

STATE OF MARYLAND
DEPARTMENT OF HEALTH AND MENTAL HYGIENE

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Robert Murray
Executive Director

Stephen Ports
Principal Deputy Director
Policy & Operations

Gerard J. Schmith
Deputy Director
Hospital Rate Setting

John J. O'Brien
Deputy Director
Research and Methodology

HEALTH SERVICES COST REVIEW COMMISSION
4160 PATTERSON AVENUE - BALTIMORE, MARYLAND 21215
AREA CODE 410-764-2605
FAX 410-358-6217
Toll Free 888-287-3229
Web Site: <http://www.hscrc.state.md.us/>

MEMORANDUM

TO: Hospital Chief Financial Officers and Senior Quality Staff

FROM: Robert Murray, Executive Director *RM*

RE: Thresholds and Benchmarks for CY 2008 Measures of the HSCRC Quality-based Reimbursement Initiative

DATE: January 13, 2009

On June 4, 2008, the Health Services Cost Review Commission ("HSCRC" or "Commission") adopted recommendations to implement a Quality-based reimbursement strategy. This initiative uses data on 19 process measures and the approved methodology will score performance on these measures which will be used to adjust rates in FY 2010. The measures and methodology may be found at the following web link: www.hscrc.state.md.us/quality_initiatives.

The recommendations provide that the thresholds and benchmarks, between which points are accrued, will be based on the previous year's scores so that they may be known prior to the end of the measurement year. For this round, the measurement year is CY 2008 and the base year for thresholds and benchmarks is CY 2007. The threshold is the score at which reward points begin to be assigned, while the benchmark is the score for which full reward points are assigned. The score for each measure will be based on the greater of attainment (the score attained in the measurement year – CY 2008) or improvement (scores achieved due to improvement from the base year, CY 2007, to the measurement year.)

The methodology states that, except for topped of measures, the thresholds and benchmarks for each measure shall be determined as follows:

1. Thresholds:
 - for attainment – the 50th percentile of scores from the base year
 - for improvement – each hospital's score in the base year
2. Benchmarks are the 95th percentile during the base year for both attainment and improvement.

A "topped-off" measure is one in which it is difficult to distinguish differences between top scores and is defined as a measure where the 75th percentile is within 2 standard errors of the 90th percentile. The

Commission decided to include these scores in the methodology but used different thresholds and benchmarks. The inclusion of the topped off measures in the methodology increases the fairness of the comparative analysis by providing high scores for those measures, for most hospitals. For “topped-off” measures the thresholds and benchmarks are a score of .65 and .90, respectively.

The table below identifies the thresholds and benchmarks for each measure for the current CY 2008 measurement year. These are based on statewide data from CY 2007 and will be used to compare individual hospital performance when making rate adjustments for FY 2010. If you have any questions, you may contact Steve Ports for Dianne Feeney at 410-764-2605.

Measure	Threshold	Benchmark	Topped-off?
AMI- 1	.65	.90	Yes
AMI-2	.65	.90	Yes
AMI-3	.909	1.0	
AMI- 4	.65	.90	Yes
AMI-5	.65	.90	Yes
AMI-6	.958	1.0	
HF-1	.793	.996	
HF-2	.65	.90	Yes
HF-3	.913	1.0	
HF-4	.65	.90	Yes
PN-2	.65	.90	Yes
PN-3a	.947	1.0	
PN-3b	.887	.958	
PN -4	.65	.90	Yes
Pn-5c	.65	.90	Yes
PN-7	.761	.962	
SIP-1	.900	.965	
SCIP-2	.65	.90	Yes
SCIP-3	.869	.956	

AMI – Acute Myocardial Infarction
 HF – Heart Failure
 PN – Pneumonia
 SIP –Surgical Infection Prevention
 SCIP – Surgical Care Improvement Project