Maryland
Hospital Association

September 14, 2015

Centers for Medicare & Medicaid Services (CMS)
Yale-New Haven Health Services Corporation/Center for Outcomes Research and Evaluation (CORE)
Lantana Consulting Group
Sent Via Email

RE: Overall Hospital Quality Star Ratings on Hospital Compare

Dear CMS and Yale Colleagues,

On behalf of the Maryland Hospital Association's (MHA) 64 member hospitals and health systems, we appreciate the opportunity to comment on the methodology used to generate a summary five-star rating for each hospital using existing measures on Hospital Compare. **We request that Maryland's hospitals be exempt from the proposed star rating program until all data constituting the ratings contain the proper POA identifiers, and are therefore accurate and comparable to the data reported for hospitals in other states.**

General Comments

Maryland's hospitals have a long history of reporting quality performance data, and we support making more information accessible to patients and the public. However, MHA has concerns that a single summary score for each hospital, based on the data currently available on Hospital Compare, can be misleading and counterproductive.

A single score oversimplifies the complex factors that must be taken into account when assessing the quality of care. A true measure of performance must factor in the degree of challenge posed by the patient population, whether clinical or socio-demographic, to achieve desired outcomes. If adjustments for such variables are not made, hospitals are inappropriately held accountable for circumstances beyond their control, such as poverty or a lack of critical social service resources in the communities they serve. By including measures such as readmissions into a single measure, without appropriate adjustments, the public will be led to believe the care provided by those serving disadvantaged communities is of lesser quality than it actually is.

Specific to Maryland's hospitals, which were not required to submit inpatient and outpatient measures to the Centers for Medicare & Medicaid Services (CMS) until calendar year 2014, MHA has significant concerns about the consistency of data collection under the existing methodology for the five-star rating, a process that is unfairly reducing Maryland hospitals' scores.

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Maryland-Specific Considerations

The proposed star rating system does not adequately account for the way Maryland's hospitals have reported data under the state's unique payment model and subsequent exemptions from federal quality payment programs. While Maryland's hospitals have participated in analogous payment programs since 2008, **they were not required by state officials to submit Inpatient Quality Reporting and Outpatient Quality Reporting measures to CMS until January 1, 2014. In addition, while hospitals in all other states began reporting present on admission (POA) codes on claims in fiscal year 2008, Maryland's hospitals did not begin to report POA codes until 2014.** As explained in CMS guidance,[1] "Historically, hospitals in Maryland operating under the waiver under section 1814(b)(3) of the Act were exempt from POA reporting." That exemption has since changed, and Maryland's hospitals were instructed to report POA codes in the fiscal year 2014 prospective payment system final rule for inpatient hospital services. Accurate capture of POA on Maryland's claims has been further obfuscated by the claims processing system's inability to implement edits of POA data at the time of the FY 2014 final rule release. As described in the CMS guidance, Novitas was not able to accept those POA codes until October 1, 2014, six years after non-Maryland hospitals began to submit and prepare for the federal quality payment programs.

The impact of the inclusion of POA coding is well established, in particular for measures affecting payment. Without properly acknowledging that a condition is present when the patient is admitted, it will mistakenly be recorded as hospital-acquired. Given this, hospitals must scrub data to ensure that they are as accurate as possible. Maryland's hospitals have historically done this when submitting data to the Health Services Cost Review Commission (HSCRC) as this is the regulator responsible for administering applicable quality and payment programs in the state. For example, Maryland's hospitals thoroughly scrub POA data submitted for the 65 potentially preventable complications included in the state program and Maryland hospitals have been permitted to make changes to POA codes when the medical record supports such changes. Because Maryland's hospitals have historically been exempt from the federal programs that all other hospitals are bound to, Maryland's hospitals have not dedicated the administrative resources necessary to validate the data reported to CMS with the same rigor as they have had no implications for payment or quality reporting. Again, even if hospital staff applied the same rigor, Novitas systems were not set up to accept such changes until October 1, 2014. Preliminary analysis between POA coding submitted to CMS and HSCRC illuminates the discrepancy is substantial and we will continue to work with our hospitals to identify the magnitude.

CMS currently has only one year of claims that include POA coding from Maryland's hospitals, and the dry-run data illustrates how the lack of proper POA coding on Maryland's claims leads to erroneously high complications counts. The most glaring example: only one Maryland hospital, a rate of 2.2 percent, achieved four or five stars; the rate was 11.6 percent for all other states combined. These ratings inaccurately suggest that quality in Maryland's hospitals is substandard to that delivered elsewhere. Given Maryland's commitment to quality under our all-

[1] MLN Matters (MM8709). *Present on Admission (POA) Indicator Editing for Maryland Waiver Hospitals 1(MM8709).* October 6, 2014.

payer model agreement with CMS and Maryland's performance under our analogous quality-based programs, this clearly is not the case, and we strongly urge CMS to address this data bias.

We request that Maryland's hospitals be exempt from the proposed star rating program until all data constituting the ratings contain the proper POA identifiers, and are therefore accurate and comparable to the data reported for hospitals in other states. Given the time lag of the data being used, we believe that accuracy can be achieved by 2018.

Conclusion

Thank you again for the opportunity to comment, and for your consideration of the unique status of Maryland's hospitals. The discrepancy of quality data reported by CMS for Maryland, when compared to the data reported by HSCRC, is dramatic. We therefore request an opportunity for all three parties -- CMS, MHA and HSCRC -- to meet so we can determine together how the discrepancy can be appropriately addressed.

Sincerely,

Nora E. Hoban
Senior Vice President