

CMS proposal for Standardizing TX DSRIP Category 3 Target Setting

Draft approach for discussion

Recognizing the complexity of setting Category 3 outcome targets, paragraph 15.b.ii. of the Program Funding and Mechanics (PFM) protocol requires CMS and HHSC to jointly develop a standard target setting methodology for Category 3 outcomes no later than October 1, 2013 that will apply prospectively to Category 3 outcomes for DYs 4 and 5 for all projects.

In order to recognize the differing baselines for different providers, CMS is initially recommending adapting a variation of the nationally-recognized Quality Improvement System for Managed Care (QISMC) methodology.

Under this hybrid QISMC method, the state and CMS would set high performance levels (HPLs) and minimum performance levels (MPLs) for each Category 3 outcome measure that is based on appropriate state or national benchmarks, where possible (as described further below). These HPLs and MPLs would then be used to set the provider's Category 3 outcome targets as follows:

- In general, a provider's would aim to close a certain percentage of the gap between their current baseline and the HPL (for example 10% in DY 4 and 20% in DY 5; the exact percentages for each outcome will be proposed by the state and approved by CMS)
- If a provider's baseline is below the MPL, their Category 3 target would be at least the MPL
- If a provider's baseline is above the HPL, they will need to select a new Category 3 measure

Providers will be required to use this standard methodology to set their Category 3 improvement targets in DYs 4 and 5 unless they provide a compelling justification to use a different improvement target. Specifically, in certain circumstances where the target population of the project has a substantially different case-mix than the population that was used to construct the benchmark, HHSC and CMS may agree on a different percent improvement required for the project (for example, 15% instead of 20% in DY 5).

Approaches for setting HPL and MPL based on relevant benchmarks

The ability to set appropriate high performance levels and minimum performance levels depends on the level of data available. Here are some options depending on the amount of information available.

Projects with measures that have national benchmark data available (i.e., HEDIS measures):

- MPL = 25th percentile
- HPL = 90th percentile

Projects with measures where no national percentiles or benchmark data are available (a.k.a. “home-grown measures”) but statewide data is available:

- MPL = Two standard deviations below the state average
- HPL = Two standard deviations above the state average

Projects with measures where no national percentiles or statewide data are available (a.k.a. “home-grown measures”):

TBD – CMS and HHSC are exploring the possibility of using baseline data from DSRIP providers to determine appropriate improvement targets

Example

Below is an example of how this hybrid QSMC model could be applied to set a Category 3 target for a measure with national benchmark data available:

For Diabetes HbA1c Testing, assume that the national 25th percentile (the MPL) is 77% and the 90th percentile (the HPL) is 92%. A provider’s rate of Diabetes HbA1c Testing in DY 3 is 82%, therefore the gap between the provider’s current performance and the HPL is 10% (92% – 82%). For DY 4, the target would be 83% (82% + 10% of the gap (1%)) and in DY 5, the target would be 84% (82% + 20% of the gap (2%)).