



Michigan Value Collaborative



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MVC Component of the BCBSM P4P program Changes for Program Years 2022 and 2023

Blue Cross Blue Shield of Michigan (BCBSM) includes a Pay-for-Performance (P4P) measure derived from MVC data in their Hospital P4P Program (hereafter referred to as the “MVC measure”). The MVC Coordinating Center has been guided by the following core principles when developing and recommending changes to the MVC measure:

- The measure will reflect the BCBSM Value Partnerships philosophy of using high quality data to drive collaborative quality improvement.
- The measure will be fair, simple, and transparent.
- The measure will align with existing BCBSM and CMS hospital quality measures when possible and be consistent with Value Partnerships CQI principles.
- The measure will encourage examination and use of MVC data to drive value improvement and reward those efforts.

In an effort to continually improve the MVC measure to align with these guiding principles, we have provided the BCBSM P4P Quarterly Workgroup with several recommended changes to the measure for Program Years 2022 and 2023, which were approved on March 17, 2021. These changes will be implemented for the upcoming Program Year 2022, which is based on 2019 admissions for the Baseline Period and 2021 admissions for the Performance Period. These changes will not be retroactively applied to Program Year 2021. For more detail about Program Years 2022 and 2023, please refer to the [P4P Technical Document](#).

What is staying the same?

- Scores will still be based on a hospital’s risk-adjusted, price-standardized total episode payments for two selected conditions. The maximum score is still 10 points, and bonus points are still available.
- Condition options will remain constant. Each participating hospital will still choose two of seven available conditions on which to be evaluated:
 - Spine Surgery
 - Joint Replacement
 - Chronic Obstructive Pulmonary Disease (COPD)
 - Coronary Artery Bypass Grafting (CABG)
 - Congestive Heart Failure (CHF)
 - Colectomy (non-cancer)
 - Pneumonia
- Within a condition, a hospital will still be awarded the greater of the two scores, either improvement or achievement. Improvement points are still earned if a hospital’s risk-adjusted total episode payments decrease between the baseline and performance year, and Achievement points are still earned in comparison to an MVC cohort.

What is changing?

Methodological Changes

- Improvement and Achievement scoring will become more similar in order to be placed on the same scale. The Improvement equation has been modified slightly and is shown below. The Achievement equation will change from being based on *rank within cohort at performance year* to being based on *distance from cohort mean at baseline year*, or z-score. A z-score is a measure of how far away a value is from the mean of a distribution, and z-scores will be calculated for both Improvement and Achievement.

Improvement Z-score

$$\frac{\text{Hospital mean at baseline} - \text{Hospital mean at performance year}}{\text{MVC All standard deviation from baseline}}$$

Achievement Z-score

$$\frac{\text{MVC Cohort mean at baseline} - \text{Hospital mean at performance year}}{\text{MVC All standard deviation from baseline}}$$

- Those z-scores (distances from either the hospital mean at baseline or MVC cohort mean at baseline, for Improvement or Achievement, respectively) will then be translated into point values based on the table below. A z-score of 0.05 indicates a 5% reduction after adjustment by the MVC standard deviation; this is similar to the method of calculating Improvement targets in previous Program Years.

Z-score threshold	Point value
<0	0
0 – <0.05	1
0.05 – <0.1	2
0.1 – <0.15	3
0.15 – <0.2	4
0.2+	5

Negative z-scores award no points.

Positive z-scores award some points.

- Previously, Achievement was based on rank within cohort at *performance year*. Now, the cohort comparison will come from the *baseline year*.



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Scoring Example

Below is an example of the new scoring method for a single condition at Hospital A

- Four numbers are calculated: the hospital's risk-adjusted baseline payment, the cohort's risk-adjusted baseline payment, the hospital's risk-adjusted performance year payment, and the MVC All standard deviation from the baseline year.



- These numbers are inputs for the Improvement and Achievement z-score equations.

$$\begin{aligned} \text{Achievement} &= \frac{\$19,654 - \$18,524}{\$4,812} \\ &= 0.23 \text{ z-score value} \end{aligned}$$

$$\begin{aligned} \text{Improvement} &= \frac{\$19,405 - \$18,524}{\$4,812} \\ &= 0.18 \text{ z-score value} \end{aligned}$$

- The Achievement and Improvement z-scores are translated into point values.

Z-score threshold	Point value
<0	0
0 – <0.05	1
0.05 – <0.1	2
0.1 – <0.15	3
0.15 – <0.2	4
0.2+	5

Achievement

0.23 z-score value

→ 5 Achievement Points

Improvement

0.18 z-score value

→ 4 Improvement Points

- The hospital is awarded the greater of the two point values. In this case, Hospital A earns 5 Achievement points for this condition.



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Bonus Point Changes

- In place of the previous 5% cohort reduction bonus, participants can instead earn bonus points by completing two questionnaires (one per selected condition) and submitting these to the MVC Coordinating Center by November 1st of each Program Year.
- The purpose of the [bonus point questionnaire](#) is to gather examples of quality improvement initiatives in operation at MVC member hospitals to share with the Collaborative.
- Moving forward, this will help support members in reducing costs through collaboration.