BlueCross BlueShield of Alabama

An Independent Licensee of the Blue Cross and Blue Shield Association

2018 Hospital Choice Network Executive Overview

Facilities will be evaluated according to the following criteria:

Cost
50% Weight

Percent Allowed to Medicare

Higher Cost Efficiency
- ≤ 135% – 1 dollar sign

Average Cost Efficiency
- > 135 - 145% – 2 dollar signs

Lower Cost Efficiency
- > 145% – 3 dollar signs

Quality
30% Weight

CMS Measures Performance Ratio (70 points)
- # of measures ≥ the National average/# of measures submitted

Case Mix Adjusted Readmission Index (30 points)
- ≤ .90 – 30 Points
- > .90 - 1.00 – 20 points
- > 1.0 - 1.10 – 10 Points
- > 1.10 – 0 Points

Combined score of (out of 100)

Higher Quality
- ≥ 70 points – 3 stars

Average Quality
- 40 - 69 points – 2 stars

Lower Quality
- < 40 points – 1 star

Patient Experience
20% Weight

CMS HCAHPS Survey Total Percentage At or Above the National Average Results

Higher Patient Experience
- ≥ 80% – 3 stars

Average Patient Experience
- 60% - 79% – 2 stars

Lower Patient Experience
- < 60% – 1 star

Cost

Results in the Cost Section are assigned based on the following:

$ ≤135% **(Higher Cost Efficiency)** $$ >135 - 145% **(Average Cost Efficiency)** $$$ >145% **(Lower Cost Efficiency)**

Total Percent Allowed to Medicare

The Percent Allowed to Medicare is a ratio determined by comparing the Blue Cross Allowed Amount to the Medicare Allowed Amount. The estimated Medicare Allowed Amount is calculated using Medicare's Inpatient Prospective Payment System (IPPS) and Outpatient Prospective Payment System (OPPS) methodologies based on Medicare Severity Diagnosis Related Group (MS-DRG) and Ambulatory Payment Classifications (APC) systems, respectively, to compare corresponding Blue Cross Allowed Amounts for the same Blue Cross claims. The profiled claims include Blue Cross and Blue Shield of Alabama primary claims incurred in the most recent 12-month period available. It does not include secondary claims or Blue Advantage® claims.

Quality

Results in the Quality Section are assigned based on the following:

☆☆☆ ≥ 70 points **(Higher Quality)** ☆☆ 40-69 points **(Average Quality)** ☆ < 40 points **(Lower Quality)**

CMS Measure Performance – 70 points

The Centers for Medicare & Medicaid Services (CMS) requires the reporting of hospital process of care measures. These include heart attack care, heart failure care, pneumonia care and prevention of surgical infection. There are additional categories of measures which include imaging, preventive care, etc. Hospitals will receive a performance ratio based on the number of measures at or above the national average compared to the number of submitted measures. Points will be based on measures reported to CMS and displayed on Medicare.gov/HospitalCompare as of the September data release for the time period of January through December of the previous year.

For example: Your facility submits 20 measures to CMS.

$$\frac{\textit{12 (\# of measures} \geq \textit{National Average)}}{\textit{20 (\# of measures submitted)}} = \textit{receive 60\% of available points or } \textbf{\textit{42 points}}$$

Readmission Rate – 30 points

The Severity Adjusted Readmission Index is calculated using a severity adjusting claims grouper (APR-DRG*) to group inpatient claims into a single line item for each discharge. The APR-DRG grouper assigns each claim with a Severity of Illness (SOI) indicator, which takes into account the patient's co-morbidities and other clinical information coded during the discharge. All eligible hospital discharges in the state are aggregated, and the readmission rate is calculated for each APR-DRG and SOI. This statewide calculation becomes the expected readmission rate for all patients with a given APR-DRG and SOI. The expected readmission rate is calculated for each provider by summing the benchmark rate for each of the provider's discharges by APR-DRG and SOI indicators.

The profiled claims include Blue Cross and Blue Shield of Alabama primary claims incurred in the most recent 12-month period available. It does not include secondary claims or Blue Advantage claims.

Points awarded to hospitals for Readmission Index are as follows:

- ≤ 0.9 – **30 points**
- > .90 - 1.00 – **20 points**
- > 1.00 - 1.10 – **10 points**
- > 1.10 – **0 points**

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Note: If a hospital has less than 100 Blue Cross admissions, the calculation for Stars will be based 100% from the CMS Measure Performance Index.

Patient Experience

Results in the Patient Experience Section are assigned based on total percentage results at or above the national average based on the following:

☆☆☆ ≥80% **(Higher Patient Experience)** ☆☆ 60 - 79% **(Average Patient Experience)** ☆ < 60% **(Lower Patient Experience)**

Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS)

The HCAHPS uses the 11 primary HCAHPS questions as reported on CMS Hospital Compare. Hospitals will be recognized for performance that is at or above the national average.

Two questions will be weighted as follows:

- If a patient would recommend the hospital – **25% of total score**
- Overall patient rating of the hospital – **25% of total score**

The remaining nine questions – **50% of the total score**

- Nurse always communicated well
- Doctor(s) always communicated well
- Patient always received help as soon as they wanted
- Pain was always well controlled
- Staff always explained about medicines given to them
- Room and bathroom were always clean
- Area around the room was always quiet at night
- Patients were given information about what to do during the recovery time at home
- Patients "Strongly Agree" they understood their care when they left the hospital

Member Cost Share Determination Utilizing New Process

Hospitals will be evaluated in three categories in 2018: **Cost**, **Quality** and **Patient Experience**. Key changes worth noting include the measures within each category and total weighted scoring of each category in relation to the determination of Member Cost Share level.

Scoring to Points	3 points	2 points	1 point
Cost (50% Weight)	$	$$	$$$
Quality (30% Weight)	☆☆☆	☆☆	☆
Patient Experience (20% Weight)	☆☆☆	☆☆	☆

Lower Cost Share: ≥ 2.1 Weighted Points **Higher Cost Share: < 2.1 Weighted Points**

Below is an example of the scoring calculation:

- **Cost:**
  - Percent Allowed to Medicare – 135% **(1 Dollar Sign)**
- **Quality:**
  - CMS Measures – (12 measures ≥ Nat. Avg./20 total measures) x 70 = .60 x 70 = 42 points
  - Readmission Index – 0.95 = 20 points
    - Total Points – 42 + 20 = 62 **(2 Stars)**
- **Patient Experience:**
  - Overall and Recommended Questions – (2 measures ≥ Nat. Avg./2 total measures) x 50 = 1 x 50 = 50 points
  - Remaining Nine Questions – (4 measures ≥ Nat. Avg./9 total measures) x 50 = .50 x 50 = 25 points
    - Total Points – 50 + 25 = 75 **(2 Stars)**

Scoring to Points	Score	Score Display	Value	Weight	Weighted Points
Cost	135%	$	3	50%	1.5
Quality	62 points	☆☆	2	30%	0.6
Patient Experience	75 points	☆☆	2	20%	0.4
				Totals: Lower Member Cost Share	**2.5**