MVC Component of the BCBSM P4P Program
Interpretation Guide for PY 2024-2025 Selection Reports

I. Purpose of Guide

This guide serves as a walkthrough of the Pay-for-Performance (P4P) Selection Reports for Program Years (PYs) 2024 and 2025. Data included in this guide is blinded and represents an example hospital. The purpose of this guide is to provide detail about the new program structure and explain how your hospital can use the information in this report to make P4P selections for PYs 2024 and 2025.

II. Eligibility for Metrics

In order to be eligible to select a payment condition or value metric, your hospital must be projected to have at least 20 cases in the full baseline year of 2021. As MVC currently only has Medicare data through Q3 of 2021, case counts are projected for each hospital. Medicare case counts are converted to a monthly average and then multiplied by 12 to predict a Medicare case count for the full year of 2021. This number is then added to the case counts for BCBSM and BCN payers to achieve a total projected case count for 2021. Please note that your hospital can still earn points toward your selections even if case counts do not meet or exceed the projections. If your hospital is not eligible to select a payment condition or value metric, the data for that option will display as "Not Eligible."

III. Report Calculations

The first page of the selection report contains a summary table for both the episode payment metric and value metric options. These tables include the reduction in payment or change in rate required to earn the maximum of four points for improvement or achievement. These values, along with the targets in tables 3-6, are calculated using the following equations for Z-scores:

$$\text{Improvement Z-score} = \frac{Hospital\ baseline\ -\ Hospital\ performance}{MVC\ All\ standard\ deviation\ from\ baseline}$$

$$\text{Achievement Z-score} = \frac{Cohort\ baseline\ -\ Hospital\ performance}{MVC\ All\ standard\ deviation\ from\ baseline}$$

Please note that the Z-score thresholds are different for episode payment metrics and value metrics due to differences in calculating standard deviations between payments and rates (see below table for more details). Your hospital will earn the higher of improvement or achievement points.

Point Value	Episode Payment Z-score Thresholds	Value Metric Z-score Thresholds
0 Points	<0	<0
1 Point	0 - <0.05	0 - <0.25
2 Points	0.05 - <0.1	0.25 - <0.50
3 Points	0.1 - <0.15	0.50 - <0.75
4 Points	>0.15	>0.75

IV. Interpreting Episode Payment Metric Summary Table

Information Included

This episode payment metric summary table includes the name of each condition option, its projected case count, your hospital's average 30-day total episode payment, your cohort's average total episode payment, and the MVC collaborative-wide average total episode payment. It also provides the estimated reduction in payment required for your hospital to earn the maximum of four points toward improvement or achievement.

What It Means to be "On Track"

If your hospital's baseline payment is already lower than the estimated threshold for four points in achievement, the summary tables will highlight the cell in gold and display "On Track" (see example in Table 1). This means that if your hospital's baseline payment or rate is maintained through the performance year, four points will likely be earned in achievement. This is not applicable to improvement, for which your hospital must improve its episode payment or rate to earn points.

Table 1. Episode Payment Metric Summary Table

Episode Payment Metric Summary (Baseline Year 2021)						
Condition	2021 Projected Case Count**	Your Hospital's Average Payment	Average Cohort Payment	Average MVC Payment	Episode Payment Reduction for 4 Improvement Points	Episode Payment Reduction for 4 Achievement Points
Colectomy	40	$24,174	$26,899	$27,648	$1,746	On Track***
CABG	64	$47,985	$48,259	$48,436	$1,646	$1,372
Pneumonia	107	$16,368	$15,693	$15,028	$1,114	$1,789
CHF	221	$16,393	$16,905	$16,355	$1,283	$771
COPD	59	$12,516	$13,456	$12,962	$1,003	$63
Joint Replacement	509	$16,108	$16,296	$17,756	$533	$345

Making a Condition Selection Using Episode Payment Metric Summary Table

Your hospital may want to choose a condition that is either on track for four points in achievement, or one that has a low payment amount to reduce. In Table 1, this example hospital is on track to earn four points in colectomy. This hospital would have to reduce its Pneumonia payment by $1,114 to earn 4 points in improvement, or reduce its COPD payment by $63 to earn 4 points in achievement. Hospitals also may want to select a condition based on quality initiatives that are ongoing or expected to be in place.

V. Interpreting Value Metric Summary Table

High-Value vs. Low-Value Metrics

The value metric summary table (Table 2) includes the same information as the episode payment metric summary table, except the data are rates of utilization instead of episode payment amounts.

Hospitals will be rewarded for high rates of high-value metrics and low rates of low-value metrics. The changes needed to earn improvement or achievement points are displayed as a negative value for low-value metrics to indicate that your hospital should reduce its rate to earn points, and positive values are shown for high-value metrics to indicate that your hospital should increase its rate to earn points.

Table 2. Value Metric Summary Table

Preoperative testing (shown below in gray) among low-risk procedures is a value metric option comprised of three procedures: cholecystectomy, hernia Repair, and lumpectomy. This option can be selected as long as your hospital meets the case count threshold for at least one of these procedures. If preoperative testing is selected, your hospital will be scored on each procedure separately, and points will be awarded based on the highest points of the three procedures. Therefore, your hospital is encouraged to reduce testing rates for all three of these low-risk procedures.

Value Metric Summary (Baseline Year 2021)							
Type of Value Metric	Value Metric	2021 Projected Case Count**	Your Hospital's Rate	Your Cohort Rate	MVC Average Rate	Rate Change for 4 Improvement Points	Rate Change for 4 Achievement Points
Low-Value	Preoperative Testing (Cholecystectomy)*	44	25.4%	18.1%	17.9%	-9.8%	-17.1%
	Preoperative Testing (Hernia Repair)*	Not Eligible	Not Eligible	Not Eligible	Not Eligible	Not Eligible	Not Eligible
	Preoperative Testing (Lumpectomy)*	38	12.4%	34.9%	33.7%	-12.4%	On Track***
	Readmissions After Sepsis	436	22.5%	20.3%	19.0%	-4.4%	-6.5%
High-Value	7-Day Follow-Up After CHF	265	43.3%	45.6%	44.1%	8.2%	10.6%
	7-Day Follow-Up After Pneumonia	106	33.9%	41.6%	39.7%	8.6%	16.3%
	14-Day Follow-Up After COPD	134	53.1%	53.1%	54.8%	9.2%	9.2%
	Cardiac Rehab After CABG	70	59.6%	58.6%	58.6%	10.7%	9.7%
	Cardiac Rehab After PCI	235	35.5%	34.0%	34.4%	9.7%	8.2%

Ineligible Selections

Please note that the example hospital in Table 2 does not have enough cases to be eligible for the preoperative testing (hernia repair) value metric, so the data for this metric displays as "Not Eligible."

Preoperative Testing Scoring Methodology

The preoperative testing value metric is composed of a group of three low-risk procedures, indicated in gray in Table 2. To select this value metric, your hospital only needs to be eligible for at least one of these procedures. Each procedure will be scored separately, and points for this value metric will be awarded based on the highest points achieved for your hospital's eligible procedures.

Making a Selection Using Value Metric Summary Table

Your hospital may want to choose a value metric that is either on track for four points in achievement, or one that requires the smallest absolute change from baseline. In Table 2, this example hospital is on track to earn four points in achievement for preoperative testing. This hospital would also only have to reduce its readmission rate after sepsis by 4.4% to earn 4 points in improvement or increase its rate of cardiac rehabilitation after PCI by 8.2% to earn 4 points in

achievement. Hospitals also may want to select their value metric based on quality initiatives that are ongoing or expected to be in place.

VI. Interpreting Point Target Tables and Earning Points

Tables 3-6 only include episode payment conditions or value metrics that your hospital is eligible to select. These tables provide the estimated performance year payment or rate targets for each point value. If your hospital baseline payment or rate is maintained through the performance year, your hospital will earn 1 point in improvement. If your hospital has a payment or rate in the performance year that is equivalent to the cohort baseline, your hospital will earn 1 point in achievement. Please note that hospital baseline payment is not used in calculating achievement targets; it is provided as a point of reference. The more your hospital's payments or rates improve, the more points will be awarded up to a maximum of 4 points each for episode payment metrics and value metrics. The MVC P4P program's remaining 2 possible points for a maximum of 10 points can be earned by completing MVC engagement activities during the program year (the calendar year after the performance year).

Table 3. Episode Payment Metric Improvement Targets

Episode Payment Metric Improvement Targets					
Condition	Hospital Baseline Payment	1 Point Target (Maintain Hospital Baseline)	2 Point Target	3 Point Target	4 Point Target
Colectomy	$24,174	$24,174	$23,592	$23,010	$22,427
CABG	$47,985	$47,985	$47,436	$46,888	$46,339
Pneumonia	$16,368	$16,368	$15,997	$15,626	$15,254
CHF	$16,393	$16,393	$15,966	$15,538	$15,110
COPD	$12,516	$12,516	$12,182	$11,848	$11,513
Joint Replacement	$16,108	$16,108	$15,930	$15,752	$15,574

Table 4. Episode Payment Metric Achievement Targets

Episode Payment Metric Achievement Targets					
Condition	Hospital Baseline Payment	1 Point Target (Meet Cohort Baseline)	2 Point Target	3 Point Target	4 Point Target
Colectomy	$24,174	$26,899	$26,317	$25,735	$25,153
CABG	$47,985	$48,259	$47,710	$47,161	$46,613
Pneumonia	$16,368	$15,693	$15,322	$14,951	$14,579
CHF	$16,393	$16,905	$16,477	$16,050	$15,622
COPD	$12,516	$13,456	$13,122	$12,787	$12,453
Joint Replacement	$16,108	$16,296	$16,118	$15,940	$15,763

Table 5. Value Metric Improvement Targets

Value Metric Improvement Targets						
Type of Value Metric	**Value Metric**	**Hospital Baseline Rate**	**1 Point Target (Maintain Hospital Baseline Rate)**	**2 Point Target**	**3 Point Target**	**4 Point Target**
Low-Value	Preoperative Testing (Cholecystectomy)*	25.4%	25.4%	22.1%	18.8%	15.6%
	Preoperative Testing (Lumpectomy)*	12.4%	12.4%	5.8%	0.0%	0.0%
	Readmissions After Sepsis	22.5%	22.5%	21.0%	19.5%	18.0%
High-Value	7-Day Follow-Up After CHF	43.3%	43.3%	46.0%	48.8%	51.5%
	7-Day Follow-Up After Pneumonia	33.9%	33.9%	36.7%	39.6%	42.4%
	14-Day Follow-Up After COPD	53.1%	53.1%	56.2%	59.3%	62.4%
	Cardiac Rehab After CABG	59.6%	59.6%	63.2%	66.7%	70.3%
	Cardiac Rehab After PCI	35.5%	35.5%	38.7%	41.9%	45.2%

Table 6. Value Metric Achievement Targets

Value Metric Achievement Targets						
Type of Value Metric	**Value Metric**	**Hospital Baseline Rate**	**1 Point Target (Meet Cohort Baseline)**	**2 Point Target**	**3 Point Target**	**4 Point Target**
Low-Value	Preoperative Testing (Cholecystectomy)*	25.4%	18.1%	14.9%	11.6%	8.3%
	Preoperative Testing (Lumpectomy)*	12.4%	34.9%	28.3%	21.7%	15.1%
	Readmissions After Sepsis	22.5%	20.3%	18.9%	17.4%	15.9%
High-Value	7-Day Follow-Up After CHF	43.3%	45.6%	48.4%	51.1%	53.9%
	7-Day Follow-Up After Pneumonia	33.9%	41.6%	44.5%	47.3%	50.2%
	14-Day Follow-Up After COPD	53.1%	53.1%	56.2%	59.2%	62.3%
	Cardiac Rehab After CABG	59.6%	58.6%	62.2%	65.8%	69.3%
	Cardiac Rehab After PCI	35.5%	34.0%	37.2%	40.4%	43.7%

Earning Points for 0% or 100% Improvement Targets

Please note that value metric improvement target tables may display 0% or 100% for some targets. While we recognize that achieving 0% or 100% is not feasible, this means that your hospital is likely already doing very well and would likely earn these points from achievement instead of improvement. In Table 5, for example, this hospital has a preoperative testing (lumpectomy) baseline rate of 12.4%, and its 3- and 4-point improvement targets for this selection are 0%. However, since 12.4% is less than the 4-point target of 15.1% for achievement (Table 6), this hospital would likely earn 4 points in achievement and is shown as "On Track" for this in Table 2. In addition, note that Tables 5 and 6 have fewer metrics listed than appear in Table 2 because this hospital is not eligible to be scored on preoperative testing (hernia repair). Preoperative testing can still be selected, but this hospital will only be scored on the higher of cholecystectomy and lumpectomy.