

MVC Component of the BCBSM P4P Program: Explainer Webinar for Program Years 2024-25

December 6, 2022
December 8, 2022



MVC Coordinating Center Presenters



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Purpose

To improve the health of Michigan through sustainable, high-value healthcare



Vision

People accessing the right care, at the right time, at the right cost



Agenda

- Review of guiding principles
- Program structure and timeline
 - Value metrics component
 - Episode spending component
 - Engagement component
- Scoring examples
- Selection process
- Q&A



MVC P4P Guiding Principles

Four Guiding Principles



Use high-quality data to drive improvement



Alignment, where possible, with BCBSM and CMS quality measures



Fair, simple, and transparent measure

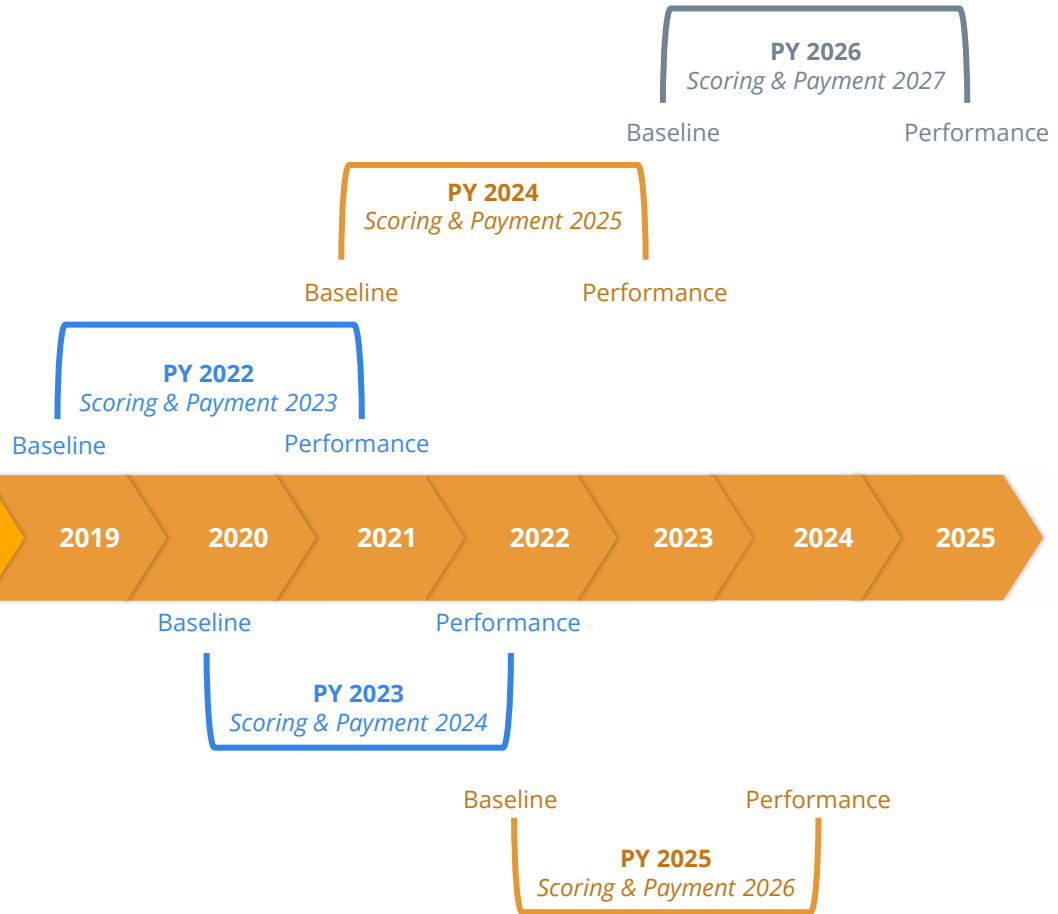


Encourage use of MVC data to drive value improvement

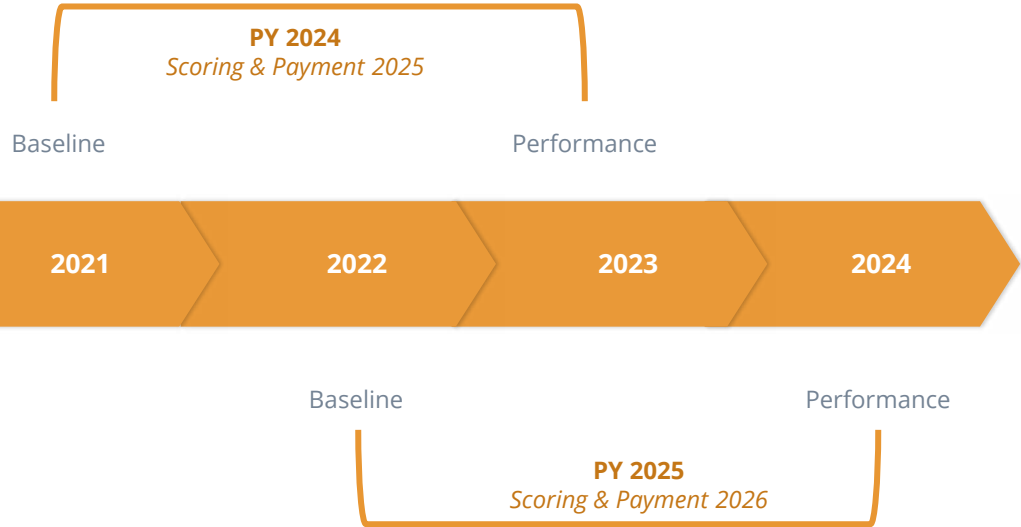
P4P Timeline

The background of the slide is a blue-tinted image of a calendar grid. The numbers 7, 10, 14, 17, 21, 24, 28, 30, and 31 are visible in a cursive font, arranged in a grid pattern that recedes into the distance.

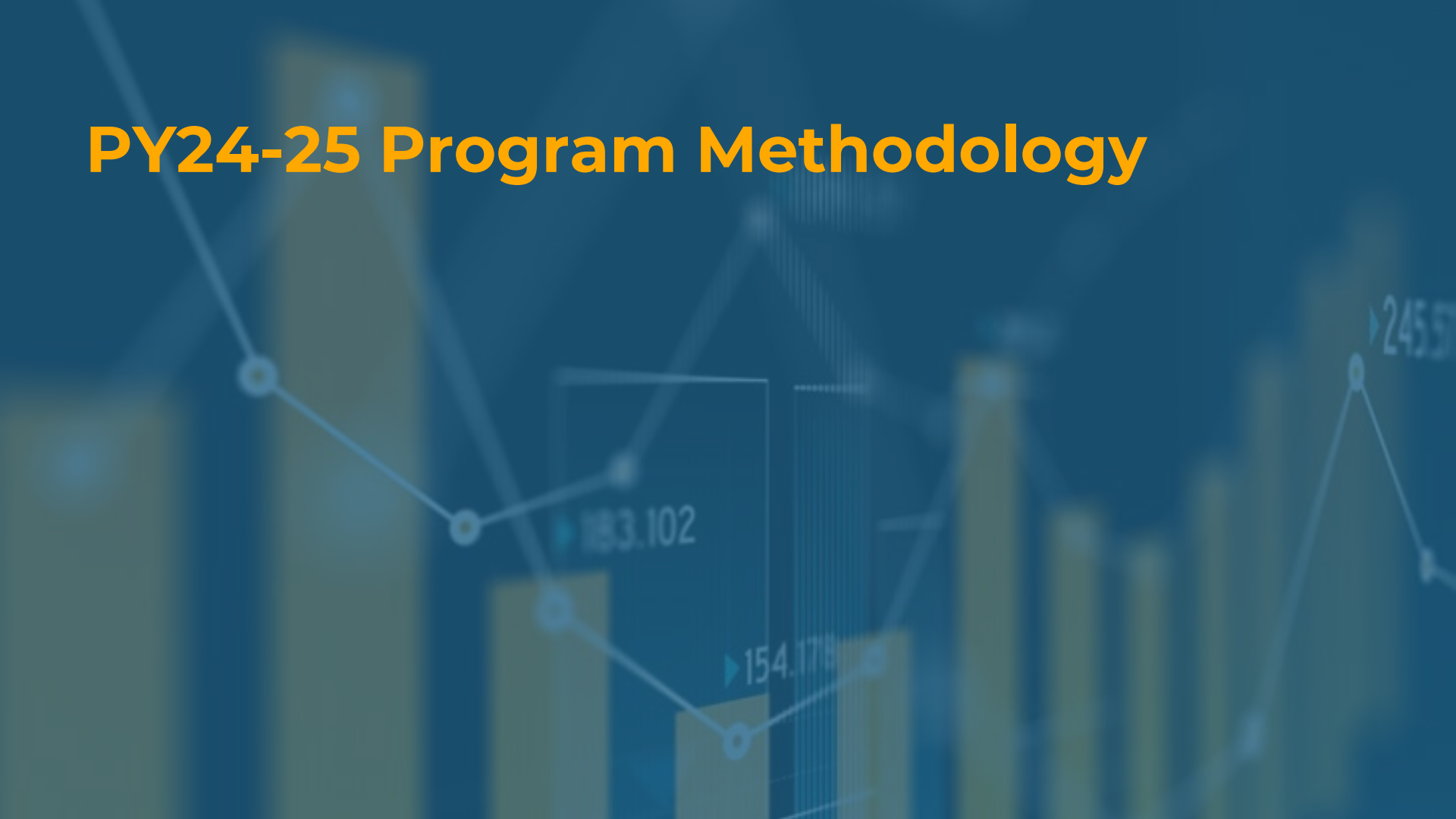
Full Timeline



Partial Timeline



PY24-25 Program Methodology



Program Structure

Current (PY22-23)

Maximum Score = 10 Points

**Episode Spending
(10 points)**

**Questionnaire
(2 bonus points)**

Future (PY24-25)

Maximum Score = 10 Points

**Episode
Payment
(4 points)**

**Value
Metrics
(4 points)**

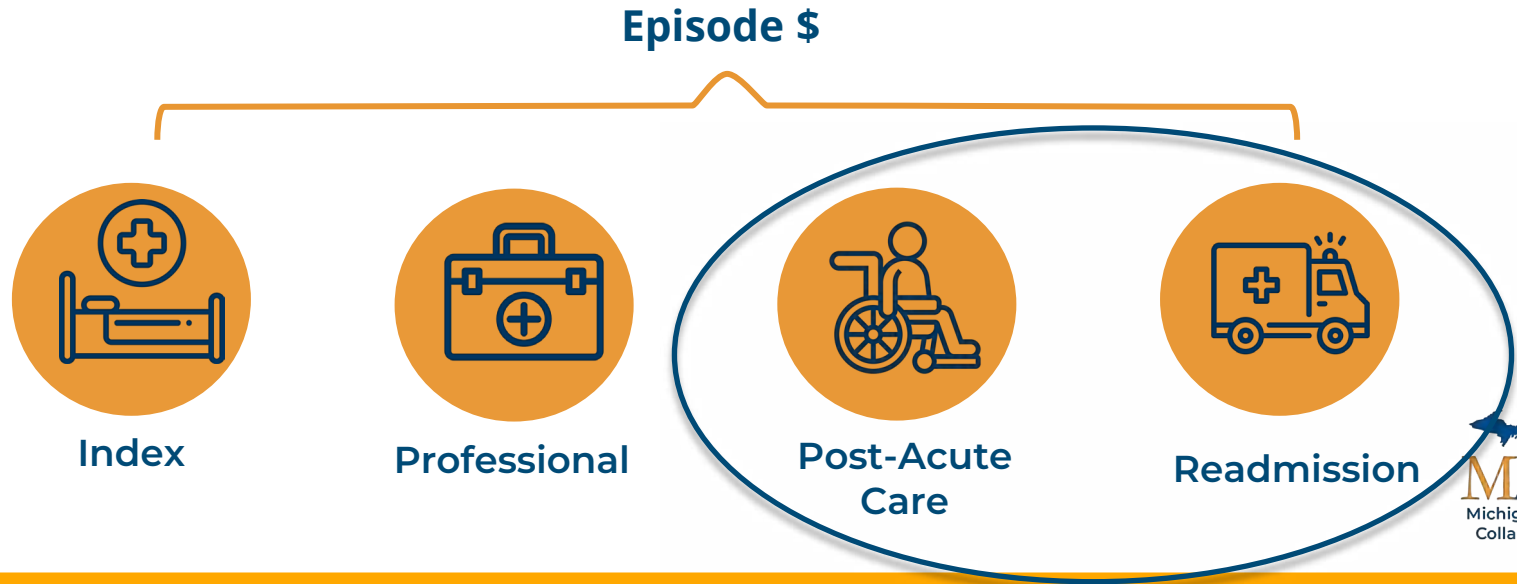
**Engagement
Activities
(2 points)**

Value Metrics

New component beginning PYs 24-25

Value Metrics

- Zero in on specific parts of an episode under specific contexts
- Evidence-based, actionable items that improve patient care and are cost effective



Value Metric Options

**Reward *high*
rates of *high-*
value services**

Follow-up rates after COPD hospitalization
Follow-up rates after pneumonia hospitalization
Follow-up rates after CHF hospitalization
Cardiac rehab utilization after PCI
Cardiac rehab utilization after CABG

**Reward *low*
rates of *low-*
value services**

Preoperative testing rates for low-risk surgeries
Risk-adjusted readmissions after sepsis

**Hospitals choose 1 value metric to be
scored on from a menu of 7 options.**



Advantages to Value Metrics

- More actionable than total episode spending
- Less ambiguity about how you “win”
- Effective use of new, flexible Z-score methodology
- Could align with other CQI efforts

Value Metric Scoring

NEW: Metric Options	Maximum Score	Scoring Methodology
Choose 1 of 7	4	Z-score
Scoring Logic	Improvement Comparison	Achievement Comparison
Still award greater of the two, either Improvement or Achievement	Improvement based on hospital's own past performance	Achievement based on comparison to MVC cohort

Episode Spending Component

Continued component, slightly modified

30-Day Episode Spending Component

Condition Selection Options:

- Chronic obstructive pulmonary disease (COPD)
- Colectomy (non-cancer)
- Congestive heart failure (CHF)
- Coronary artery bypass graft (CABG)
- Joint replacement (hip and knee)
- Pneumonia

Modified P4P Eligibility:

- Existing exclusions will remain (transfers, inpatient death, discharge to hospice)
- Limit P4P-eligible episodes to those with a core DRG

Core DRGs for Episode Spending Component

Episode Spending Condition Options for PYs 2024 and 2025	
Condition	DRGs
Chronic obstructive pulmonary disease (COPD)	190, 191, 192, 202, 203
Colectomy (non-cancer)	329, 330, 331
Congestive heart failure (CHF)	291, 292, 293
Coronary artery bypass graft (CABG)	231, 232, 233, 234, 235, 236
Joint replacement (Hip and knee)	469, 470, 483, 484
Pneumonia	177, 178, 179, 193, 194, 195

Episode Metric Scoring

NEW: Metric Options	Maximum Score	Scoring Methodology
Choose 1 of 6	4	Z-score
Scoring Logic	Improvement Comparison	Achievement Comparison
Still award greater of the two, either Improvement or Achievement	Improvement based on hospital's own past performance	Achievement based on comparison to MVC cohort

Engagement

New component beginning PYs 24-25

P4P Engagement Points



- Points awarded in conjunction with data for engagement activities
- Why the change:
 - Building in points rather than “bonus”
 - Improve attendance/participation across the collaborative

P4P Engagement Points



- Hospitals may select their own combination of engagement activities
- This must include at least **one** activity from each of the *attendance* and *participation* categories
- A maximum of one attendance point and one participation point can be earned

P4P Engagement Point System

To earn any engagement points, hospitals select at least **one** activity from **each** column.

Attendance		Participation	
Description	Point Value	Description	Point Value
Attend both MVC Semi-Annual Meetings	0.25	Present at an MVC Semi-Annual Meeting	0.5
Attend 5 MVC Workgroups	0.25	Present at an MVC Workgroup	0.5
Attend Regional Networking Event	0.25	Host a Virtual or In-Person Site Visit	0.5
Submit a Request for a Custom Analytic Report	0.25	Participate in an MVC Case Study Related to a QI project	0.5
Other TBD	0.25	Collaborate with MVC staff on an MVC Blog Post	0.5
Other TBD	0.25	Other TBD	0.5

Scoring Example

The image features a hand holding a pen, pointing towards a financial chart. The chart includes a candlestick pattern and a line graph. Overlaid on the chart is a table of data with columns for 'Date', 'Volume', and 'Price'. The text 'Scoring Example' is prominently displayed in the foreground.

Date	Volume	Price
18520 (1)	18590 (2)	18594 (1)
18530 (1)	18573 (2)	18567 (2)
18470 (1)	18390 (-1)	18514 (-1)
18550 (1)	18550 (1)	18390 (1)

History will only be available/automatically updated during the...

18590 (2) 18591 (1) -60 -0.32%

70 -0.375%



Scoring Example: Hospital A

Hospital A chose to be evaluated on:

- Value Metric: **Cardiac Rehab After CABG**
- Episode Spending Condition: **CHF**

How will their scoring work?

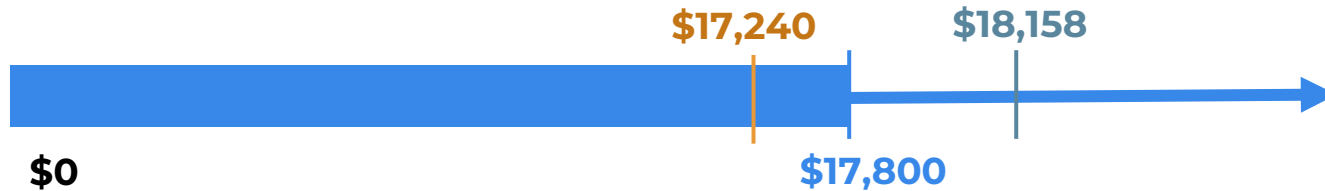
Episode Spending Scoring: CHF

Step

1

Calculate four numbers:

- Hospital Performance Year Payment
- Hospital Baseline Year Payment
- Cohort's Baseline Year Payment
- MVC All Standard Deviation



MVC All Standard Deviation = \$3,100

Episode Spending Scoring: CHF

Step

2

Plug into z-score equation

Improvement Z-score

$$\frac{\text{Hospital baseline} - \text{Hospital performance}}{\text{MVC All standard deviation from baseline}} = \frac{\$18,158 - \$17,800}{\$3,100} = \mathbf{0.12}$$

Achievement Z-score

$$\frac{\text{Cohort baseline} - \text{Hospital performance}}{\text{MVC All standard deviation from baseline}} = \frac{\$17,240 - \$17,800}{\$3,100} = \mathbf{-0.18}$$

Episode Spending Scoring: CHF

Step

3

Translate z-scores into points

Z-Score	Points
<0	0
0 - <0.05	1
0.05 - < 0.1	2
0.1 - < 0.15	3
0.15+	4

Improvement

0.12 z-score value



3 Improvement Points

Achievement

-0.18 z-score value



0 Achievement Points

Conclusion: Hospital A earns 3 points for their CHF episode payment.

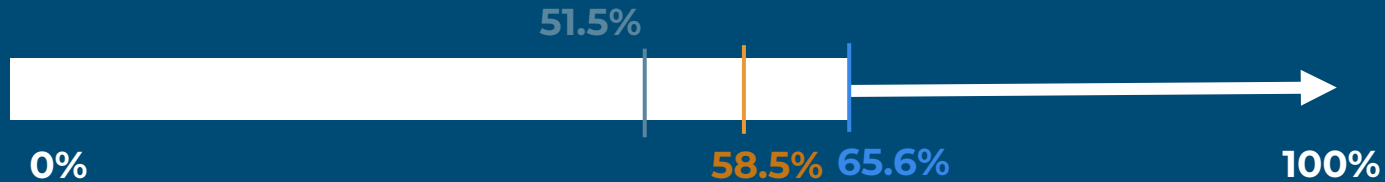
Value Metric Scoring: Cardiac Rehab After CABG

Step

1

Calculate four numbers:

- Hospital Performance Year Rate
- Hospital Baseline Year Rate
- Cohort's Baseline Year Rate
- MVC All Standard Deviation for CR after CABG (Baseline Year)



MVC All Standard Deviation = 13.7%

Value Metric Scoring: Cardiac Rehab After CABG

Step

2

Plug into high-value z-score equations

Improvement Z-score

$$\frac{\text{Hospital performance} - \text{Hospital baseline}}{\text{MVC All standard deviation from baseline}} = \frac{65.6 - 51.5}{13.7} = \mathbf{1.029}$$

Achievement Z-score

$$\frac{\text{Hospital performance} - \text{Cohort baseline}}{\text{MVC All standard deviation from baseline}} = \frac{65.6 - 58.5}{13.7} = \mathbf{0.518}$$

Value Metric Scoring: Cardiac Rehab After CABG

Step

3

Translate Z-scores into points

Z-Score	Points
<0	0
0 - <0.25	1
0.25 - <0.50	2
0.50 - <0.75	3
0.75+	4

Improvement

1.029 Z-score value



4 Improvement Points

Achievement

0.518 Z-score value



3 Achievement Points

Conclusion: Hospital A earns 4 points for their Value Metric.

Selection Process



MVC Component of the BCBSM P4P Program
Selection Report - Program Years 2024 and 2025
Hospital A

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	\$26,889	\$27,648	\$1,746	On Track***
CABG	64	\$47,985	\$48,259	\$48,436	\$1,546	\$1,372
Pneumonia	107	\$16,368	\$15,693	\$15,028	\$1,114	\$1,789
CHF	221	\$16,393	\$16,905	\$16,355	\$1,283	\$271
COPD	58	\$12,516	\$13,456	\$12,962	\$1,003	\$63
Joint Replacement	526	\$16,108	\$16,296	\$17,756	\$533	\$345

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%	18.3%	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%	53.3%	54.8%	9.2%	9.2%
	Cardiac Rehab After CABG	70	59.6%	56.6%	58.6%	10.7%	9.7%
	Cardiac Rehab After PCI	205	35.5%	34.6%	34.4%	9.7%	8.2%

Overview of Condition Selection Report

- Reports distributed on 11/30/22 along with Interpretation Guide
- Metric selections due via Qualtrics by **12/23/22**

Selection Form



Each hospital will select:

- One value metric
- One condition for episode spending metric

Please submit selections via [Qualtrics](#) by 12/23/22

Resource Links

- [PY 2024-2025 Technical Document](#)
- [Change Document](#)
- [Selection Report Interpretation Guide](#)
- [MVC Cohorts PY 2024-2025](#)
- [MVC Registry \(to inform Episode Spending Component only\)](#)

Considerations for Metric Selection

- Existing quality improvement projects
- Case counts
- Alignment with other CQIs' initiatives
- "On Track" status



**What questions do
you have?**



Selections due 12/23/22

Contact the Coordinating Center with additional questions
or to request a personalized report walk-through
michigan-value-collaborative@med.umich.edu