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State/Territory Name: Wisconsin

State Plan Amendment (SPA) #: 14-014

This file contains the following documents in the order listed:

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

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



Financial Management Group

JAN 21 2015

Ms. Marlia Mattke
Associate Deputy Administrator
Division of Health Care Access and Accountability
Department of Health Services
1 West Wilson St., Room 350
Madison, WI 53701-0309

RE: Wisconsin State Plan Amendment (SPA) 14-014

Dear Ms. Mattke:

This is a technical correction to SPA 14-0014. This SPA was approved on January 21, 2015. Enclosed for your records are the revised SPA pages for Transmittal # 14-0014. The revised SPA pages reflect the appropriate page numbers of pages 27 to 29 through a pen and ink correction. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Tom Caughey at (517) 487-8598.

Sincerely



Tim Hill,
Director

A handwritten signature in black ink, appearing to be "T Hill", written over the printed name and title.

Enclosure

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

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

1. TRANSMITTAL NUMBER: 14-014	2. STATE Wisconsin
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE 04/01/2014	

FOR: HEALTH CARE FINANCING ADMINISTRATION

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

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: 47 CFR 447.250	7. FEDERAL BUDGET IMPACT: a. FFY 2014 \$0K b. FFY 2015 \$0K
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Pages 26 to 28 27 to 29	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same.

10. SUBJECT OF AMENDMENT:

Inpatient hospital rates and methodologies; Measurement Year 2015 Pay-for-Performance Program Updates.

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:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Kevin Moore

14. TITLE:

Deputy Secretary

15. DATE SUBMITTED:

June 18 2014

16. RETURN TO:

Kevin Moore
Deputy Secretary
Department of Health Services
1 W. Wilson St.
P.O. Box 309
Madison, WI 53701-0309

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: JAN 21 2015
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: APR 01 2014	20. SIGNATURE OF REGIONAL OFFICIAL:
21. TYPED NAME: Kristin FAN	22. TITLE: Deputy

23. REMARKS:

Pen and Ink change technical correction
pages 27 to 29.

5500 ASSESSMENT-FUNDED PERFORMANCE-BASED PAYMENTS

The Department reserves \$5 million (all funds) in each SFY for its Hospital Assessment Pay-for-Performance (HAP4P) program, which provides for payments to acute care, children's, and rehabilitation hospitals located in Wisconsin. Critical access hospitals are not included in the HAP4P program 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 HAP4P program is administered on a measurement year (MY) basis. Each MY runs from April 1 through March 31 of the next calendar year, and is named after the calendar year in which it ends. Payments for each MY are made annually by the December 31 following the conclusion of the MY.

The remainder of this section describes the program's design and requirements for MY 2015. In order to be eligible for HAP4P program payments, hospitals are required to report performance measure data and meet performance-based targets as specified in the Hospital Pay-for-Performance (P4P) Guide (effective October 15, 2014 for MY 2015) published on the Wisconsin ForwardHealth Portal.

Hospitals receive payment for scoring at or above the averages published in the P4P Guide for the three CheckPoint measures, and their respective sub-measures, as listed below.

- 1) **Perinatal Measures (\$2 million)** – Hospitals are scored on three sub-measures (AHRQ PSI 17, AHRQ PSI 18, AHRQ PSI 19). A hospital can earn a 75% "partial share" of the \$2 million by scoring at or above the published average on one of the sub-measures, or can earn a 100% "full share" of the \$2 million by scoring at or above the published average on at least two of the sub-measures.
- 2) **Patient Experience of Care (\$1.5 million)** – Hospitals are scored on ten sub-measures drawn from the 27-question Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey completed by patients. A hospital can earn a 100% "full share" of the \$1.5 million by scoring at or above the published average on at least three of the sub-measures.
- 3) **Central Line Associated Blood Stream Infections (CLABSI) (\$1.5 million)** – Hospitals are scored based on their performance on this standard infection ratio that is calculated for all Wisconsin hospitals. A hospital can earn a 100% "full share" of the \$1.5 million by scoring at or above the published average for this measure.

Only data submitted to CheckPoint as of the September 30 following the conclusion of the MY are included in the calculations of performance on these measures.

The Department determines the payment amounts and recipients for each measure separately. The Department calculates the "full share" payment amount for a measure by dividing the budget for the measure by the sum of ("partial" and "full") shares earned by hospitals; the "partial share" payment amount is the "full share" payment amount multiplied by the "partial share" percentage. For example, if, for the Perinatal Measures, 25 hospitals qualify for "full shares" and 20 hospitals qualify for 75% "partial shares," the sum of the shares is 40 (25 + 0.75 x 20), so the 25 hospitals each earn \$50,000 (\$2 million / 40) while the 20 hospitals each earn \$37,500 (\$50,000 x 0.75).

HAP4P payments are limited by the federal UPL regulations at 42 CFR §447.272. All HAP4P payments are included in the UPL calculation for the MY regardless of when payments are actually made.

5600 Withhold-Based Performance-Based Payments

The Department has a Hospital Withhold Pay-for-Performance (HWP4P) program that provides for payments for acute care, children's, critical access, and psychiatric hospital services. Long-term care, rehabilitation, and out-of-state hospitals are exempt from the HWP4P program.

The Department administers the HWP4P program on a measurement year (MY) basis. The chart below shows the start and end dates for the first two MYs of the HWP4P program, which did not occupy a full 12 months.

MY 2013	Start: July 1, 2012	End: March 31, 2013
MY 2014	Start: May 15, 2013	End: March 31, 2014

Subsequent MYs are on a 12-month cycle, from April 1 through March 31 of the next calendar year.

For each MY, the Department pays FFS claims for services at the rate of 98.5% of the reimbursement in effect during the MY. The HWP4P pool amount is the remaining 1.5% of the reimbursement in effect during the MY for those same FFS claims.

Hospital supplemental payments made to eligible providers, including access payments, are excluded from the HWP4P pool amount.

The Department makes HWP4P payments for each MY annually by the December 31 following the conclusion of the MY.

The remainder of this section describes the program's design and requirements for MY 2015. In order to be eligible for HWP4P program payments, hospitals are required to report performance measure data and meet performance-based targets as specified in the Hospital Pay-for-Performance (P4P) Guide (effective October 15, 2014 for MY 2015) published on the Wisconsin ForwardHealth Portal.

Hospitals that meet both reporting requirements and performance-based targets, for the measures described later in this section, are eligible to receive payments from the HWP4P pool as follows:

- a. The Department calculates individual HWP4P pool amounts for each eligible hospital. At the end of the MY, the Department divides each individual HWP4P pool amount by the number of measures applicable to the respective hospital to determine the value of each measure. (E.g., if a hospital's individual pool equals \$100,000 and it qualifies to participate in four measures, then each measure is worth \$25,000.) As a result, the value of a given measure will vary from hospital to hospital, impacted by both the size of the individual hospital's HWP4P pool amount and the number of measures for which the hospital qualified.
- b. If a hospital meets all of its performance targets for all applicable measures, it receives a payment equal to its individual HWP4P pool amount.
- c. If a hospital does not meet all of its performance targets, it earns dollars for those measures where the targets were met, in a graduated manner as specified in the Hospital P4P Guide.
- d. If all participating hospitals meet all of their individually applicable targets, no additional HWP4P pool funds are available and thus no bonus payments beyond those described above can be made to any hospital.
- e. If at least one participating hospital does not receive its full HWP4P pool amount, the Department aggregates all remaining HWP4P pool funds and distributes them as additional bonus payments to hospitals that met their performance targets.

The Department ensures that all HWP4P pool dollars are paid back to hospitals by providing bonus payments. If a hospital meets all reporting requirements and performs in the highest tier on at least one applicable pay-for-performance (as opposed to pay-for-reporting) measure, it qualifies to receive a bonus payment. Bonus dollars are shared proportionally among hospitals weighted by two factors: the relative magnitudes of the individual HWP4P pool amounts for all hospitals that qualified for the additional bonus and the percentage of applicable measures for which the hospitals performed in the highest performance tier. Therefore, hospitals with a larger HWP4P pool amount receive a larger portion of the additional bonus dollars available, while high-performing hospitals are also rewarded. The University of Wisconsin Medical Center and CAHs are only eligible for WMP payment, including the HWP4P payments, up to cost.

The Department notifies each eligible hospital, prior to the MY, of the minimum performance requirements to receive the HWP4P pool payment. Complete details, including technical information regarding specific quality and reporting metrics, performance requirements, and HWP4P adjustments, are available in the Hospital P4P Guide. The performance measures that are in effect in this State Plan on the first day of each MY are the measures that are used for that MY. Except in cases of emergency rule, providers are given at least 30 days' written notice of any and all changes to the Hospital P4P Guide.

Inpatient Hospital State Plan
Attachment 4.19-A
Page 29

The measures for MY 2015 are:

- 1) **Thirty-day hospital readmission** – Hospitals are scored on the percentage of patients that had a qualifying readmission within 30 days of a qualifying discharge. This measure is applicable to a hospital that has at least 30 observations during the MY. To qualify for its earn-back on this measure, a hospital must exceed either the state average or its past performance (MY 2013).
- 2) **Mental health follow-up visit within 30 days of discharge for mental health inpatient care** – Hospitals are scored on the percentage of patients that had a mental health follow-up appointment within 30 days of a qualifying mental health discharge. This measure is applicable to a hospital that has at least 30 observations during the MY. To qualify for its earn-back on this measure, a hospital must improve upon its past performance (MY 2013) (since the Department is not using a risk adjustment methodology for this measure, a hospital's score is not compared to the state average).
- 3) **Asthma care for children** – Hospitals are scored on the percentage of children admitted to a hospital with a qualifying asthma diagnosis that were discharged with a Home Management Plan of Care (HMPC). This measure is applicable to children's hospitals that have at least 30 observations during the MY. To qualify for its earn-back on this measure, a hospital must submit its data to the Joint Commission by the September 30 following the MY and must exceed either the national average or its past performance (MY 2013) on this measure.
- 4) **Initial antibiotic for community-acquired pneumonia (PN-6)** – Hospitals are scored on the percentage of immunoincompetent patients with community-acquired pneumonia that receive an initial antibiotic within 24 hours of admission into the hospital. This measure is applicable to a hospital that has at least 25 observations during the MY. To qualify for its earn-back on this measure, a hospital must submit its data to Wisconsin CheckPoint prior to the September 15 following the MY and must exceed either the state average or its past performance (MY 2013) on this measure.
- 5) **Healthcare personnel influenza vaccination** – Hospitals are evaluated on their performance on the Health Care Personnel Influenza Vaccination measure submitted via the Centers for Disease Control and Prevention's (CDC's) National Healthcare Safety Network (NHSN) module. To qualify for its earn-back on this measure, a hospital must exceed either the national average (as published by NHSN) for the previous flu season or its past performance (MY 2013). Hospitals must report their healthcare personnel influenza vaccination results to the NHSN module prior to the deadline set by NHSN.
- 6) **Early elective induced deliveries - PC-01 (pay-for-reporting)** – Hospitals are evaluated on their submission of the early elective induced delivery data to Wisconsin CheckPoint. To qualify for its earn-back on this measure, a hospital must submit its data to CheckPoint prior to the September 15 following the MY.
- 7) **Catheter Associated Urinary Tract Infections (CAUTI) (pay-for-reporting)** – Hospitals are evaluated on their submission of CAUTI data to Wisconsin CheckPoint. To qualify for its earn-back on this measure, a hospital must submit its data to CheckPoint prior to the September 15 following the MY.

HWP4P payments, including the additional bonus payments, are limited by the federal UPL regulations at 42 CFR §447.272. All HWP4P payments, including the additional bonus payments, are included in the UPL calculation for the MY regardless of when payments are actually made.

TN # 14-014
Supersedes
TN # 14-003

Approval Date: JAN 21 2015

Effective Date: 04/01/2014