



Hospital Acquired Condition (HAC) Reduction Program

FY 2015 IPPS Final Rule, Released in the Federal Register on August 22, 2014

Link: <http://www.gpo.gov/fdsys/pkg/FR-2014-08-22/pdf/2014-18545.pdf>

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Background on the HAC Reduction Program

- HAC Reduction Program starting FY 2015
- This HAC program is in addition to the HAC Non-Payment Program
- By statute, this program will identify approximately 25 percent of all hospitals to be penalized 1 percent of all payments
- For FY 2015, preliminary estimates show that 726 hospitals will be affected
 - This translates into 21.7 percent of all hospitals
 - Aggregate reduction will be approximately \$369 million
- HAC reductions will be applied after adjustments for the VBP and the Readmission Reduction Programs

Impact on Teaching Hospitals

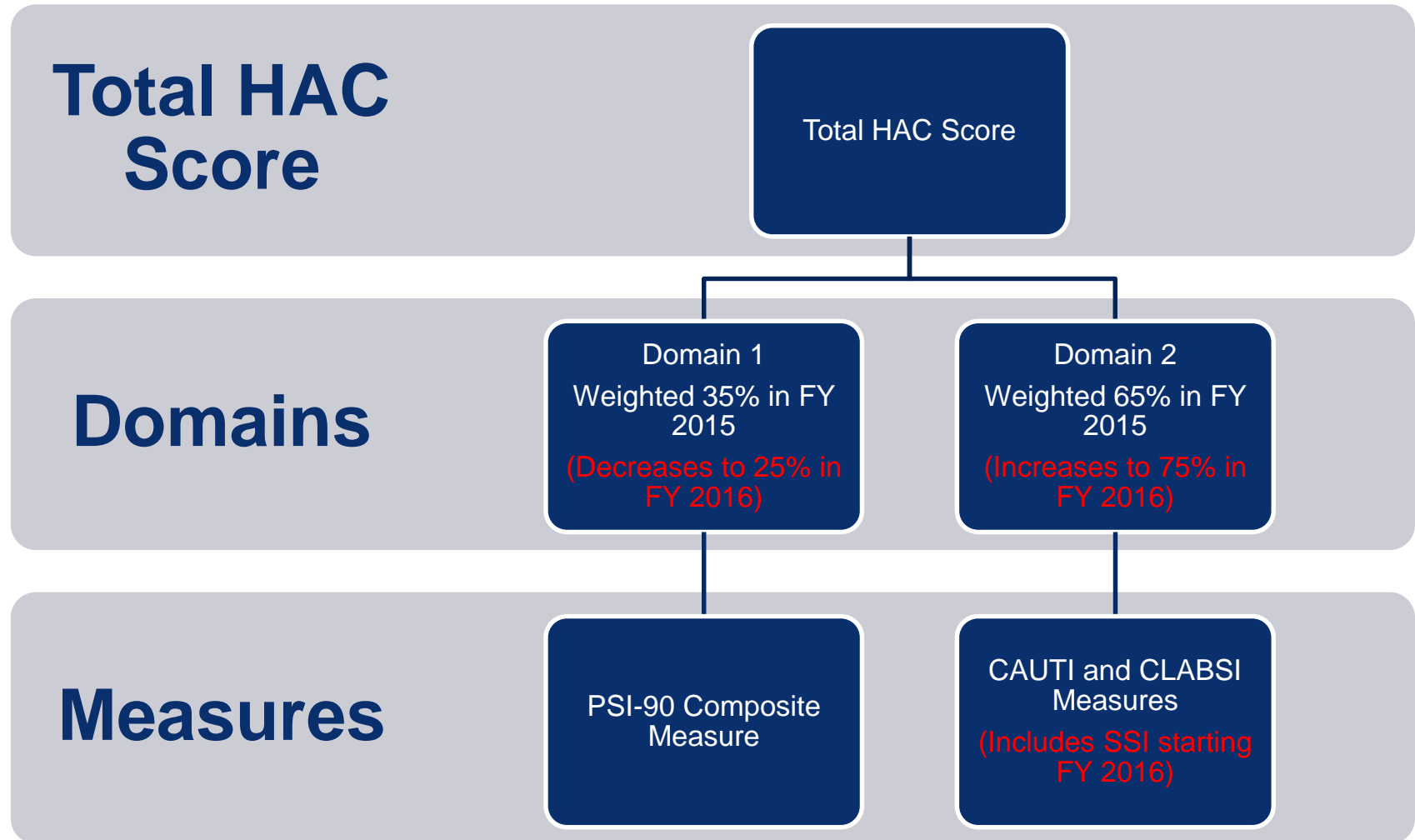
Teaching hospitals will be disproportionately affected in two significant ways:

- According to CMS, over half (56%) of major teaching hospitals will be penalized; compared to 22% of hospitals nationally
- Penalties affect all payments including Indirect Medical Education (IME) and Disproportionate Share (DSH) payments.

Limitations in measurement and scoring methodology, rather than true differences in quality, drive some of the performance differences.

- Use of non-validated claims data to determine quality outcomes;
- Limited risk adjustment for high-case mix;
- Multiple scoring methodologies which can lead to different conclusions about performance; and
- Lack of socioeconomic adjustment, which can impact rates on a certain measures.

HAC Reduction Program Framework For FY 2015 & FY 2016



HAC Domains and Measures for FY 2015 and Beyond

Domain 1 (AHRQ PSI-90 Composite)

- The PSI-90 Composite consists of:
- PSI-3: pressure Ulcer
- PSI-6: Iatrogenic pneumothorax
- PSI-7: central venous catheter-related blood stream infection rate.
- PSI-8: hip fracture rate
- PSI-12: postoperative PE/DVT rate
- PSI-13: sepsis rate
- PSI-14: wound dehiscence rate
- PSI-15: accidental puncture

Domain 2 (CDC Measures)

- 2015 (2 measures)
 - CAUTI
 - CLABSI
- 2016 (1 additional measure)
 - Surgical Site Infection (Colon Surgery and Abdominal Hysterectomy)
- 2017 (2 additional measures)
 - MRSA
 - C Diff

HAC Measure Scoring for FY 2015 & FY 2016

Points will be assigned according to a hospital's performance on these measures:

<u>Starting FY 2015</u>	<u>Starting FY 2016</u>
PSI-90 Composite	FY 2015 Measures and one additional measure: Surgical Site Infections (SSI)
CLABSI	CMS will pool SSI for abdominal hysterectomies and colon procedures into a single standardized infection ratio (SIR) for each hospital.
CAUTI	

- The performance range for each of the measures will be divided into 10 deciles. All hospitals will receive between 1 and 10 points for each measure
- CMS will handle “ties” by assigning all hospitals with the same result the same number of points based on the lowest appropriate percentile (i.e. if 14% of hospitals score a zero on a measure, all 14% would receive 1 point)

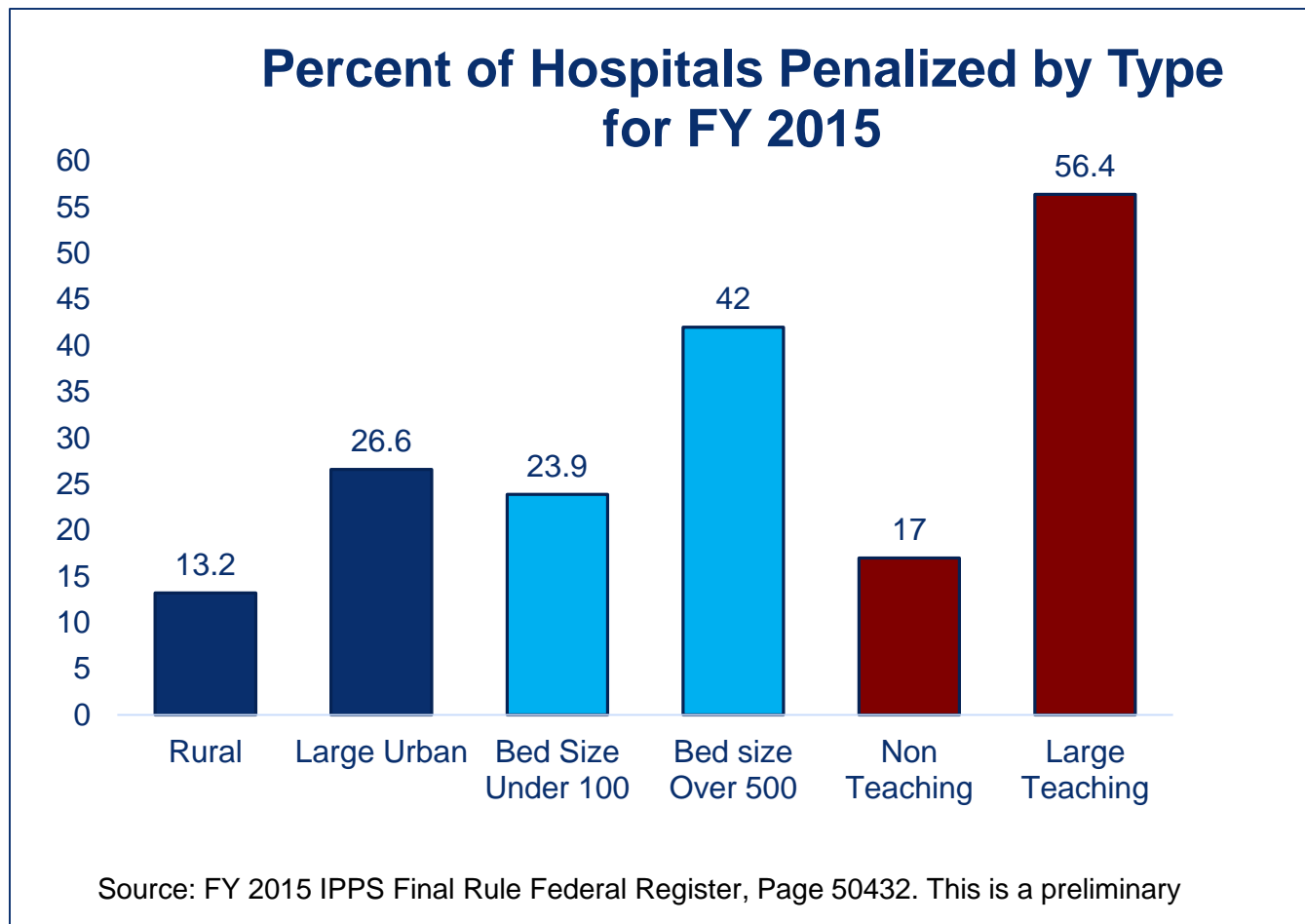
To Calculate Your HAC Score:

FY2015: (Domain 1 Score x 35%) + (Domain 2 Score x 65%) =Total HAC Score*

FY 2016: (Domain 1 Score x 25%) + (Domain 2 Score x 75%) =Total HAC Score*

*Hospitals reporting measures in 2 domains

Breakdown of Hospitals Affected By the HAC Reduction Program FY 2015





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