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## **Medicare Spending Per Beneficiary (MSPB) Call Summary:**

The Association of American Medical Colleges (AAMC) and the Centers for Medicare and Medicaid Services (CMS) held a special teleconference with AAMC members on November 28, 2012 to discuss questions and concerns with the MSPB measure construction, interpretation of the results, and implementation and opportunities for improvement. A summary of the call is below. If you have questions regarding the MSPB call summary, please email Scott Wetzel at [swetzel@aamc.org](mailto:swetzel@aamc.org).

### **Variation in the MSPB Ratio**

If CMS is neutralizing AWI, IME, DSH, etc, and spend is measured by DRG reimbursement, what is driving the variation in MSPB ratio between hospitals?

- Since CMS is controlling for most of the factors affecting the DRG payment, variation will be minimal for Part A services. Most of the variation will be in the Part B services (eg. Consults) during the inpatient stay.

### **During Index vs Post Index Spending**

How is “During Index Admission” versus “Post Index Admission” spending bucketed?

- In the spending breakdown file located on [www.data.medicare.gov](http://www.data.medicare.gov), post-acute payments like SNF and home health are captured in the “during index admission” bucket. This occurred where a patient was discharged from the hospital and then admitted to a post-acute setting on same day. **The methodology has been corrected so that all post-acute services are contained in the post index admission bucket.** The measure developer ensures that double counting did not occur.
- The hospital specific reports for the MSPB measure, available on QualityNet, show the correct distribution. Starting with the December update of Hospital Compare, the data on [data.medicare.gov](http://data.medicare.gov) will reflect the modified methodology.

### **Measure Specifications**

Are transfers to inpatient rehabilitation facilities (IRF) included?

- Yes, transfers to IRF are included in the spending episode in the post-index admission period.
- However, transfers between acute care hospitals are not included and therefore will not generate a new spending episode.

Is the measure adjusted for case-mix?

- The data is adjusted for age, and utilizes the hierarchical condition categories (HCC) methodology as well as ESRD status to determine risk. Since the episodes are at the patient level, the adjustments are made at the individual episode level and not in aggregate.

### **IRF/SNF/LTCH Specific Questions**

If a patient is transferred to an IRF/SNF/LTCH during a post discharge period, but their stay is beyond the 30-day cutoff, will CMS attribute partial charges for the episode?

- The whole IRF/SNF/LTCH stay will be captured for services that occurred during the 30-day post discharge period. Even if the patient is in the IRF/SNF/LTCH past the 30-day period, the hospital will be attributed the full cost.
- Part B services that began during the 30-day post discharge window will be attributed to the hospital. (eg. For a 90-day IRF stay that occurred 10 days before the 30-day period was over- the whole 90 day IRF stay would be attributed to the hospital, but only the first 10 days of Part B claims.)
- CMS will display the cost of the IRF/SNF/LTCH spending in the post index bucket in the December Hospital Compare update.

### **Hospital Compare Updates**

Will CMS publish each institution's MSPB score along with the average standardized spending and average expected spending per institution, as well as the Median MSPB amount?

- Hospitals that have 25 or more episodes will have their MSPB ratio publicly posted on Hospital Compare. Each hospital's average spending per episode amount will be reported on data.medicare.org.
- Only the ratio is reported on Hospital Compare, not the median amount. However, the median amount is included in each hospital specific report (Table 3).
- Following the December Hospital Compare refresh, the display period for the MSPB measure will be May 1, 2011 through Dec 31, 2011.

### **MSPB measure in the Value Based Purchasing (VBP) program**

How will this measure be scored for VBP?

- The measure will be scored like other VBP measures (based on achievement and improvement points). The relevant pages from the FY 2012 IPPS proposed rule are attached in the email.

### **Calculating additional decimal places for the MSPB measure**

At the end of the call, attendees discussed how to calculate additional decimal places for their MSPB measure in order to better assess how they would fair under the VBP program. Because there is little variation among hospitals for this measure, additional decimal places are necessary for comparison purposes. Currently, CMS provides each hospital with the measure ratio extending two decimal places. Acumen (the measure developer) responded after the call on how to calculate additional decimal places for the MSPB ratio. The email is below:

#### **Message from Acumen: Calculating the MSPB Measure beyond 2 decimal places**

The Medicare Spending per Beneficiary (MSPB) Measure evaluates hospitals' efficiency relative to the efficiency of the median hospital. Specifically, the MSPB Measure assesses the cost to Medicare of services performed by hospitals and other healthcare providers during an MSPB episode, which includes all claims with start date falling between 3 days prior to an inpatient prospective payment system (PPS) hospital admission (index admission) through 30 days post hospital discharge.

A hospital's MSPB Measure is calculated as the ratio of the standardized, risk-adjusted MSPB Amount for that hospital to the median MSPB Amount across all hospitals. The MSPB Amount is defined as the

average spending level for a hospital divided by the average expected spending level for that hospital, multiplied by the average spending over all episodes across all hospitals. (For additional details regarding how MSPB Amounts are calculated, please refer to the MSPB Measure Information Form available for download on *QualityNet*:

<http://www.qualitynet.org/dcs/ContentServer?c=Page&pagename=OnetPublic%2FPage%2FQnetTier4&c id=1228772057350>.)

Utilizing this description, you can calculate your hospital's MSPB Measure to a greater precision than 2 decimal places by referring to Table 3 of your hospital's Hospital-Specific Report (HSR). This table presents the major components used to calculate your hospital's MSPB Measure. **Simply divide your hospital's MSPB Amount (third data row) by the U.S. National Median MSPB Amount (fourth data row).** The result of this calculation will match your hospital's Average MSPB Measure (fifth data row), but will display additional decimal places.