ESRD QIP Payment Year 2012 Program Details

The Centers for Medicare & Medicaid Services (CMS) administers the End-Stage Renal Disease (ESRD) Quality Incentive Program (QIP) to promote high-quality services by outpatient dialysis facilities treating patients with ESRD. The first of its kind in Medicare, this program changes the way CMS pays for the treatment of ESRD patients by linking a portion of payment directly to facilities' performance on quality care measures. The ESRD QIP will reduce payments to ESRD facilities that do not meet or exceed certain performance standards.

For more information about the program, see http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/ESRDQIP/index.html. If you have questions about the program after reviewing this content, you may reach the CMS ESRD QIP staff by emailing ESRDQIP@cms.hhs.gov.

Please note that this document is an informal reference only, and does not constitute official CMS guidance. Please refer to the implementing regulations.

Final Rule Governing Payment Year 2012

The final rule governing the ESRD QIP for Payment Year (PY) 2012, published in the *Federal Register* on January 5, 2011, outlines how CMS will implement the law establishing the program. The rule specifies the following in more detail:

- **Measures selected** – Three measures for assessing the quality of ESRD care
- **Performance period** – Timeframe during which CMS collected data to evaluate facility performance
- **Methodology** – The process used to score facility performance
- **Payment reduction scale** – Scale used to determine payment reductions for facilities not meeting established performance standards.

The final rule also addresses public comments to the proposed rule published earlier and CMS's responses to those comments.

Measuring Quality

Section 153(c) of the Medicare Improvements for Patients and Providers Act (MIPPA) requires CMS to use certain types of quality measures as part of the ESRD QIP. These include:

- Measures on anemia management that reflect the labeling approved by the Food and Drug Administration (FDA) for administration of erythropoiesis-stimulating agents (ESAs)

- Measures on dialysis adequacy
- Other measures specified by the Secretary of the Department of Health and Human Services (HHS).

Measures Selected

For the PY 2012 ESRD QIP, CMS identified three measures for evaluating a facility. Two of these measures relate to hemoglobin levels and address anemia management; the other relates to the success of dialysis treatment in removing waste products from patients' blood (known as the Urea Reduction Ratio [URR]). These measures are not new, as CMS began collecting and publicly reporting this data on the Dialysis Facility Compare (DFC) website prior to the ESRD QIP legislation.

These three measures examine the percentage of Medicare patients dialyzed at a facility with:

- An average hemoglobin less than 10 grams per deciliter (g/dL)
- An average hemoglobin greater than 12 g/dL
- A median URR of 65 percent or more.

For the anemia measures, the smaller the number of patients with hemoglobin outside the range (10 – 12 g/dL), the better the facility will score. For the URR measure, the larger the number of patients above the threshold, the better the facility will score.

ESRD QIP Performance Data

Since measures are developed for specific groups of patients, various facility data are used to calculate ESRD QIP scores. Certain data were excluded, as provided in each measure's technical specifications.

Claims will be excluded from the anemia management measure calculations for a patient who:

- Is less than 18 years old as of the start date of the claim
- Is in the first 89 days of ESRD as of the start date of the claim
- Has a reported hemoglobin value (or hematocrit value divided by 3) less than 5 g/dL or greater than 20 g/dL
- Is not treated with ESAs according to the claim.

Claims will be excluded from the dialysis adequacy measure calculations for a patient who:

- Is less than 18 years old as of the start date of the claim
- Has fewer than 7 dialysis sessions per month (i.e., those with a Healthcare Common Procedure Coding System [HCPCS] modifier = G6)
- Is in the first 182 days of ESRD as of the start date of the claim
- Is on home hemodialysis or peritoneal dialysis according to the claim
- Is on frequent hemodialysis (defined as four or more sessions per week).

Not all facilities are eligible for a Total Performance Score in PY 2012. To receive a Total Performance Score, a facility must have a minimum of 11 patients eligible for each measure. Not receiving a Total Performance Score is not an indicator of the quality of care provided by that facility.

Facility Scoring

Period of Performance

The period of performance for PY 2012 is calendar year (CY) 2010. This timeframe was selected to allow enough time for CMS to:

1. Ensure that claims used in calculations were complete and accurate
2. Calculate facility performance scores
3. Allow facilities to view their performance scores before public release and to obtain additional information if needed.

Total Performance Score

For the ESRD QIP PY 2012, the maximum score a facility could receive is 30 points. The maximum score a facility could receive on each of the three measures is 10 points.

Scoring for Individual Measures

CMS first calculates a facility's 2010 performance rate for each measure using the following formula:

Performance Rate = Number of patients meeting that measure

divided by (÷)

Number of patients eligible for that measure

Each performance rate is then converted to a percentage, rounded to the nearest whole percent. For the 2010 performance period, this percent was compared to two possible performance standards for that measure:

- **The national average in 2008**

  or

- **That facility's performance in 2007**

For each measure, the standard that results in the better score for the facility will be applied.

The purpose of this alternative standard is to provide a "phase-in" period for facilities with a 2007 performance that was lower than the 2008 national average, thus allowing a facility to score well as long as its performance in 2010 did not weaken compared to 2007.

If a facility meets or exceeds the performance standard, it earns a score of 10 points. For every 1 percent that a facility underperforms with respect to the standard, it loses 2 points. Zero is the lowest number of points a facility can earn on any single measure.

Calculating a Facility's Total Performance Score

The three ESRD QIP measures do not contribute equally to the Total Performance Score. Each measure contributes the following percentage weight to the Total Performance Score:

- Hemoglobin less than 10 g/dL – 50 percent
- Hemoglobin greater than 12 g/dL – 25 percent
- URR of 65% or greater – 25 percent

A facility's scores on the three measures are weighted and then added to arrive at its Total Performance Score.

Payment Adjustments

MIPPA Section 153(c) directs the Secretary of HHS to develop a method to assess the quality of dialysis care provided by facilities and to link this performance to possible payment reductions. To receive full payment in PY 2012, facilities must meet or exceed a Total Performance Score of 26 on the three measures. Facilities that fail to meet the standard may receive a payment reduction of up to two percent. This payment reduction will apply to all Medicare payments to that facility in 2012.

Scale for Payment Reductions

The PY 2012 ESRD QIP payment reductions apply to a facility according to the following chart:

Total Performance Score	Payment Reduction
26 to 30	No reduction
21 to 25	0.5%
16 to 20	1.0%
11 to 15	1.5%
0 to 10	2.0%

Score Preview Period

Facilities had the opportunity to preview their scores and any resulting payment reductions prior to public release. The Preview Period for the PY 2012 ESRD QIP was July 15 – August 15, 2011. During this time, facilities were able to ask general questions about scoring algorithms and calculations. In addition, each facility had the opportunity to submit one formal inquiry if that facility believed a scoring error had occurred. CMS investigated and provided a detailed response to each formal inquiry.