

Medicare pay-for-reporting program to continue in 2008

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As noted in “What surgeons should know about...the 2008 Medicare fee schedule” on page 8, the Centers for Medicare & Medicaid Services (CMS) will continue the voluntary pay-for-reporting program, known as the Physician Quality Reporting Initiative (PQRI) in 2008. The PQRI is the first nationally available program for the reporting of individual provider-level performance data. Authorized by the Tax Relief and Health Care Act of 2006 (TRHCA), the first PQRI reporting period launched in July 2007 and concluded on December 31. The 2008 reporting period, which will serve as an opportunity for new participants to begin reporting, will run from January 1 through December 31.

Performance measures available for reporting

For 2007, 74 performance measures were available for reporting by physicians and other health care professionals. Specialty societies, often in collaboration with the American Medical Association’s (AMA) Physician Consortium for Performance Improvement (PCPI), developed many of the performance measures included in the program.

To increase consistency among the performance measures, TRHCA mandated that all measures included in the 2008 program be endorsed by the National Quality Forum (NQF) or approved by the AQA (formerly the Ambulatory Care Quality Alliance). The NQF and AQA are multistakeholder organizations that promote consensus-based endorsement or approval of performance measures.

The performance measures for the 2008 PQRI include the following:

- 59 measures from the 2007 PQRI measure set
- 38 new measures from the AMA PCPI
- Seven nonphysician measures developed by Quality Insights of Pennsylvania, a CMS Quality Improvement Organization (QIO)

- Two structural measures developed by Quality Insights of Pennsylvania
- Five additional measures from the AQA Starter Set, a measure set approved by the AQA for measurement of primary care physicians
- Six measures developed by the American Podiatric Medical Association

In 2007, CMS received numerous comments regarding the inability of some physicians and other health care professionals to participate in the PQRI because of the limited measure set. The contract with the Pennsylvania QIO to develop specific performance measures was one method CMS used to broaden the program. The structural measures developed by the QIO are in accordance with TRHCA and include the adoption of e-prescribing and the use of electronic medical records.

The American College of Surgeons developed a set of surgical performance measures in 2006, known as the Perioperative Care Measure Set, in collaboration with the AMA PCPI and the Surgical Quality Alliance. The measure set comprises six measures related to antibiotic and venous thromboembolism prophylaxis that were endorsed by the NQF, approved by the AQA, and included in the 2007 and 2008 PQRIs. Other measure topics in the 2008 PQRI that could be of interest to surgeons include stroke, osteoporosis, eye care, coronary artery bypass graft, urinary incontinence, acute otitis externa, and otitis media with effusion.

Choosing measures to report

At press time, CMS had posted the first version of measure specifications on its Web site at www.cms.hhs.gov/PQRI. Although no additional measures can be added, minor changes and corrections may continue until the end of 2007. Surgeons interested in participating should choose three performance measures to report and may want to consider the following factors when doing so:

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Steps for successfully participating in the 2008 PQRI

Timing: Immediately

Step 1: Review the available quantitative and qualitative value of participating in the program.

Quantitative: General surgery practice example

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|---|---------------------------|
| Total physician charges in 2007 | \$600,000 |
| Percentage of Medicare patients in practice | 30% |
| Total Medicare dollars | \$180,000 |
| Potential bonus percentage | 1.5% to 2.0% |
| Potential bonus dollars | \$2,700 to \$3,600 |

Qualitative rationale: During the 2007 PQRI reporting period, the College conducted a survey of the twenty physicians participating in the ACS PQRI monitoring program. The survey found that in addition to the financial rewards, physicians were also participating because they believed that the PQRI would be relevant to future pay-for-reporting and pay-for-performance programs. In addition, physicians cited general quality improvement as a motivator.

Step 2: Choose performance measures to report from the final list of 2008 PQRI measures.

Consult the measure specifications on the CMS or ACS Web site and choose the performance measures that are most applicable to your Medicare patients. Additional tools to help with this decision can be found on the ACS Web site at www.facs.org/ahp/pqri.

For the general surgery practice example, measures might include the following:

- 1 – Timing of antibiotic prophylaxis
- 2 – Selection of antibiotic prophylaxis
- 3 – Discontinuation of antibiotic prophylaxis
- 4 – Venous thromboembolism prophylaxis

Note: Although CMS only requires three measures to be reported, four measures have been chosen in this example to protect the practice against the volume-based payment cap.

Step 3: Download workflow sheets for your selected performance measures at www.facs.org/ahp/pqri/flowsheets.html.

Step 4: Review program requirements, workflow, and submission of quality data with office staff to ensure an 80 percent reporting rate to CMS. In addition, physicians and staff members can register for an ACS-sponsored Web-based seminar to learn more about the program and participate in a question-and-answer session.

Timing: January 1, 2008

Step 5: Begin reporting quality data on your selected measures on eligible Medicare claims.

Timing: February 1, 2008

Step 6: Conduct a sample audit of your practice to ensure that you are achieving an 80 percent reporting rate by randomly selecting eligible patients and checking for the appropriate submission of quality data to CMS. As a basic example, practices can pull 10 charts and confirm that quality data were accurately reported for at least eight of the procedures and/or visits.

Note: Because CMS will not be giving interim feedback until mid-2008, it will be important for physicians to self-assess their reporting rate early in 2008. This approach will allow providers to immediately resolve any reporting problems that could affect their reporting rate and, subsequently, their bonus payments.

Timing: Mid-2008 to 2009

It is possible that CMS will provide an interim report to physicians in mid-2008. After the reporting period closes on December 31, 2008, CMS will calculate reporting rates and distribute bonus payments and physician feedback in 2009.

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- A minimum of three measures should be chosen, assuming that at least three apply to the surgeon's practice
 - If fewer than three measures from the measure list apply to the practice, then only the relevant one or two measures should be reported.
 - If three measures only cover a small portion of Medicare patients in the practice, then additional measures should be chosen.

Payment cap

As a general rule, PQRI participants should choose performance measures that will allow them to report quality data for most Medicare patients in their practices. Using this approach will prevent the provider from getting caught in the PQRI payment cap, which is invoked based on the volume of quality reporting. The cap, which is present in both the 2007 and 2008 programs, was designed to penalize participants who report a relatively small amount of quality information.

Bonus payments

Participants who report quality data for at least 80 percent of appropriate Medicare claims are eligible for a bonus payment. For 2007, participants could receive a bonus payment of up to 1.5 percent of all Medicare claims allowed during the reporting period. At press time, a specific percentage had not yet been set for 2008 because of legislative language in TRHCA that includes a \$1.35 billion aggregate limit on bonus payments. CMS has stated that the 2008 bonus payment per provider will likely be 1.5 percent of all Medicare claims.

Unfortunately, data regarding 2007 bonus payments were unavailable at press time and by the launch of the 2008 PQRI. CMS has stated that provider reports and bonus payments for the 2007 program will not be distributed until mid-2008. In the 2008 program, participant feedback reports will continue to include all PQRI data used to calculate the eligibility and amount of the bonus payment. CMS will be unable to provide interim reports for 2008 until after the 2007 feedback reports have been distributed. Because an 80 percent reporting rate is needed to qualify for the full bonus payment, participants should begin reporting immediately in January.

Reporting of quality data

As in the 2007 program, CMS has stated that provider-level data collected in the PQRI will not be publicly reported. Whereas aggregate data might be available, information that could allow for physician or group identification will not be posted.

Data collection and submission

For 2008, performance measures will continue to be collected using Current Procedural Terminology* category II codes or G-codes using the Medicare claims processing system. These codes should be submitted on the same claim as the related procedure or visit. Additional information regarding quality data submission is available on the ACS and CMS Web sites.

In compliance with TRHCA, CMS will test data submission from alternative sources such as registries and electronic health records (EHR). Two methods of data collection by registries will be tested by voluntary, self-selected registries. Under the first method, the registry will collect the relevant quality data, as well as diagnostic and procedure codes. CMS will use beneficiary information to match the quality data to the information in the related claim and calculate provider performance rates. Under the second method, the registry will collect all data necessary to calculate reporting and performance rates. A validation process is required for the second option. CMS will also partner with self-nominated EHR vendors to test clinical quality data submission. It is important to note that providers participating in registry and EHR testing also need to submit quality data via the claims processing system to be eligible for the bonus payment in 2008.

College activities

For the 2007 program, the College developed guides and tools to assist surgeons who were interested in participating; these materials are available at www.facs.org/ahp/pqri. The Web site, which will be updated for 2008, includes an introductory presentation, workflow sheets to assist surgeons' offices in measure collection, a sample

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*All specific references to CPT (Current Procedural Terminology) terminology and phraseology are © 2007 American Medical Association. All rights reserved.

claim form, measure specifications, and answers to frequently asked questions.

In addition, the College has developed a program to examine the implementation and burden of reporting to the PQRI program. Twenty surgical practices have volunteered to participate in the ACS PQRI monitoring program. Using

information from these practices, the College has identified implementation challenges in the program and communicated them to CMS. The College will continue to follow these practices through the end of the reporting period as well as track CMS provider feedback and bonus payment. [Q]

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