

## **Table of Contents**

**State/Territory Name: WI**

**State Plan Amendment (SPA) #: 11-002**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



**Center for Medicaid, CHIP, and Survey & Certification (CMCS)**

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Mr. Brett Davis, Administrator  
Division of Health Care Access and Accountability  
Department of Health Services  
1 West Wilson St., Room 350  
Madison, WI 53701-0309

**SEP 26 2011**

RE: Wisconsin 11-002

Dear Mr. Davis:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 10-013. Effective for services on or after April 1, 2011, this amendment revises methodology for performance-based payments for inpatient hospital services. Specifically, the proposed methodology changes the measures that are used to determine eligibility for the payment and the amount of payment for each measure.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment TN 11-002 is approved effective April 1, 2011. The HCFA-179 and the amended plan pages are attached.

If you have any questions, please call Todd McMillion at (608) 441-5344.

Sincerely,

A large black rectangular redaction box covering the signature area of the letter.

Cindy Mann  
Director  
Center for Medicaid, CHIP, and Survey & Certification

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
11-002

2. STATE  
Wisconsin

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
04/01/2011

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  
42 CFR 447.250

7. FEDERAL BUDGET IMPACT:  
a. FFY 2011 ..... \$0K  
b. FFY 2012 ..... \$0K

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
Attachment 4.19-A page 22 ..... 20  
Attachment 4.19-A page 22A ..... 21

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):  
Same  
New Same

10. SUBJECT OF AMENDMENT:

Performance-based payments for inpatient hospital reimbursement.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:  


16. RETURN TO:  
Brett Davis  
State Medicaid Director  
Division of Health Care Access and Accountability  
1 W. Wilson St.  
P.O. Box 309  
Madison, WI 53701-0309

13. TYPED NAME:  
Brett Davis

14. TITLE:  
State Medicaid Director

15. DATE SUBMITTED:  
June 29, 2011

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:      **SEP 26 2011**

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
APR - 1 2011

20. SIGNATURE OF REGIONAL OFFICIAL:  


21. TYPED NAME: Penny Thompson

22. TITLE: Deputy Director, CMCS

23. REMARKS:

*Pen & ink change made to block # 8*

## 5500 Performance-Based Payments

The Department will reserve \$5 million All Funds in rate year 2011 for performance-based payments to acute care, children's hospitals and rehabilitation hospitals located in Wisconsin. Critical Access hospitals will not be included in the performance-based payment system because they already receive cost-based reimbursement. Psychiatric hospitals are not included because they are paid under a different reimbursement methodology in the state plan. The source for the non-federal share of these payments is the Hospital Assessment.

The Department will continue performance-based payments in rate year 2011. The payment will consist of two different components.

The first component of the payment will be for reporting the 7 following measures of perinatal care to the Wisconsin CheckPoint ([www.wicheckpoint.org](http://www.wicheckpoint.org)) hospital quality reporting program:

1. Pre-birth Steroids – Percent of preterm pregnancies that received a least one dose of antenatal steroids.
2. Forceps Delivery – Percents of infants with a vaginal birth, delivered in a hospital where a forceps was used.
3. Vacuum Delivery – Percent of inborn deliveries with a vaginal birth where a vacuum extractor was used.
4. C-section with Labor – Percent of low-risk deliveries that labored and then had a caesarean birth.
5. C-section without Labor – Percent of low-risk deliveries that did not labor prior to a caesarean birth.
6. Breast Feeding –Percent of infants breast feeding at discharge. This measure includes exclusive breastfeeding plus a combination of breastfeeding plus other feedings.
7. Infant Composite –Percent of full term, live born infants without major congenital anomalies that met the National Center for Health Statistics significant birth injury criteria, had a 5 minute APGAR score less than 7, needed mechanical ventilation or resulted in a neonatal death.

The second component of the payment will be for scoring at or above the state wide average of each of the five following CheckPoint measures:

- 1) Perinatal Measures – Hospitals will be scored on the Pre-Birth Steroids measure, Breast Feeding measure and Infant Composite measures.
- 2) Patient Experience of Care – Hospitals will be scored on 10 measures based on patient completion of a 27-question Hospital Consumer Assessment of Healthcare Providers and Systems.
- 3) Surgical Infection Prevention Index – Hospitals will be scored on the percent of surgical patients that were given all the care they needed to prevent an infection based on selected measures.
- 4) Flu Vaccine for Pneumonia Patients – Hospitals will be scored on the percent of pneumonia patients, age 50 or older, that are asked if they had flu shot and, if not, are given the flu vaccine shot before they leave the hospital.
- 5) Surgical Care Improvement, Clot Prevention Medication Given – Hospitals will be scored on the percent of surgical patients that received venous thromboembolism prophylaxis within 24 hours of surgery.

For both the first and second components of the payment, the funds will be distributed based on the data submitted to *CheckPoint* as of April 15, 2011 update.

### Methodology

The department will calculate each payment for each hospital as follows:

- 1) Perinatal Measures – For the first component, each qualifying hospital will receive a lump sum payment of \$11,363.64. For the second component, each qualifying hospital will receive a lump sum payment of \$12,500.00.
- 2) Patient Experience of Care – For the second component, each qualifying hospital will receive a lump sum payment of \$25,000.
- 3) Surgical Infection Prevention Index – For the second component, each qualifying hospital will receive a lump sum payment of \$29,411.76.
- 4) Flu Vaccine for Pneumonia Patients – For the second component, each qualifying hospital will receive a lump sum payment of \$26,315.79.
- 5) Surgical Care Improvement, Clot Prevention Medication Given – For the second component each qualifying hospital will receive a lump sum payment of \$22,727.27.

Payments will be made once annually by December 31, 2011.