI) Standardized Infection Ratio (SIR) decreased from 0.53 in FY 2015 to 0.48 in FY 2016. The mean Catheter-Associated Urinary Tract Infection (CAUTI) SIR increased slightly from 1.13 in FY 2015 to 1.17 in FY 2016. The mean Surgical Site Infection (SSI) SIR in FY 2016, which was the first year that this measure was used in the program, was 0.95.

Public Reporting

On December 10, 2015, CMS made the following HAC Reduction Program information publicly available for each eligible hospital:

- PSI 90 Composite measure score
- CLABSI, CAUTI, and SSI measure scores
- Domain 1 and Domain 2 scores
- Total HAC Score

The FY2016 HAC Reduction Program scores for hospitals can be found on the Hospital Compare Website by following this link: https://www.medicare.gov/hospitalcompare/HAC-reduction-program.html
The list of hospitals subject to the payment adjustments are posted on the following CMS.gov Website under this link: https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/HAC-Reduction-Program.html

Measure Selection and Calculation

As finalized in the FY 2015 Hospital Inpatient Prospective Payment System/Long Term-Care Hospital Prospective Payment System (IPPS/LTCH PPS) Final Rule (http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY2015-IPPS-Final-Rule-Home-Page.html), CMS adopted the Agency for Healthcare Research and Quality (AHRQ) Patient Safety Indicator (PSI) 90 Composite and the Centers for Disease Control and Prevention (CDC) National Healthcare Safety Network (NHSN) Central Line-Associated Bloodstream Infection (CLABSI), Catheter-Associated Urinary Tract Infection (CAUTI), and Surgical Site Infection (SSI) measures for the FY 2016 HAC Reduction Program.

AHRQ PSI 90 Composite

The AHRQ PSI 90 Composite includes the following eight PSIs:

- PSI 03 - Pressure Ulcer
- PSI 06 - Iatrogenic Pneumothorax
- PSI 07 - Central Venous Catheter-Related Bloodstream Infections
- PSI 08 - Postoperative Hip Fracture
- PSI 12 - Perioperative Pulmonary Embolism or Deep Vein Thrombosis
- PSI 13 - Postoperative Sepsis
- PSI 14 - Postoperative Wound Dehiscence
- PSI 15 - Accidental Puncture or Laceration

The AHRQ PSI 90 Composite is a weighted average of the risk- and reliability-adjusted versions (or smoothed versions) of these eight PSIs. For the FY 2016 Program, CMS is calculating smoothed versions of these eight PSIs using version 4.5a of the AHRQ PSI software, and hospitals' Medicare fee-for-service claims for discharges occurring from July 1, 2012 through June 30, 2014.

CDC NHSN Healthcare Associate Infection Measures

For the HAC Reduction Program, the CDC is calculating standardized infection ratios (SIRs) for the CLABSI, CAUTI, and SSI measures. SIRs are ratios of observed-to-predicted numbers of HAIs.

The CLABSI, CAUTI, and SSI measures are risk-adjusted at the hospital-level and patient-care unit level. The CDC is using chart-abstracted surveillance data reported to the NHSN for infections occurring from January 1, 2013 through December 31, 2014 for the FY 2016 HAC Reduction Program calculations.

Scoring Methodology

CMS determines whether a hospital should be subject to a payment reduction based on the hospital's measure results and scoring. There are three major steps taken to determine a hospital's Total HAC Score.

1. Hospitals are classified based on their measure results. Specifically, each hospital is assigned a measure score between 1 and 10 for each measure, which reflects the hospital's relative rank in 10 groups (or deciles) for that measure.

2. Measure scores are used to determine the domain scores. For FY 2016, the Domain 1 score is determined by the points assigned for the PSI 90 Composite Index Value because that is the only measure in Domain 1. Domain 2 is composed of the following three measures: CDC NHSN CLABSI, CAUTI, and SSI. If a hospital has a measure score for all three, then the hospital's Domain 2 score equals the average of the hospital's CLABSI, CAUTI, and SSI measure scores. If a hospital has a measure score for only two of the three Domain 2 measures, then the hospital's Domain 2 score equals the average of the points assigned for the two Domain 2 measures with points. If a hospital has
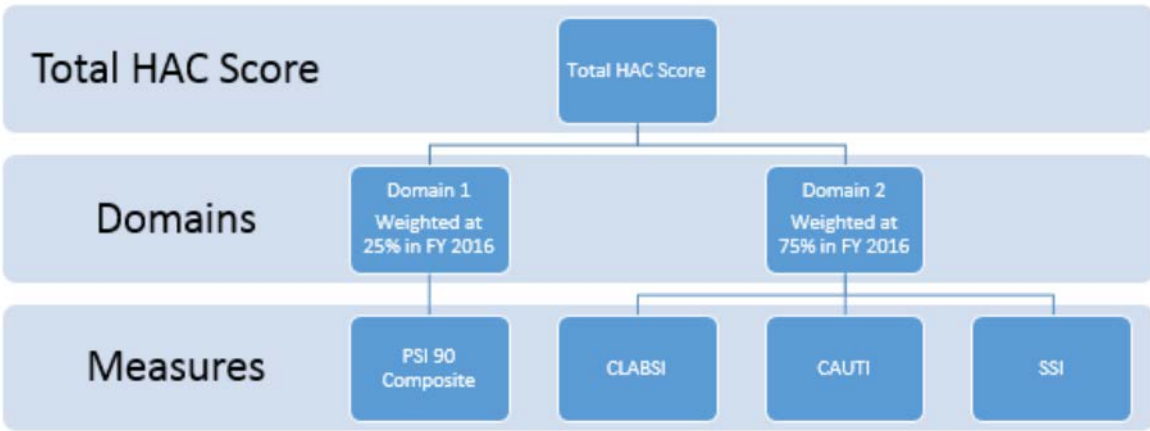
points for only one of the three Domain 2 measures, then the hospital's Domain 2 score equals the number of points assigned to the Domain 2 measure with points. Finally, a hospital will not receive a domain score when it does not have measure scores for any of the measures within the given domain.

3. A Hospital's Total HAC Score is determined by the sum of the weighted Domain 1 and Domain 2 scores. Domain 1 is weighted at 25 percent, and Domain 2 is weighted at 75 percent of the Total HAC Score for hospitals that received a calculated Domain 1 score and Domain 2 score. If a hospital only has a score for one of the domains, then a weight of 100 percent will be applied to the domain for which the hospital has a score.

Please see the FY 2016 HAC Reduction Program Hospital-Specific Report (HSR) User Guide document located at https://qualitynet.org (Hospitals-Inpatient>HAC Reduction Program>Hospital-Specific-Reports) for more information on the scoring methodology used for the FY 2016 HAC Reduction Program.

See Figure 1 for a visual overview of the scoring methodology.

Figure 1. Overview of Scoring Methodology

Additional Information
Additional information about the HAC Reduction Program is available on Quality Net:
https://www.qualitynet.org/dcs/ContentServer?c=Page&pagename=QnetPublic%2FPage%2FQnetTier2&cid=1228774189166

Technical Assistance

If you have questions or comments about CMS's calculations and reporting of AHRQ PSIs based on Medicare claims, please visit:

http://www.qualitynet.org > *Hospitals-Inpatient* > *Claims-Based Measures* > *Agency for Healthcare Research and Quality (AHRQ) Indicators*

or contact the QualityNet Help Desk:

qnetsupport@hcqis.org

If you have questions about the AHRQ Quality Indicators™ or software, please visit the AHRQ Quality Indicator Website:

http://www.qualityindicators.ahrq.gov

If you have questions or comments about the calculation of the CDC CLABSI, CAUTI, or SSI SIRs, please visit:

http://www.qualitynet.org > Hospitals-Inpatient > Healthcare Associated Infections (HAI**)**

or contact NHSN:

nhsn@cdc.gov

In the subject line of the email, indicate which measure(s) the question is about.

If you have questions or comments about the FY 2016 HAC Reduction Program, please visit:

http://www.qualitynet.org > *Hospitals-Inpatient* > *Hospital-Acquired Condition (HAC) Reduction Program*

or contact the QualityNet Help Desk:

qnetsupport@hcqis.org

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Emailing this data is a security violation.