

Reporting Hospital Quality Data for Annual Payment Update

Centers for Medicare & Medicaid Services (CMS)

Reference Checklist

Hospital Participation Requirements (overview)

This information describes how hospitals that are paid for treating Medicare beneficiaries under the acute care inpatient prospective payment system can receive their full Medicare Annual Payment Update in accordance with Section 501(b) of the Medicare Prescription Drug, Improvement and Modernization Act of 2003, i.e., hospitals as defined under the Social Security Act, Section 1886(d)(1)(B), known as subsection d hospitals. Section 501(b) stipulates that hospitals that do not submit data for **all** 10 required quality measures in the manner specified by the Department of Health and Human Services will receive 0.4 percent reduction in their Medicare Annual Payment Update. This law is in effect for fiscal years 2005-2007.

This checklist outlines the steps hospitals must take to receive that update. In part, hospitals wanting to receive their full market basket update **must complete two forms**: 1) a registration for QualityNet Exchange and 2) a Reporting Hospital Quality Data for Annual Payment Update Notice of Participation. In addition, hospitals that will choose to have another organization, such as a performance measurement system (PMS) or vendor, transmit their data to the data warehouse will need to complete a vendor authorization form. If a hospital is already participating in the National Voluntary Hospital Reporting Initiative, it is likely to already have completed the registration for QualityNet Exchange and a vendor authorization form. It does not need to fill out new forms and send them in. The previous forms are acceptable. **It must, however, complete the Notice of Participation form.** All of these forms are appended to this Notice.

1. Identify a QualityNet Exchange Administrator who then registers the hospital on QualityNet Exchange. The Administrator follows the process specified on the secure site at www.qnetexchange.org and contacts its Quality Improvement Organization (QIO). A description of the QualityNet Exchange Administrator's responsibilities and information on the registration process can be found in the QualityNet Exchange Registration section. A hospital can find contact information for its states QIO at www.cms.hhs.gov.

A hospital **is required** to register for QualityNet Exchange if they are participating in this national effort, even if they are using a vendor to transmit data. QualityNet Exchange registrations must be complete, submitted to the QIO, and received by the QualityNet Exchange staff from your QIO no later than **June 1, 2004**. While registration is not difficult, it will require some time to process the forms, both in the hospital and at the QIO, so hospitals should begin processing their paperwork with their QIO by early May to ensure the completed form can be received by the QualityNet Exchange staff by June 1, 2004.

2. Complete the Reporting Hospital Quality Data for Annual Payment Update (RHQDAPU) Notice of Participation form (see Appendix A).

The hospital must send a Notice of Participation form for the RHQDAPU to be received and accepted by their QIO no later than **August 1, 2004** for the fiscal year 2005 update. Detailed deadlines for subsequent fiscal year updates will be established in the future. The QIO is responsible for entering this information into their tracking system within the established deadlines. Non-receipt of this notice will be interpreted as a desire not to submit the required data to receive the Annual Payment Update.

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Hospital Participation Requirements (continued)

3. Collect data for all 10 measures (same as identified for the starter set for the National Voluntary Hospital Reporting Initiative) using one of several mechanisms:
 - CMS Abstraction & Reporting Tool (CART)
 - JCAHO Oryx Core Measure Performance Measurement System (PMS)
 - Other 3rd party vendor who has met the Measurement Specifications for data transmission (XML file format) into QualityNet Exchange.

CMS intends to compare data submitted with claims data to ascertain a minimum number of eligible patients with these health care conditions. We will also identify hospitals from which we will not expect to receive measures data because they do not treat the conditions covered. These hospitals will receive the Annual Payment Update as long as we receive the measures data for those conditions the hospital does treat.

If using a PMS/vendor to transmit data, the hospital completes an authorization for the vendor to transmit their data to the QIO Clinical Warehouse via QualityNet Exchange and submits the form to the QIO (see Appendix B). The form is also available via QualityNet Exchange or by contacting your QIO. The QIO enters appropriate information into their tracking system regarding vendor authorizations, which is used for verification when the PMS/vendor submits data to QualityNet Exchange.

Vendor authorizations sent to the QIO remain in effect until the hospital notifies the QIO of any changes. It is suggested that hospitals provide the vendor with a copy of the authorization form.

4. Submit data for all payers for the 10 quality measures to the QIO Clinical Warehouse via **www.qnetexchange.org** through a PMS/vendor or directly by July 1, 2004. See Submission of Data section and Appendix C for the timeline. If the hospital is JCAHO accredited, the hospital should follow the JCAHO sampling requirements. If they are a non-JCAHO hospital, the hospital should follow the minimum sampling requirements established by CMS and use terminal digit sampling. (see Appendix E for details on the CMS sampling requirements).
5. Hospitals may contact their QIO for questions relating to their data or for other technical support related to their submission.
6. CMS will determine Annual Payment Updates based on the data **successfully submitted** (i.e. all cases accepted based on QIO Clinical Warehouse edits) to CMS via the QIO Clinical Warehouse by the established deadlines. Use of the CART tool will meet all warehouse edits. See Submission of Data section and Appendix C for the timeline. It is CMS' intent to publish data used for the Annual Payment Update. For subsequent fiscal year payment updates, CMS will look at data in the QIO Clinical Warehouse for four consecutive quarters.

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Hospital Participation Requirements (continued)

7. If a hospital elects to withdraw from the RHQDAPU, it sends the Withdrawal of Participation form for the RHQDAPU to the QIO contact. See Appendix D for Withdrawal Form. For the fiscal year 2005 payment update, any withdrawal from the RHQDAPU needs to be received by your QIO no later than **August 1, 2004**. Hospitals are encouraged to coordinate with your QIO to ensure timely receipt of the information. Please note that a withdrawal from the RHQDAPU will result in a reduction of 0.4 percent for the Medicare Annual Payment Update. The QIO is responsible for entering withdrawal information into the tracking system within the established deadlines.
8. Data will be reported initially on www.cms.hhs.gov. Hospitals will have the opportunity to review the measures data collected under RHQDAPU before it is published. Any publication errors can be corrected at that time.

For further process details including QualityNet Exchange Registration & Administrator Role, Submission of Data, Chart Audit Validation and Resources, refer to pages 8, 9 and 10.

See also Frequently Asked Questions for RHQDAPU at cms.hhs.gov/quality.

This material was prepared by the Iowa Foundation for Medical Care under contract with the Centers for Medicare & Medicaid Services (CMS), an agency of the US Department of Health and Human Services.

Appendix A

**Reporting Hospital Quality Data for Annual Payment Update
Notice of Participation**

- We agree to participate at this time (complete entire form including initials)
- We do not agree to participate at this time.

We agree to register for QualityNet Exchange and to collect the appropriate data for all payers, and will begin submitting data directly, or through a third party vendor, on the measures identified for Reporting Hospital Quality Data for Annual Payment Update (RHQDAPU). We will have data transmitted to the QIO Clinical warehouse beginning with discharges for the quarter(s) indicated below:

- We will submit data for FY 2005 payment update and beyond.

The 4th Quarter 2003 discharges will be submitted by May 15, 2004 and 1st quarter 2004 discharges will be successfully accepted by August 15, 2004; OR submission of 1st Quarter 2004 discharges will be started by July 1 and completed by August 1, 2004.

Note: if your hospital is eligible to participate in the Annual Payment Update as outlined in Section 501(b) of the Medicare Prescription Drug, Improvement and Modernization Act of 2003, and does not participate; your Annual Payment Update will be reduced by 0.4 percent.

This information is in compliance with the CMS guidelines for hospitals submitting their quality performance data in accordance with Section 501(b) of the Medicare Prescription Drug, Improvement and Modernization Act of 2003. Hospitals that do not submit data for all 10 required quality measures to the QIO Clinical Warehouse will receive a reduction of 0.4 percent in their Medicare Annual Payment Update in fiscal year 2005. In order to avoid the reduction in their Annual Payment Update, certain requirements must be met. CMS will determine Annual Payment Updates based on whether: 1) PPS hospitals are registered for QualityNet Exchange by the established deadline, and 2) data are successfully submitted to CMS via the QIO Clinical Warehouse by the established deadlines. Note: Refer to the RHQDAPU Reference Checklist for the deadlines for submission for the 2005 Payment Update. The timeline for subsequent fiscal years will be established and published in the future.

It is CMS's intent to publish data from the 1st quarter 2004 discharges used for the Annual Payment Update. For subsequent fiscal year payment updates, CMS will look at data in the QIO Clinical Warehouse for four consecutive quarters. Details for subsequent fiscal year submissions will be established and provided in the future. The Secretary of the Department of Health and Human Services will request the data required to meet the conditions for the full Annual Payment Update from the QIOs. Data aggregated at the hospital level will be provided to the Secretary from the QIO Clinical Warehouse. The Secretary intends to publish this data. For the fiscal year 2005 Annual Payment Update, validation of the submitted data will not be part of the submission requirements. For subsequent submissions, fiscal years 2006 and 2007, CMS will establish validation requirements for all submitted data.

Quality Improvement Organization: _____

Hospital Name: _____ Medicare Provider Number: _____

Street Address: _____

City, State, Zip Code: _____

Hospital CEO (or designee) Name (please print): _____

Title: _____ Signature Date: _____

Signature: _____ CEO/Designee Initials: _____

Please identify your hospital's point of contact for hospital reporting activities:

Name (please print): _____

Title: _____ E-mail: _____

Telephone: _____ Fax: _____

Appendix B

Hospital Authorization for Vendor Transmission to QIO Clinical Warehouse

TO: QIO Contact Name
QIO QualityNet Exchange Administrator
QIO Name
QIO Address

FROM: Hospital Contact Name
CEO or Administrator
Hospital Name
Address

SUBJECT: Authorization for Hospital-Collected Data Transmission into the QIO Clinical Warehouse.

The _____ Hospital authorizes _____, (JCAHO certified Performance Measurement System [PMS] or other third party vendor), to transmit data on the following topic(s) beginning with the specified discharge dates by topic:

- Acute Myocardial Infarction Effective with discharges beginning _____
- Heart Failure Effective with discharges beginning _____
- Pneumonia Effective with discharges beginning _____
- Surgical Infection Prevention Effective with discharges beginning _____

The Vendor information is as follows:

JCAHO PMS ID/Vendor # _____ Data Transmission Start Date: _____

Organization Name: _____

Contact Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

The PMS/vendor agrees to transmit data for all payers via QualityNet Exchange into the QIO Clinical Warehouse in the agreed-upon data format provided by CMS (XML format). The data collected has also met the CMS standard abstraction protocols and transmission requirements. The PMS/vendor ensures that all of its data collection and transmission activities are in accordance with all HIPAA regulatory requirements regarding security and privacy.

This authorization remains in effect for the specified PMS/vendor until the CEO/Administrator of the hospital notifies the QIOs of any changes.

Authorized by: _____
(Original Signature of administrator or CEO)

Print name: _____

Medicare Provider #: _____ Date Signed: _____

Timeline for Reporting Hospital Quality Data for Annual Payment Update

The following table outlines a timeline for the initiative entitled, "Reporting Hospital Quality Data for Annual Payment Update" (RHQDAPU) for each fiscal year affected. This timetable is in addition to the data transmission schedule that remains in effect for submission of data to the QIO Clinical Warehouse for each respective quarter.

Fiscal Year Payment Update	QualityNet Exchange Registration	Latest Date for Initial Submission and Acceptance*	Date for Final Submission and Acceptance
2005	06/01/04	07/01/04*	08/01/04* 08/15/04*
2006	Not Yet Available	Not Yet Available	Not Yet Available
2007	Not Yet Available	Not Yet Available	Not Yet Available

*Note: To affect the fiscal year 2005 payment update, hospitals have to meet one of the following options for data submissions to the QIO Clinical Warehouse via QualityNet Exchange:

- 1) If the hospital has submitted all ten measures for the 4th quarter 2003 discharges by the CMS established deadline of May 15, 2004, the hospital or their vendor will have the ability to submit the first quarter 2004 discharges by the regularly scheduled CMS deadline of August 15, 2004; OR
- 2) If the hospital begins their data submission for all ten measures effective with the 1st quarter 2004 discharges, then the hospital or their vendor must have begun data submission for some of the discharges for that discharge quarter by **July 1, 2004**.

By law, extensions will be granted until **August 1, 2004**, when all data transmission is to be completed and **successfully accepted into the QIO Clinical Warehouse (meeting all Warehouse edits)**. This shortened submission deadline is a one-time adjustment to allow CMS time for the processing of data in the QIO Clinical Warehouse and preparation for the 2005 Annual Payment Update.

**Withdrawal of Participation in the
Reporting Hospital Quality Data for
Annual Payment Update**

Our hospital is withdrawing from the "Reporting Hospital Quality Data for Annual Payment Update" at this time. Based on this withdrawal, it is our understanding that our hospitals Annual Payment Update will be reduced by 0.4% for the next fiscal year.

Hospital Name: _____

Medicare Provider Number: _____

Street Address: _____

City, State, Zip Code: _____

Hospital CEO (or designee):

Name (please print): _____

Title: _____

Signature: _____

Date Signed: _____

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Process Detail Checklist

QualityNet Exchange Registration & Administrator Role

1. A designated Hospital QualityNet Exchange Administrator registers for QualityNet Exchange by following the steps on www.qnetexchange.org, which include contacting your QIO QualityNet Exchange Administrator for the registration form.
2. The Hospital QualityNet Exchange Administrator duties include:
 - validating which other users should have access to the QualityNet Exchange site;
 - validating what type of access each user should have;
 - completing and/or approving each user's online registration;
 - terminating and revoking QualityNet Exchange user accounts;
 - monitoring QualityNet Exchange usage at your organization to maintain proper security and confidentiality measures; and serving as the main point of contact at your organization for information regarding QualityNet Exchange.

Submission of Data

QualityNet Exchange is the only CMS-approved method for the electronic transmission of private data between health care providers and QIOs. The data stored in the QIO Clinical Warehouse is considered QIO data. All files and data exchanged with a QIO via QualityNet Exchange are encrypted during transmission and are stored in an encrypted format until they are downloaded by the recipient. The QualityNet Exchange Web site was designed, voluntarily, to meet all current Health Insurance Portability and Accountability Act (HIPAA) requirements to ensure that the data are protected as required by the QIO confidentiality requirements.

The Secretary of the Department of Health and Human Services will request the data required to meet the conditions for the full Annual Payment Update from the QIO Clinical Warehouse. Data aggregated at the hospital level will be provided to the Secretary and subsequently released for publication.

1. Data transmission requirements for submission to QualityNet Exchange are:
 - Hospitals must be registered with QualityNet Exchange by **June 1, 2004** regardless of whether your hospital is using a third party vendor to transmit your data to the QIO Clinical Warehouse.
 - Data can be transmitted into QualityNet Exchange at any time. However, to affect the fiscal year 2005 payment update, hospitals have to meet one of the following options for data submissions to the QIO Clinical Warehouse via QualityNet Exchange (see Appendix C for timeline):
 - If the hospital has submitted all ten measures for the 4th quarter 2003 discharges by the CMS established deadline of May 15, 2004, the hospital or their vendor will have the ability to submit the first quarter 2004 discharges by the regularly scheduled CMS deadline of August 15, 2004; OR
 - If the hospital begins their data submission for all ten measures effective with the 1st quarter 2004 discharges, then the hospital or their vendor must have begun data submission for some of the discharges for that discharge quarter by **July 1, 2004**. By law, extensions will be granted until **August 1, 2004**, when all data transmission is to be completed and **successfully accepted into the QIO Clinical Warehouse (meeting all Warehouse edits)**. This shortened submission deadline is a one-time adjustment to allow CMS time for the processing of data in the QIO Clinical Warehouse and preparation for the 2005 Annual Payment Update.
 - The timeline for subsequent fiscal years will be established and published in the future.

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Process Detail Checklist

Submission of Data (continued)

- Data submitted to the QIO Clinical Warehouse for the 10-starter measures in the National Voluntary Hospital Reporting Initiative will meet the requirements for the Annual Payment Update if your hospital is also participating in that initiative. Therefore, your hospital or authorized vendor does not need to submit two data submissions for the discharge quarters designated for each fiscal year for the Annual Payment Update.

If your hospital is also participating in the National Voluntary Hospital Reporting Initiative and has met the required submission for discharge quarters per fiscal year, you must still submit a Notice of Participation form to your QIO to indicate your participation.

- Cases in the QIO Clinical Warehouse can continue to be updated until the date of selection for hospital chart audit validation each quarter. Cases in that quarter, whether selected for validation or not, will be “frozen” (no further updates will be accepted) at that time.
 - Selection of cases for validation will be on or about the 20th of the month which contains each quarter’s submission deadline.
2. To upload data, log into the secure QualityNet Exchange Web site at **www.qnetexchange.org** (hospital or PMS/vendor submission):
- Click on the QIO Clinical Warehouse Data Upload link.
 - Identify whether you want to upload specific files or a directory.
 - Select the directory and folder where the files are located and select OK.
 - Highlight the files or directory you want to upload.
 - Click on the open or OK button.

Chart Audit Validation

1. If hospital submits at least six discharges (across all topics) in a quarter, CMS will select a random sample of five discharges for chart audit validation.
2. Clinical Data Abstraction Centers (CDACs) request copies of medical records for selected discharges from the hospital.
3. Hospital sends the requested medical records for five selected discharges to the CDAC. Any record not submitted within the required timeframe will affect the overall reliability score for the hospital.
4. CDACs abstract the measures from patient records submitted by the hospital and a comparison to the original abstraction data will be made for selected elements. Results and educational feedback on the abstraction and an overall agreement rate will be provided to the hospital and their QIO. The reports are posted in the QualityNet Exchange In-Box of users with the QIO Clinical Warehouse Feedback Reports role. Validation information and a flowchart (Appendix F) describing the process are available on the QualityNet Exchange Web site.

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Process Detail Checklist

Chart Audit Validation (continued)

5. Validation results:
 - Hospital passes validation if they achieve an 80.0% or greater agreement rate across the selected elements on the five discharges. Data in the warehouse for that quarter is flagged as “validated”.
 - Hospital fails validation if they received less than 80.0% agreement rate across the five discharges. Data for that quarter is flagged as “unvalidated”.
 - For the fiscal year 2005 Annual Payment Update, validation of the submitted data **will not** be part of the submission requirements. For subsequent submissions (fiscal years 2006 and 2007), CMS will establish validation requirements for all submitted data.
6. QIO offers educational assistance and/or additional training for hospitals failing validation or those requesting assistance to improve their hospital validation results.
7. Hospitals that fall below an 80.0% agreement rate on their validation results will have the ability to appeal the CDAC findings based on the copy of the medical record submitted. It is important for hospitals to ensure that the complete copy of the medical record is submitted to the CDACs upon the initial request; hospitals will not be allowed to submit additional components of the medical record during an appeal.

An appeal form is included with the validation reports that will be posted in the QualityNet Exchange In-box of the hospital users with the QIO Clinical Warehouse Feedback Reports role. The appeal form is also available on the QualityNet Exchange Web site. Refer to the Hospital Validation Process flowchart form in Appendix F.

Resources

www.cms.hhs.gov

- Reporting Hospital Quality Data for Annual Payment Update
- Hospital Quality Initiative Information

www.medqic.org (CMS Medicare Quality Improvement Clearinghouse)

- QIO Directory
- Quality improvement resources and strategies

www.qnetexchange.org (QualityNet Exchange – a public resource for Hospital Data Collection (go to HDC tab) and CART; a secure site for data transmission)

- Reporting Hospital Quality Data for Annual Payment Update
- National Voluntary Hospital Reporting Initiative (10-starter measures listed)
- CMS Abstraction & Reporting Tool (CART) software and User Guides
- Data transmission requirements
- Data Validation
- Quality of Care Measures, Data Abstraction Definitions, Analytic Flowcharts
- Recorded Training Sessions (CART, XML Case Checker, QualityNet Exchange, and Abstraction Definitions)
- Questions and Answers (QUEST)

This material was prepared by the Iowa Foundation for Medical Care under contract with the Centers for Medicare & Medicaid Services (CMS), an agency of the US Department of Health and Human Services.

**Sample Selection Methodology
For
Non-JCAHO Accredited Hospitals**

If the hospital is JCAHO accredited, the hospital should follow the JCAHO sampling requirements. If they are a non-JCAHO hospital, the hospital should follow the minimum sampling requirements established by CMS and use terminal digit sampling as outlined below.

Determine the necessary sample size:

Total # of cases meeting the eligibility criteria for the topic each quarter	Minimum number of cases you should select for this quarter (minimum sample size)
7 or less cases	Select all cases
8 to 34 cases	7 cases
35 to 350 cases	20% of the total number of cases
more than 350 cases	70 cases

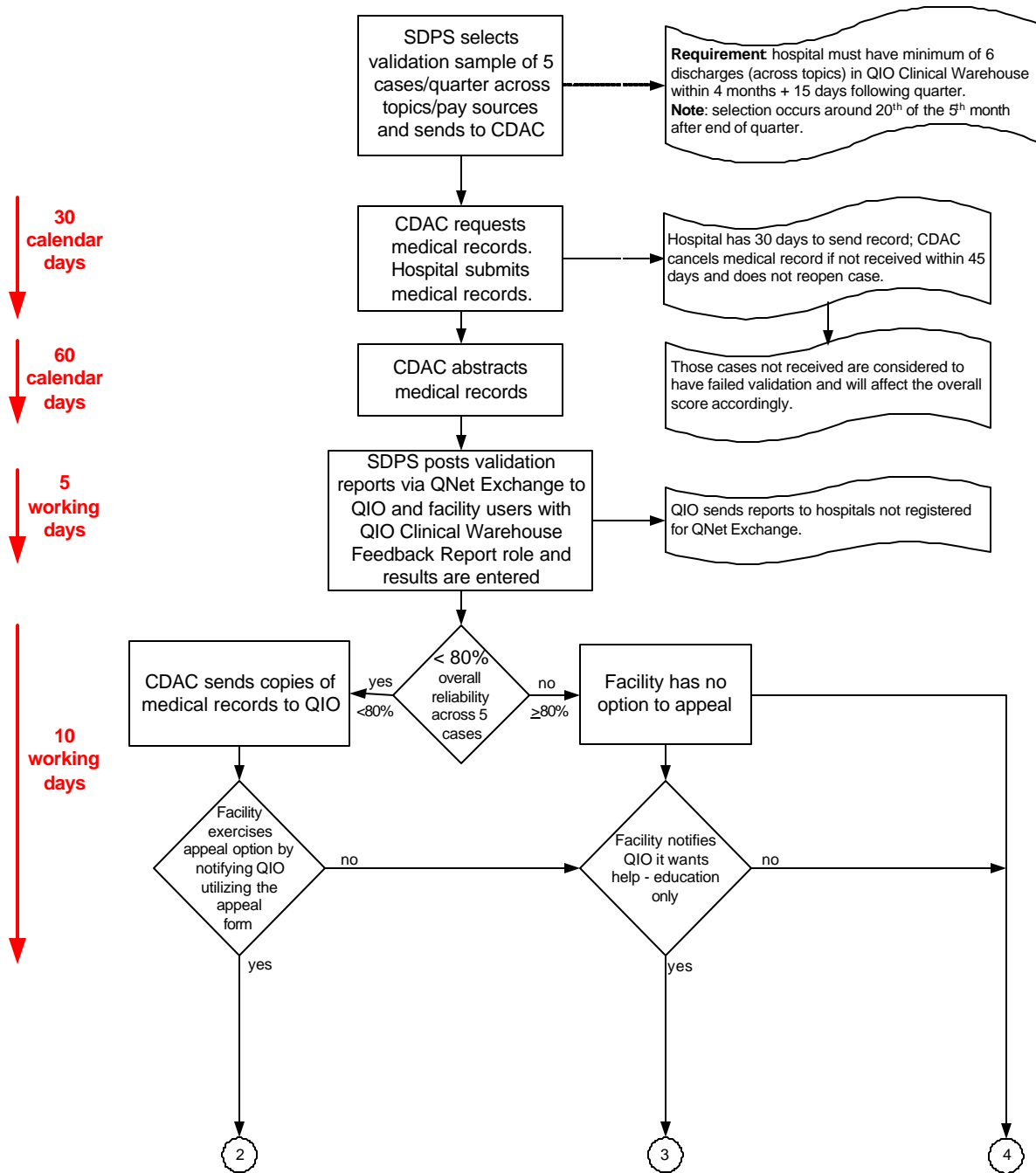
These minimum sample size requirements should be used for all four of the following CMS 7th Scope of Work topics: Acute Myocardial Infarction (AMI), Heart Failure (HF), Pneumonia (PNE), and Surgical Infection Prevention (SIP).

In order to ensure that a randomized sample is selected, CMS requires a terminal digit be used to select cases. To select your sample, take all cases where the terminal digits are a zero, 5, and 6. This may result in fewer or more cases than the minimum sampling requirements, but that is acceptable.

For Medicare discharges, the terminal digit is defined as the last digit of the HIC number (prior to any alpha characters at the end of the number). For example, if the HIC numbers are 555665550A, 555665550D6, MA012340, and A555665550, the terminal digit is "0" in all of these numbers.

To sample from all payer sources, select non-Medicare cases based on the last digit of the Social Security Number, using the same methodology.

Hospital Validation Process Hospital Process



Acronym Key:

CDAC - Clinical Data Abstraction Center
 QIO - Quality Improvement Organization
 QNet Exchange - QualityNet Exchange
 SDPS - Standard Data Processing Services

**Hospital Validation Process
Hospital Process**

