



## **CMS FACT SHEET**

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December 18, 2014

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### **Fiscal Year 2015 Results for the CMS Hospital-Acquired Condition Reduction Program and Hospital Value-Based Purchasing Program**

#### **Hospital-Acquired Condition (HAC) Reduction Program**

##### **Program Overview**

The Hospital-Acquired Condition (HAC) Reduction Program is the newest effort under the Affordable Care Act that builds on the progress of reducing hospital acquired conditions achieved through the existing HAC program established under the Deficit Reduction Act (DRA) of 2005. The DRA HAC program currently saves the Medicare program approximately \$30 million annually. These savings are the result of not providing additional Medicare payment for treatment of certain reasonably preventable conditions when those conditions are acquired after the beneficiary has been admitted to the hospital.

The HAC Reduction Program uses public reporting and financial incentives to encourage Inpatient Prospective Payment System hospitals to reduce HACs and improve patient safety. The HACs, which are specified in rulemaking by the Centers for Medicare & Medicaid Services (CMS) each year, are a group of reasonably preventable conditions, including infections, that patients did not have upon admission to a hospital, but which developed during the hospital stay. The HAC Reduction Program builds on the Administration's efforts to achieve better patient outcomes while slowing health care cost growth.

Hospital performance under the HAC Reduction Program is determined based on a hospital's Total HAC Score, which can range from one to 10. The higher a hospital's Total HAC Score, the less well the hospital performed under the HAC Reduction Program. Effective beginning FY 2015, the law requires a payment reduction of one percent for all discharges for those hospitals that rank in the quartile of hospitals with the highest Total HAC Scores.

##### **Fiscal Year 2015 Results**

Results for the fiscal year (FY) 2015 HAC Reduction Program have been calculated and, pursuant to the law, hospitals have been given a chance to review their preliminary results and request a recalculation of their scores if they believe an error in score calculation has occurred.

Hospital specific HAC Reduction Program scores are being posted on the Hospital Compare website. In FY 2015, approximately 724 hospitals will have their payments reduced by one percent under the HAC Reduction Program. Payment for hospital discharges occurring on or after October, 1, 2014, are seeing a reduction.

### **Computing the Total HAC Score**

The Total HAC Score is composed of two domains: patient safety (Domain 1) and healthcare-associated infections (Domain 2). For the FY 2015 HAC Reduction Program, Domain 1 included the Agency for Healthcare Research and Quality (AHRQ) Patient Safety Indicator (PSI) 90 composite measure, and Domain 2 included the Centers for Disease Control and Prevention National Healthcare Safety Network (NHSN) Central Line-Associated Bloodstream Infection (CLABSI) and Catheter-Associated Urinary Tract Infection (CAUTI) measures.

CMS based its decision on which measures to include in the HAC Reduction Program on currently available quality measures that are risk adjusted and reflective of hospital performance. Endorsement by the National Quality Forum (NQF) and support from the NQF-convened Measures Application Partnership (MAP) are also taken into account. NQF, a non-profit, nonpartisan, membership-based organization, uses a formal process for evaluating and endorsing quality measures. The MAP makes recommendations on measures most appropriate for public reporting, performance-based payment, and other uses across federal programs. The MAP includes representatives of consumers, businesses and purchasers, labor, health plans, clinicians and providers, communities and states, and suppliers. Both the NQF endorsement and MAP recommendation processes involve public comment. All the measures finalized for inclusion in the HAC Reduction Program are NQF endorsed and were recommended for inclusion in the Program by the MAP. They were also included in the FY 2014 and 2015 proposed rules for additional public comments.

### **Moving Forward**

CMS is currently evaluating several aspects of the HAC Reduction Program, including identification of new, potentially suitable measures to fill HAC performance gaps and examination of the scoring methodology to determine if modifications are needed. Public comments received during rulemaking have helped to inform this process of improving the HAC Reduction Program. In addition, CMS anticipates receiving additional valuable input during the MAP meetings in December 2014 and January 2015.

CMS' contractor, Yale/CORE, convened a Technical Expert Panel which is synthesizing input from a wide variety of experts with diverse perspectives on potential revisions to the scoring methodology and on potential new measures to propose for inclusion in the program. A summary of the Technical Expert Panel deliberations was made widely available in November, and stakeholders were given an opportunity for public comment.

### **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>