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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SENIOR DATA ANALYST

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DATA ANALYST
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

1. Use high-quality data to drive improvement
2. Alignment, where possible, with BCBSM and CMS quality measures
3. Fair, simple, and transparent measure
4. Encourage use of MVC data to drive value improvement
P4P Timeline
Program Structure

<table>
<thead>
<tr>
<th>Current (PY22-23)</th>
<th>Future (PY24-25)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Score = 10 Points</td>
<td>Maximum Score = 10 Points</td>
</tr>
<tr>
<td><strong>Episode Spending</strong> (10 points)</td>
<td><strong>Episode Payment</strong> (4 points)</td>
</tr>
<tr>
<td><strong>Questionnaire</strong> (2 bonus points)</td>
<td><strong>Value Metrics</strong> (4 points)</td>
</tr>
<tr>
<td></td>
<td><strong>Engagement Activities</strong> (2 points)</td>
</tr>
</tbody>
</table>
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

Index
Professional
Post-Acute Care
Readmission

Episode $
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

<table>
<thead>
<tr>
<th>NEW: Metric Options</th>
<th>Maximum Score</th>
<th>Scoring Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Choose 1 of 7</td>
<td>4</td>
<td>Z-score</td>
</tr>
</tbody>
</table>

### Scoring Logic

<table>
<thead>
<tr>
<th>Improvement Comparison</th>
<th>Achievement Comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement based on hospital’s own past performance</td>
<td>Achievement based on comparison to MVC cohort</td>
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</table>

Still award greater of the two, either Improvement or Achievement.
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

<table>
<thead>
<tr>
<th>Condition</th>
<th>DRGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chronic obstructive pulmonary disease (COPD)</td>
<td>190, 191, 192, 202, 203</td>
</tr>
<tr>
<td>Colectomy (non-cancer)</td>
<td>329, 330, 331</td>
</tr>
<tr>
<td>Congestive heart failure (CHF)</td>
<td>291, 292, 293</td>
</tr>
<tr>
<td>Coronary artery bypass graft (CABG)</td>
<td>231, 232, 233, 234, 235, 236</td>
</tr>
<tr>
<td>Joint replacement (Hip and knee)</td>
<td>469, 470, 483, 484</td>
</tr>
<tr>
<td>Pneumonia</td>
<td>177, 178, 179, 193, 194, 195</td>
</tr>
</tbody>
</table>
## Episode Metric Scoring

<table>
<thead>
<tr>
<th>NEW: Metric Options</th>
<th>Maximum Score</th>
<th>Scoring Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Choose 1 of 6</td>
<td>4</td>
<td>Z-score</td>
</tr>
</tbody>
</table>

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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.

<table>
<thead>
<tr>
<th>Attendance Description</th>
<th>Point Value</th>
<th>Participation Description</th>
<th>Point Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attend both MVC Semi-Annual Meetings</td>
<td>0.25</td>
<td>Present at an MVC Semi-Annual Meeting</td>
<td>0.5</td>
</tr>
<tr>
<td>Attend 5 MVC Workgroups</td>
<td>0.25</td>
<td>Present at an MVC Workgroup</td>
<td>0.5</td>
</tr>
<tr>
<td>Attend Regional Networking Event</td>
<td>0.25</td>
<td>Host a Virtual or In-Person Site Visit</td>
<td>0.5</td>
</tr>
<tr>
<td>Submit a Request for a Custom Analytic Report</td>
<td>0.25</td>
<td>Participate in an MVC Case Study Related to a QI project</td>
<td>0.5</td>
</tr>
<tr>
<td>Other TBD</td>
<td>0.25</td>
<td>Collaborate with MVC staff on an MVC Blog Post</td>
<td>0.5</td>
</tr>
<tr>
<td>Other TBD</td>
<td>0.25</td>
<td>Other TBD</td>
<td>0.5</td>
</tr>
</tbody>
</table>
Scoring Example
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?
Step 1

Calculate four numbers:
- Hospital Performance Year Payment
- Hospital Baseline Year Payment
- Cohort’s Baseline Year Payment
- MVC All Standard Deviation

Episode Spending Scoring: CHF

MVC All Standard Deviation = $3,100
Episode Spending Scoring: CHF

Plug into z-score equation

**Improvement Z-score**

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

**Achievement Z-score**

\[
\frac{\text{Cohort baseline} - \text{Hospital performance}}{\text{MVC All standard deviation from baseline}} = \frac{\$17,240 - \$17,800}{\$3,100} = -0.18
\]
Step 3: Translate z-scores into points

<table>
<thead>
<tr>
<th>Z-Score</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;0</td>
<td>0</td>
</tr>
<tr>
<td>0 - &lt;0.05</td>
<td>1</td>
</tr>
<tr>
<td>0.05 - &lt;0.1</td>
<td>2</td>
</tr>
<tr>
<td>0.1 - &lt; 0.15</td>
<td>3</td>
</tr>
<tr>
<td>0.15+</td>
<td>4</td>
</tr>
</tbody>
</table>

**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

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

Plug into high-value z-score equations

**Improvement Z-score**

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

**Achievement Z-score**

$$\frac{\text{Hospital performance} - \text{Cohort baseline}}{\text{MVC All standard deviation from baseline}} = \frac{65.6 - 58.5}{13.7} = 0.518$$
Value Metric Scoring: Cardiac Rehab After CABG

Translate Z-scores into points

<table>
<thead>
<tr>
<th>Z-Score</th>
<th>Points</th>
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</thead>
<tbody>
<tr>
<td>&lt;0</td>
<td>0</td>
</tr>
<tr>
<td>0 - &lt;0.25</td>
<td>1</td>
</tr>
<tr>
<td>0.25 - &lt;0.50</td>
<td>2</td>
</tr>
<tr>
<td>0.50 - &lt;0.75</td>
<td>3</td>
</tr>
<tr>
<td>0.75+</td>
<td>4</td>
</tr>
</tbody>
</table>

**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
Overview of Condition Selection Report

- Reports distributed on 11/30/22 along with Interpretation Guide
- Metric selections due via Qualtrics by 12/23/22
Each hospital will select:
• One value metric
• One condition for episode spending metric

Please submit selections via Qualtrics by 12/23/22
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