

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 and CHIP Services**

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JAN 28 2013

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

RE: Wisconsin 12-004

Dear Mr. Davis:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 12-004. Effective for services on or after April 1, 2012, this amendment proposes to continue performance-based payments, for inpatient hospital reimbursement, for rate year 2012.

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 12-004 is approved effective April 1, 2012. The HCFA-179 and the amended plan pages are attached.

If you have any questions, please call Todd McMillion at (312) 353-9860.

Sincerely,

Cindy Mann  
Director  
Center for Medicaid and CHIP Services

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

1. TRANSMITTAL NUMBER:  
12-004

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  
04/01/2012

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 2012 ..... \$3,022K  
b. FFY 2013 ..... \$0K

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

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

10. SUBJECT OF AMENDMENT:

Performance-based payments for inpatient hospital reimbursement.

11. GOVERNOR'S REVIEW (*Check One*):

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

*Michelle Gauger*

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:  
Brett Davis

14. TITLE:  
State Medicaid Director

15. DATE SUBMITTED:

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

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED: JAN 28 2013

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

23. REMARKS:

**5500 Performance-Based Payments**

The Department will reserve \$5 million All Funds in rate year 2012 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 Department will continue performance-based payments in rate year 2012. The payment will consist of two different components.

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

- 1) Pre-birth Steroids
- 2) Forceps Delivery
- 3) Vacuum Delivery
- 4) C-section with Labor
- 5) C-section without Labor
- 6) Breast Feeding
- 7) Infant Composite

The second payment component of the payment will be for scoring at or above the state wide average of each of five 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, 2012 update.

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

- 1) Perinatal Measures – To qualify for funding for the first and second components, a hospital must have submitted their data to CheckPoint as of the April 15, 2012 update. \$0.5 million will be available for reporting the 7 perinatal measures and \$0.5 million for scoring at or above the state average for each of the 3 perinatal measures: Pre-Birth Steroids, Breast Feeding and infant composite measures. The total aggregate funding pool for both components will be divided equally among the qualifying hospitals for each component to determine SFY 12 payments.

- 2) Patient Experience of Care –To qualify for funding for the second component, a hospital must have submitted their data to CheckPoint as of the April 15, 2012 update. \$1.0 million will be available for scoring at or above the statewide average for the Patient Experience of Care Measure. The total aggregate funding pool will be divided equally among the qualifying hospitals to determine SFY 12 payments.
- 3) Surgical Infection Prevention Index –To qualify for funding for the second component, a hospital must have submitted their data to CheckPoint as of the April 15, 2012 update. \$1.0 million will be available for scoring at or above the statewide average for the Surgical Infection Prevention Index. The total aggregate funding pool will be divided equally among qualifying hospitals to determine SFY 12 payments.
- 4) Flu Vaccine for Pneumonia Patients –To qualify for funding for the second component, a hospital must have submitted their data to CheckPoint as of the April 15, 2012 update. \$1.0 million will be available for scoring at or above the statewide average for the Flu Vaccine for Pneumonia Patients Measure. The total aggregate funding pool will be divided equally among qualifying hospitals to determine SFY 12 payments.
- 5) Surgical Care Improvement, Clot Prevention Medication Given – To qualify for funding for the second component, a hospital must have submitted their data to CheckPoint as of the April 15, 2012 update. \$1.0 million will be available for scoring at or above the statewide average for the Surgical Care Improvement, Clot Prevention Medication Given Measure. The total aggregate funding pool will be divided equally among qualifying hospitals to determine SFY 12 payments.

Payments will be made once annually by December 31, 2012.