

Medicare Issues Final Rule on Quality Incentive Program



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On December 29, CMS issued a final rule that details how, in 2012, Medicare will reduce payments to dialysis providers who failed to meet certain performance standards in 2010. The final rule, part of the CMS-mandated Quality Incentive Program (QIP), is being called the QIP Rule, and is the second leg of the significant changes to the Medicare payment methodology enacted by Congress in 2008. (The first of these changes, the prospective payment system, went into effect Jan. 1 of this year.) With the QIP Rule, CMS will implement the 2008 congressional mandate of “penalties for poor quality.” CMS contemplates that the QIP Rule will reduce the payments it would otherwise make in 2012 by \$17.3 million.

Under the rule, CMS will reduce by up to 2% the amounts that it would otherwise pay dialysis providers that, in 2010,

failed to achieve a weighted score of at least 26 points out of a maximum score of 30 in three weighted quality measures. Providers that receive a score lower than 10 in the QIP Rule, called the Total Performance Score (TPS), will be penalized the full 2%. For scores between 11 and 25, the payment reductions are gradually increased in three increments of 0.5% each (Table I.) The payment reduction will apply to all payments by Medicare for 2012 dialysis services performed by the providers who are being penalized. In addition, the 20% co-payment requirement from Medicare beneficiaries will only apply to the reduced payment amount.

ment reductions, the measurement standards that will apply are the 2008 national standards for each performance result or the 2007 actual performance results of each provider, whichever are lower. (Table II)

CMS will notify dialysis providers of their TPS at least 30 days prior to its posting on the Dialysis Facility Compare website, and each provider will be required to post a copy of its score at each facility. Finally, the QIP Rule addresses its application to dialysis facilities that first became operational after 2007, have a very small number of patients, treat pediatric patients, or provide home dialysis services.

Table I. Performance payment reductions.

TOTAL PERFORMANCE SCORE	PAYMENT REDUCTION TO FACILITY
26-30 POINTS	0%
21-25 POINTS	0.5%
16-20 POINTS	1.0%
11-15 POINTS	1.5%
0-10 POINTS	2.0%

The TPS for each provider is based on the three weighted performance results (each, a “QIP Score”) that measure anemia management and hemodialysis adequacy results, with a maximum of 10 points assigned to each of the three QIP Scores, and each QIP Score assigned a relative weight. For each QIP Score, CMS will subtract two points for each percentage point by which the provider failed in 2010 to meet measurement standards for each QIP Score. For 2012 pay-

The policy will apply only to 2012. CMS indicates that it will likely expand and/or change the performance standards for 2013 and thereafter, and will use the measurement standards as “floors” to encourage dialysis providers to improve performance on a year-over-year basis. Moreover, CMS indicates that, in all likelihood, the 2013 QIP payment reductions will be based on 2011 performance as compared with the standards that apply for that payment year. ➔

Table II. QIP scores and national standards used to determine total performance score.

QUALITY MEASURE	PERFORMANCE STANDARD	NATIONAL STANDARD (2008)	RELATIVE WEIGHT
Anemia management	Anemia control	Maintain Hgb levels within range of 10–12 g/dL	—
Minimum Hgb levels must be maintained	% of patients with average Hgb levels <10g/dL	2% or less of patients with average hemoglobin levels <10 g/dL	50%
Hgb levels cannot be excessive	% of patients with average Hgb levels >12g/dL	26% or less of patients with average Hgb levels >12 g/dL	25%
Hemodialysis adequacy, based on removal of waste products in blood	% of patients with average urea reduction ratio >65%	96% or more of patients with average urea reduction ratio >65%	25%

Hgb = hemoglobin.