Appendix A-10:

RY22 Incentive Payment User Guide (v15.0)

Supplement to:

RY2022 EOHHS Technical Specifcations Manual
for Acute Hospital Quality Measures
(version 15.0)

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Section 1: Introduction

A. Background

The MassHealth Acute Hospital Pay-for-Performance (P4P) Program is a value-based purchasing effort under the EOHHS Office of Medicaid Acute Hospital Request for Applications and Contract (RFA) that rewards hospitals for improving quality of care delivered to MassHealth members. Hospital performance goals focus on promoting evidence-based care that result in better clinical outcomes, preventing medical errors that contribute to patient harm, and improving patient experience of care received during acute inpatient stays.

The Appendix A-10: Payment User Guide provides an overview of the various components applicable to computing the MassHealth hospital quality incentive payments that contains the following information:

- Section 1- General program updates,
- Section 2 - How to interpret the MassHealth Hospital Incentive Payment Notice, and
- Section 3 - Procedures to request agency review of incentive payment amount calculations.

B. RY2022 MassHealth Acute P4P Program Update

1) **Quality Measure Payment Categories:** Pursuant to Section 7.3 of the RY22 Acute RFA, hospitals are eligible to receive incentive payments for the specific quality measure categories (i.e.: perinatal, care coordination, health disparity, safety outcomes and patient experience/engagement) based on performance assessment methods described in Section 7.4 of the RY22 Acute RFA.

2) **Hospital Performance Scores:** All RY2022 MassHealth Hospital Performance Score Reports were posted on the secure MassQEX portal in March 2023 (original) revised May 2023 (revised) respectively. These reports were accessed by your registered hospital portal user staff. Hospitals had a twenty (20) day period, from the first date of posting in the portal, to request review of their performance score results prior to EOHHS computing final incentive payment amounts. In addition, MassHealth posted the RY22 Appendix A-9: MassQEX Reports User Guide (v15.0) which provided detail on how to interpret the hospitals final performance scores shown in the Incentive Payment Notice, that can be downloaded from https://www.mass.gov/lists/eohhs-technical-specifications-manuals. Please contact your hospital quality staff to review performance scores that contributed to the incentive payment amounts.

3) **Performance Evaluation Periods**: All hospital performance scores on each quality measure category were evaluated using adjusted data periods that are further explained in the Appendix A-9: RY22 MassQEX Reports User Guide (v15.0). The following table indicates the adjusted data periods with asterisk (*).

Table 1 – RY2022 **Performance Evaluation Periods**

Quality Measures Category	Previous Year Data Period	Comparison Year Data Period
Perinatal Care	Jan 1, 2019 – Dec 31, 2019*	Jan 1, 2021 – Dec 31, 2021
Care Coordination	Jan 1, 2019 – Dec 31, 2019*	Jan 1, 2021 – Dec 31, 2021
Health Disparity	Not Applicable	Jan 1, 2021 – Dec 31, 2021
Safety Outcomes: Patient Safety & Adverse Events	Not Applicable	Oct 1, 2018 – Dec 31, 2019*
Safety Outcomes: Healthcare-Associated Infections	Not Applicable	Jan 1, 2019 – Dec 31, 2019*
Patient Experience and Engagement	Jan 1, 2019 – Dec 31, 2019	July 1, 2020 – Dec 31, 2020*

4) **Access to Acute RFA Contract**. Section 7 of the RY2022 EOHHS Acute Hospital RFA and Contract contains detail on performance assessment and incentive payment methods. To access a copy of the Acute RFA, go to www.commbuys.com website and search document number 22LCEHSACUTEHOSPITAL.

Please contact Iris Garcia-Caban, PhD at MassHealth Acute Hospital P4P Program, via the EOHHS business mailbox: Masshealthhospitalquality@mass.gov if you have any questions about this document.

Section 2: MassHealth Hospital Incentive Payment Notice

The MassHealth Hospital Incentive Payment Notice provides a summary of the total incentive payment amounts earned for each quality measure category, in accordance with Section 7 of the RY2022 Acute RFA quality requirements. The following provides basic information on how to interpret the Incentive Payment Notice.

A. **Payment Eligibility Criteria**. The hospital earned incentive payments contingent on meeting the following conditions for payment eligibility which include without limitation:

1) Passing data validation requirements on the hospital reported process measures.
2) Meeting reporting deadlines on each applicable process and outcome measures.
3) Complying with data completeness requirements applicable to each measure category; and
4) Achieving quality standards and performance thresholds applicable to each measure.

B. **Incentive Payment Components**. The incentive payment notice summarizes the hospital's final performance score, eligible Medicaid discharges, quality category per-discharge amount, payment amounts earned on each quality measure category (e.g.: perinatal, care coordination, health disparity, safety outcomes and patient experience) and overall total amount earned. The following table provides a summary description of methods used to compute the column entry fields in the Incentive Payment Notice.

Table 2. Incentive Payment Notice Content

Column Number and Title	Description
[A.] Hospital Performance Score	For each quality measure category, the hospital received a performance score (ranging from 0% to 100%) that is calculated using the methods described in Section 7.4 of the RY22 Acute RFA. The 'INVALID' entry under column 1 indicates calculation is void due to failed validation status which render reported measure rates unreliable for computing a performance score, or when no eligible data for the measure category apply.
[B.] Eligible Medicaid Discharges	For each quality measure category, the hospital's eligible Medicaid discharges were calculated based on FY21 MMIS adjudicated paid claims, per Section 7.5 of the RY22 Acute RFA. Refer to Section 2.B of this Payment Guide for more detail. A hyphen entry indicates that no eligible Medicaid discharges in the MMIS adjudicated paid claims period met the ICD requirements for the measure category.
[C.] Quality Measure Category per -Discharge Amount	For each quality measure category, the final quality measure category per discharge amount is calculated based on the formula set forth in Section 7.5 of the RY22 Acute RFA.
[D.] Incentive Payment Earned	For each quality measure category, incentive payments are calculated based on the formula in Section 7.5 of the RY22 Acute RFA**.** The hospital's Performance Score is multiplied by 'Eligible Medicaid discharges' and 'Quality Measure Category per-Discharge Amount' to determine the payment amount for each measure category (Column 1x 2 x 3). The 'N/A' entry indicates that a condition for payment eligibility was not met and therefore calculation of payment is not applicable.

C. Identifying Eligible Medicaid Discharge Volume

Pursuant to Section 7.5 of the RY2022 Acute RFA, the eligible Medicaid discharges volume in the Incentive Payment Notice is extracted from the Massachusetts Medicaid Management Information System (MMIS) fee-for-service paid claim where the MassHealth is the primary payment for members in the FFS Network, Primary Care Clinician and Primary Care ACO Plans which met the ICD measure population requirement that follows.

1) **Included Claims:** The eligible discharges are identified using the Adjudicated Payment Amount per Discharge (APAD) code which is a facility payment for the inpatient hospitalization from admission to discharge, and which is a complete fee-for-service payment that excludes additional outlier payments or inpatient services paid on a per diem basis, as set forth in Section 5.B of the RY2022 Acute RFA.

2) **Excluded Claims**: Additional claims paid on the APAD for a transfer per diem, psychiatric per diem rehabilitation unit per diem, administrative days, or any interim bills (e.g.: discharge status is "30 still a patient") are excluded from the total eligible Medicaid discharge volume.

3) **Discharge Data Period:** The eligible discharges for the FY2021 data period (10/1/2020 to 9/30/2021) extracted from MMIS paid claims reflect a six-month run-out period up to April 4, 2022.

4) **ICD Measure Population:** Below are the criteria used to identify the claims record for each category.

   a) **Perinatal Category:** Patient (mother) greater than 8 and less than 65 years of age; the measure population is identified as valid ICD-10 Principal Diagnosis or Other Procedure code in Appendix A Table 11.20.1 of the Specifications Manual for Joint Commission National Quality Measures version referenced in the EOHHS Technical Specifications Manual (v15.0); a live newborn greater than or equal to one (1) day of age at admission. Excluded newborns that expired or transferred to and from other facilities and patients with length of stay greater than or equal to 120 days.

   b) **Care Coordination Category:** Patient greater than or equal to 2 years and less than 65 years of age; measure population is identified from all inpatient discharges with a valid ICD-10-CM Principal Diagnosis code as noted in the EOHHS Technical Specifications Manual (v15.0). Length of stay is not applicable to identify records. Excluded patients that expired or left against medical advice.

   c) **Health Disparity Category**: Sum of unique discharges for the MAT, NEWB and CCM measure population counted only once. Eligible discharges apply when the hospitals reported data had more than one racial group required to compute a between group variance (BGV) value.

   d) **Safety Outcomes Category**: Patients 18 years of age and over; measure population is identified from valid medical and surgical APR-DRG codes for service lines identified in the AHRQ PSI technical manuals referenced in the EOHHS Technical Specifications Manual (v15.0); length of stay less than or equal to 120 days. Excluded records with discharge disposition left against medical advice, transfer to federal facility; APR-DRG service line codes for pediatric, OB/GYN, psych, rehab, substance use, error APR-DRG codes 955 and 956.

   e) **Patient Experience/Engagement Category**: Patient greater than 18 and less than 65 years of age; measure population is identified from valid medical, surgical and cesarean APR-DRG codes for service lines identified in the HCAHPS Technical Guidelines manual version referenced in the EOHHS Technical Specifications Manual (v15.0), length of stay less than or equal to 120 days.

IMPORTANT: As noted above the ICD requirement and payment source used to identify eligible Medicaid discharge volume for RY22 Acute RFA incentive payment calculation differs from criteria used to identify cases for measure collection and reporting on the entire Medicaid population described in the RY22 EOHHS Technical Specifications Manual (v15.0). These criteria yield different eligible Medicaid discharge volume results that will not match.

Section 3: MassHealth Agency Review Procedures

This section provides instruction on how to submit a request for MassHealth agency review of the incentive payment amounts and eligible Medicaid discharge volume contained in the MassHealth Incentive Payment Notice.

A. Requesting Incentive Payment Amount Review

The hospital key representative can request a review of incentive payment amount calculations using the following instructions and methods.

1) **Preparing the Written Request**: A written request for agency review must comply with 130 CMR 450.210, (Pay-for-Performance Payments: Agency Review) and must include the following information:

   a. Identify the specific quality measure category component payment amount which the hospital disputes.

   b. Describe in sufficient detail the basis of the hospital's disagreement with the amounts shown on Column D (Incentive Payment Earned). The written example must clearly illustrate the proposed correction to the disputed payment amount for the quality measure category listed in the report.

   c. Provide other documentary evidence the hospital requests the agency to consider in its review. Note that the agency is not obligated to consider any information the hospital failed to submit under deadlines previously imposed by the MassHealth agency.

   d. The MassHealth agency will review the hospital's written request only if it is submitted in compliance with the above instructions and received by the required deadline.

2) **Submission Deadline.** The hospital's written request for agency review must be received by MassHealth no later than 30 calendar days from the date on the Incentive Payment Notice cover letter.

3) **Submitting the Request**. A hospital seeking agency review must submit their written request in accordance with the instructions that follow.

   a) **Postal Mail:** The hospital must include the signed written request on the hospital's stationary and related attachments to:

      Iris Garcia-Caban, PhD
      Executive Office of Health and Human Services
      Attention: MassHealth Acute Hospital P4P Program
      100 Hancock Street (6th floor)
      Quincy, MA. 02171

   b) **Electronic Submission:** The hospital may also submit a scanned copy of the original signed written request and related attachment to Iris Garcia-Caban, PhD via the EOHHS business mailbox at Masshealthhospitalquality@mass.gov to expedite the request for agency review.

IMPORTANT NOTE: The electronic transmittal of your hospitals request via EOHHS business mailbox should not contain any protected health information.

B. Requesting Eligible Medicaid Discharges Review

The fee-for-service eligible Medicaid discharges component of each hospital's MassHealth Incentive Payment Notice was identified using the methods described in Section 2.C of this guide**.**

A hospital may submit a request to EOHHS for review of the MMIS fee-for-service claims file that displays the hospital's eligible Medicaid discharge data (MDD) volume for a given quality measure category to compare against their internal hospital billing records. The hospital's request for the MMIS claims data file that contains the extracted eligible Medicaid discharges must adhere to the following procedures:

1) **Electronic Written Request.** The hospital key representative must submit a written request for agency review of their MMIS claims extract data file by sending an email to the EOHHS business mailbox at Masshealthhospitalquality@mass.gov.This email must at minimum include the following content:

   a. Subject Line – Must enter "RY22 Request for MassHealth Agency Review" in the subject line,
   b. Email Content – Must identify your hospital name, inpatient provider ID, the specific quality measure category eligible MDD records being requested, per description in Section 2.C of this guide.
   c. Quality Contact Information – Include your first/last name, title, and phone number.

   EOHHS will confirm receipt of your inquiry and forward the request to the EOHHS agency department that will extract the hospital's eligible Medicaid discharge claims file.

2) **MMIS Secure File Exchange.** The agency review process will involve exchange of MMIS patient-level data files which contain protected information and must adhere to HIPPA requirements. Failure to meet secure email instructions provided by the EOHHS department contact will result in hospital files not being reviewed.

   a) EOHHS Sending File to Hospitals: All claims related patient-level files sent from EOHHS are exchanged only with the hospital key representative using a secure transfer method determined by the EOHHS agency department.

   b) Hospital Sending Files to EOHHS: If the hospital identifies a discrepancy between the MMIS eligible discharge file and their internal hospital billing records it may submit a patient-level record from their internal billing file for MassHealth agency review using instructions provided by EOHHS staff.

3) **Data Review Restrictions.** Prior to requesting a claims data review, the internal hospital billing department should check their eligible Medicaid discharge volume against all hospital claims submitted to MMIS applicable to the FY21 data period, in Section 2.C in this guide, and confirm these claims were submitted on or before the end of the six-month run-out period.

   IMPORTANT Note: EOHHS does not allow hospitals to submit any corrected claims or new claims for inclusion in the retrospective fiscal year eligible discharge volume extracted from MMIS claims data using the criteria described in Section 2.C of this guide.

4) **Data Review Deadline.** Any hospital seeking review of MMIS claims FY21 eligible Medicaid discharge volume files must submit their request within thirty (30) calendar days from the date of the RY2022 MassHealth Incentive Payment Notice cover letter.

All questions about how to submit a request for agency review of Incentive Payment Notice Report calculations or related components should be submitted to Iris Garcia-Caban, PhD via the EOHHS mailbox at Masshealthhospitalquality@mass.gov.

C. MassHealth Agency Review Provisions

Pursuant to 130 CMR 450.210, (Pay-for-Performance Payments: MassHealth Agency Review) the hospital may request agency review of any or all the payment amounts specified in the RY2022 MassHealth Incentive Payment Notice.

EOHHS will proceed with the agency review determinations of only those pay-for-performance payment amounts specifically identified as in dispute by the hospital in its request as follows:

1) **Request for Partial Agency Review**: If the hospital requests agency review for *some but not all q*uality measure category payment amounts, the report cover letter constitutes the final determination of the hospital's MassHealth pay-for-performance incentive payment amounts for the quality measure categories that the hospital *does not* specifically identify in its request as in dispute.

   Pursuant to 130 CMR 450.210 (D), without further notice, the MassHealth Hospital Incentive Payment Notice constitutes the agency's final determination of amounts not specifically identified as in dispute, and the Hospital would not have a right to an adjudicatory hearing in accordance with 130 CMR 450.241 or to judicial review of the undisputed calculations.

2) **Untimely Request for Agency Review:** If the hospital *fails to timely comply* with the requirements of 130 CMR 450.210 (C)(1) and (2) for agency review of any incentive payment amount, the request for agency review may be denied.

   In the event of such a denial, the MassHealth Hospital Incentive Payment Notice cover letter constitutes the final determination of the hospital's payment for all quality measure categories that the Hospital does not *timely* and specifically identify as in dispute, and the Hospital would not have a right to an adjudicatory hearing pursuant to 130 CMR 450.241 or to judicial review.

3) **No Request for Agency Review**: If the hospital does not request agency review of the payment amounts in their MassHealth Hospital Incentive Payment Notice then the cover letter constitutes the final determination of the hospital's payment amount.

   MassHealth will proceed with issuing the hospital's total pay-for-performance payment amount for quality measure categories, as shown in the Incentive Payment Notice. By accepting incentive payment amounts and not pursuing administrative remedies through agency review, the hospital would not have a right to an adjudicatory hearing before the MassHealth Board of Hearings pursuant to 130 CMR 450.241 or to judicial review of those undisputed payment amounts.

4) **Final Written Determination:** In the event the hospital requests agency review, the MassHealth agency will issue a final written determination of disputed payment amounts based on its review, which will state the reasons for the determination, and inform the hospital of its right to file a claim for an adjudicatory hearing in accordance with 130 CMR 450.24.

5) **Final Payment:** If the hospital does not request agency review of payment amounts in their Incentive Payment Notice, MassHealth will proceed with issuing the hospital's total incentive payment earned after the 30-day review period has closed. MassHealth will notify the hospital key representative contacts via email when transfer of total payment amount has been posted into the hospital's account.

Please contact Iris Garcia-Caban, PhD via the EOHHS mailbox at Masshealthhospitalquality@mass.gov if you have questions about MassHealth agency review provisions.