Hospital acquired-Condition Reduction Program

Background on the HAC Reduction Program

The HAC Reduction Program imposes a 1 percent reduction to Medicare inpatient payments for hospitals in the worst performing quartile (25 percent) of risk-adjusted national HAC rates. Affected hospitals were informed by CMS that they would receive a penalty in the fall of 2019, and are being penalized for discharges from Oct. 1, 2019 to Sept. 30, 2020.

For FY 2020, hospital performance in the program is determined using six measures split into two measurement domains. One domain, which comprises 85 percent of a hospital's score, includes five healthcare-associated infection (HAI) measures – central line-associated bloodstream infections (CLABSI), catheter-associated urinary tract infections (CAUTI), surgical-site infections (SSIs), Methicilin resistant staphylococcus aureus (MRSA) infections, and *Clostridium difficile* (C. Difficile) infections. The remaining 15 percent of a hospital score is determined by a Medicare claims data-derived Patient Safety Indicator composite measure (PSI 90) that combines performance on several safety indicators, such as pressure ulcers, post-operative hip fractures and post-operative blood clots.

HAC Reduction Program Talking Points

The talking points below may be helpful in responding to inquires about your hospital's HAC Reduction Program performance.

- **America's hospitals are deeply committed to keeping patients safe. We support programs that effectively promote patient safety improvements. And we're improving.**
    - According to a January 2019 report from the Agency for Healthcare Research and Quality, hospitals generated a **13 percent decline in many HACs between 2014 and 2017. That translates to 20,500 lives saved and nearly $7.7 billion in health care costs averted.** This trend is on top of a 17% decline from 2010 through 2014.

- **At (insert name of hospital) we have been working diligently to reduce infections and improve safety by** (insert two or three examples of how your hospital has improved safety in the past 3 to 5 years.)

- **Unfortunately, the HAC Program is a poorly designed policy that unfairly penalizes hospitals that care for the sickest patients.**
    - Penalties disproportionately affect the nation's teaching and large urban hospitals.
    - These types of hospitals tend to have sicker patients and perform more complex surgeries.
    - The HAC program's methodology scores hospitals only on those measures for which they have sufficient data:
        - When the hospital has too little data, the CMS methodology substitutes the average performance for the hospital's specific

performance on a measure. This puts larger and teaching hospitals at a disadvantage because they are more likely to have data for each measure and tend to treat a sicker patient population.
    - It also can disadvantage small hospitals whose performance is tied to only a small number of metrics, providing a narrow characterization of patient safety.
    - An article in the *American Journal of Medical Quality* reviews some of the inherent biases in the HAC Program.

- **HAC penalties are arbitrary because they do not reflect meaningful differences in hospital performance.**
    - A 2018 article showed that more than half of all hospitals have performance that cannot be distinguished statistically from the penalty threshold level.

- **In fact, hospitals may even be punished in the HAC Program for improving performance.**
    - For example, many infection reduction efforts correctly focus on reducing the use of unnecessary central lines and urinary catheters. However, the rates could remain high because the measure denominators (i.e., days that patients are on central lines and catheters) become smaller.
    - A better design for this type of program is embedded in the Value-Based Purchasing (VBP) program and in using better measures. It more effectively promotes continuous progress on quality by rewarding both a high level of performance and significant improvement.

- **Even CMS agrees some of the measures do not truly capture hospital performance, especially for hospitals that care for patients with complex health needs.**
    - According to a 2012 analysis commissioned by CMS, many of the individual components of the composite Patient Safety Indicator (PSI 90) measure, which combines performance on several safety indicators, such as pressure ulcers, post-operative hip fractures and post-operative blood clots, fail to reliably capture hospital performance.
    - Because of inadequate risk adjustment in the PSI 90 measure, hospitals may score worse simply because of their complex patient mix. That fails to accurately portray hospital performance.
    - Additionally, PSI 90 is calculated using claims data, which do not fully reflect the details of a patient's history, course of care and clinical risk factors. As a result, the rates derived from the measures are inexact. For example, the PSI pressure ulcer measure (PSI 3) relies on physician documentation to calculate rates, but the most detailed information on pressure ulcers often comes from nursing notes. That makes the measure ineffective.

- **By law, 25 percent of hospitals always will face HAC penalties regardless of improved performance.**
    - By law, the program must impose penalties on 25 percent of hospitals

each year.
    - So even if the hospital field as a whole achieves strong performance, one quarter of all hospitals still will be subject to payment reductions.
    - And if an individual hospital significantly improves its performance from one year to the next, it still may be subject to a penalty if it falls in the bottom 25 percent.
    - That would be like a college professor deciding that – at the beginning of a semester – 25 percent of the students in his or her class would fail, regardless of how well they do.

- **We want the HAC program to stop unfairly penalizing hospitals.**
    - The program should not disproportionately penalize those hospitals serving the sickest among us.
    - The current law needs to be reformed to more effectively promote improvement.
    - Better measures are needed that accurately reflect performance on important issues.