Michigan Value Collaborative

Blue Cross Blue Shield Blue Care Network of Michigan

Nonprofit corporations and independent licensees of the Blue Cross and Blue Shield Association

MVC Component of the BCBSM Pay for Performance Program Frequently Asked Questions: Program Year 2020-2021

The Blue Cross Blue Shield of Michigan (BCBSM)'s P4P program includes a metric based on MVC data accounting for a portion of the overall incentive. This metric measures hospital performance using price-standardized, risk-adjusted 30-day episode payments for Commercial and Medicare Advantage beneficiaries with BCBSM preferred provider organization (PPO) or Blue Care Network (BCN) coverage as well as Medicare Fee-for-Service (FFS) patients. Below are a series of frequently asked questions related to the P4P measure. Additional information may be found in the MVC P4P Technical Document.[1]

How will hospital performance be assessed?

Each hospital will choose two service lines for measurement. Each hospital's service-line-specific total episode payment will be assessed for year-over-year improvement compared to its baseline year or its achievement compared to the appropriate MVC cohort. Hospitals will receive the higher of their improvement or achievement points for each service line.

Which years are being used to assess my performance?

See Table 1 below for the timeline of the 2020 and 2021 program years. The MVC Coordinating Center will assess the performance year data during the program year and will provide a final score for the MVC-based measure to BCBSM for payment in 2021 and 2022, respectively. On the P4P Year-Over-Year Performance Comparison report, "Current Total ($)" represents performance year data, and the point targets are calculated using baseline year data.

Table 1: Timeline for Program Years 2020 and 2021

	Baseline Year	Performance Year	Payment Year
Program Year 2020	2017	2019	2021
Program Year 2021	2018	2020	2022

How are hospital year-over-year improvement targets calculated?

To earn one P4P point, a hospital must have equal or lower total episode payments during the performance year compared to the baseline year for the chosen service lines. Subsequent payment improvement targets are calculated based on additional total episode payment reductions, taking into account the hospital's baseline payments relative to MVC-wide payments and the MVC-wide standard deviation for the service line. The specific equation is listed below.

Hospital Mean Payment is represented by A, MVC Mean Payment is represented by B, Payment Reduction Percentage is represented by X, and MVC Winsorized Standard Deviation is represented by C so that:

$$Improvement\ Target = A - \left(\frac{A}{B}\right) * (X * C)$$

[1] The MVC P4P Technical Document is also located on the "Resources" page of the MVC website.

Why might my registry baseline payments and targets be slightly different compared to the previous report, and why might they continue to shift in the future?

As anticipated, two factors contribute to different values as data is updated:

1. *Improvements in pricing methodology and risk-adjustment*

   In response to feedback from the Collaborative, MVC strives to continuously improve pricing methodology to better align with real world reimbursement practices. Additionally, MVC has updated the P4P methodology to better account for outlier cases by calculating the observed/expected ratio based on MVC-wide data for all years instead of at the patient level for one year. These updates make the data more reflective of real-world payments and more stable from year to year.

2. *The addition of more recent data can affect both price standardization and risk adjustment*

   Standard prices are calculated based on all available Medicare data; therefore, new data will result in small changes to standardized prices. Risk adjustment takes into account all available data, and new data will update the risk adjustment modeling. For more information on MVC risk adjustment, please refer to the MVC P4P Technical Document.

How will shifts in baseline and target payments impact my year-over-year improvement score?

The MVC Coordinating Center will distribute a mid-year and a final P4P report in addition to the reports available on the registry. Hospitals will be evaluated on the targets shown on the registry when the full year of performance data is available. These targets will be captured in the final P4P reports distributed to hospitals. Each report on the registry has a footnote indicating the dates of data that are currently shown on the registry. As more data is added, the current total payment will shift accordingly.

How will shifts in baseline and target payments impact my achievement scoring?

Data updates and methodological enhancements are applied to all hospitals, so shifts in baseline or target payments should not impact achievement scoring. The list of hospitals within each cohort are available on the registry. Additional information regarding cohort creation methodology can be found in the P4P Technical Document.[2]

How will my score for the MVC-based measure impact my BCBSM P4P payment?

The MVC-based measure accounts for 10 percent of the BCBSM 2020 P4P program. Different from CMS value-based programs, hospitals participating in BCBSM's 2020 P4P program will not be penalized based on their performance scores, only rewarded. Any remaining, unearned incentive dollars will be redistributed differentially within each P4P program component. More information on BCBSM's P4P program and payment methodology may be accessed here.

How will the COVID-19 pandemic affect the P4P program?

The 2020 program year evaluated admissions in 2019 and was not affected by the pandemic. With the understanding that the performance impact of COVID-19 is not identical across all MVC member hospitals, the Coordinating Center is removing any episode with a confirmed COVID-19 ICD code in the first three positions on a facility claim for any inpatient setting throughout the 30-day episode. At the onset of the pandemic in March

[2] A description of the MVC cohort methodology may be found on pages 4-6 and 14-16 of the Technical Document and a list of the MVC cohorts is located on the Resources page of the MVC website.

2020, there was no determined ICD diagnosis code for confirmed COVID-19 and hospitals were instructed to code COVID as pneumonia with a secondary diagnosis of unspecified coronavirus. With this in mind, March pneumonia episodes will also be excluded from scoring. Additionally, the Coordinating Center has two new ways to earn participation-based bonus points for PY21 only. Attendance at both MVC semi-annual meetings will earn participants one bonus point and undertaking a virtual site visit with the MVC Coordinating Center will earn participants an additional bonus point. Participants can sign up for a virtual site visit by contacting the Coordinating Center at MichiganValueCollaborative@gmail.com.

What changes have been made to the 2020 and 2021 program years?

Three proposed changes were approved by the BCBSM P4P committee:

1. Episodes with transfers in the index admission will now be excluded from eligible episodes.
2. The acute myocardial infarction (AMI) service line has been discontinued as a P4P option and replaced with chronic obstructive pulmonary disease (COPD).
3. Episodes of coronary artery bypass grafting (CABG) previously in the AMI service line will now be included in the CABG service line.
4. Episodes with COVID-19 in the inpatient setting will be excluded from eligible episodes for PY21 only.
5. In light of the COVID-19 pandemic, two additional bonus points will be available for PY21 only. One point for attending both semi-annual meetings and one for completing a site visit.