Quality Incentive Payment Program

Potentially Preventable Complications, Potentially Preventable Hospital Returns, and Ambulatory Potentially Preventable Complications

July 23 and July 30, 2025



Mississippi Division of Medicaid Agenda

- 1. Introduction / MS DOM and CMS
- 2. QIPP Incentive Payment Programs
- 3. What are PPHRs?
- 4. What are PPCs?
- 5. What are AM-PPCs?
- 6. Mississippi Outcomes for Maternal Safety (MOMS)
- 7. Statewide Performance
- 8. QIPP Payments
- 9. QIPP Reporting Timeline
- 10. Contact Information
- 11. Q&A



Mississippi Division of Medicaid

Our focus over the past nine years of this program has been to follow the Centers for Medicare and Medicaid Services (CMS) requirements that federal pass-through payments transition to accountability-based models.

The Quality Incentive Payment Program (QIPP) is designed to link a portion of Mississippi Hospital Access Program (MHAP) payments to utilization, quality, and outcomes. QIPP's goal is to use state and federal funds to improve the quality of care and health status of the Mississippi Medicaid population.



Mississippi Division of Medicaid

For SFY 2026, the QIPP program will disburse 54% of all MHAP payments.

- The Division of Medicaid (DOM) annually evaluates the percentage of MHAP to include in QIPP with the expectation that the QIPP portion will increase as more of MHAP is tied to quality metrics.
- A Value-Based Payment Program (VBP) will receive \$50 million in SFY26.

To qualify for incentive payments, hospitals must:

- Demonstrate either a 2% improvement over the prior fiscal year, or
- Meet the statewide performance threshold.

Each hospital's share of the incentive is calculated as a percentage of its QIPP funding relative to the total QIPP pool. Funds for potentially preventable hospital readmissions (PPHR) and potentially preventable complications (PPC) are evaluated independently and weighted equally within the VBP program.



CMS Reviews QIPP Performance

"We noticed that performance for the Potentially Preventable Hospital Returns (PPHR) metric showed lower average to expected ratios during Cycles 2 and 3. **Please share** the state's plans for addressing and improving performance on this metric in Cycles 4, 5, and 6."

- CMS Representative

The state currently incentivizes hospitals to improve their individual hospital PPHR actual-to-expected ratio (a/e ratio) by comparing their rate to a state-wide target rate. If the hospitals rate is below the statewide target, the hospital has a portion of their MHAP PPHR funds at-risk if they do not show improvement in their a/e ratio. A quarterly PPHR report is provided to all hospitals for them to track their performance.

For the hospitals noted in Item #1 who are below the state-wide target, the state requires an annual corrective action plan (CAP) from those hospitals for them to indicate how they have analyzed and are planning to improve their a/e ratio.



CMS Reviews QIPP Performance

"CMS recommends that the state consider conducting outreach to its managed care plans and providers to understand these declines in performance. Declines in performance may suggest the need for additional technical assistance to providers or modifications to the payment arrangement."

- CMS Representative

The state prepares and presents an annual webinar for all hospitals in collaboration with our Coordinated Care Organizations (CCO) to provide updates on the Quality Incentive Payment Program (QIPP) with specific details regarding updates in PPHR. As a part of this webinar we have our CCOs present how they have collaborated with individual hospitals and also have a couple of hospitals present on successes they have achieved in PPHR improvement.

The state has incorporated the PPHR rate as one of the quality measures in the CCOs incentive withhold program to incentivize them to work with the hospitals in the improvement of PPHR reduction.



CMS Managed Care Rule - 2024

The Division would like to remind hospitals that based on the *Medicaid and CHIP Managed Care Access, Finance, and Quality Final Rule* (Rule) (CMS-2439-F) published in the Federal Register on May 10, 2024, a provision of the rule (copied below) requires states to only use managed care utilization "during" the rating period. [42 CFR § 438.6(c)(2)(vii)]

"Any State directed payment described in paragraph (c)(1)(iii) of this section must:

- (A) Condition payment from the MCO, PIHP, or PAHP to the provider on the utilization and delivery of services under the contract for the rating period for which the State is seeking written prior approval only; and
- (B) Not condition payment from the MCO, PIHP, or PAHP to the provider on utilization and delivery of services outside of the rating period for which the State is seeking written prior approval and then require that payments be reconciled to utilization during the rating period."

This portion of the Rule is effective for rating periods beginning on or after July 9, 2027. For Mississippi, this new rule will become effective for SFY 2029 beginning July 1, 2028. The Division is providing this information to the hospitals for advanced notification of this new rule.





Quality Incentive Payment Programs

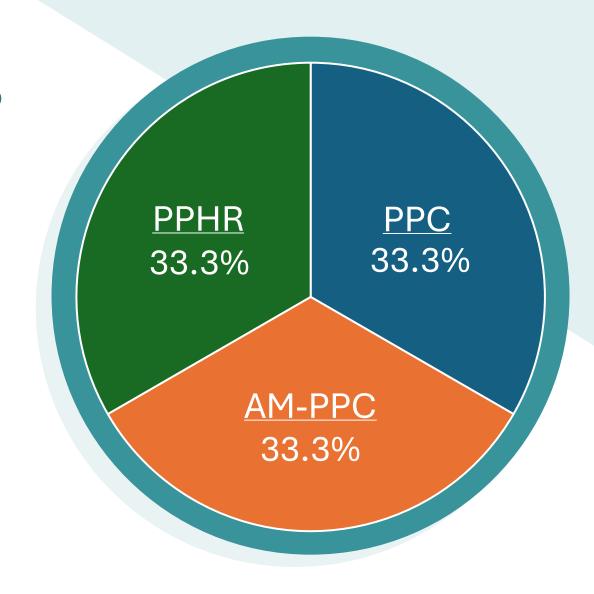
Lillian Johnson; Manager
Joe Gamis; Member/Partner



For SFY 2026 Components of QIPP

3 Separate Quality Reports – Total Allocation 100%

- Potentially Preventable Hospital Returns (PPHR)
- Potentially Preventable Complications (PPC) (Inpatient)
- Ambulatory Potentially Preventable Complications (AM-PPC)





DOM is working with CMS to ensure the HIN is incorporated back into the preprint in compliance with CMS regulations.

Thank you for...

- Your commitment to excellence that makes a difference in the lives of those served.
- Your commitment to providing safe and effective care.
- Prioritizing patient care and well-being while actively working to minimize negative outcomes and risk.
- All your efforts in ensuring a safer environment for all patients.

Hospital Highlights PPC

71% Compliant A/E Ratio Threshold 1.00, Grouper V40

42% Improved A/E Ratio Over Time
Threshold 1.00, Grouper V40

32% Improved PPC Counts
Threshold 1.00, Grouper V40

10,528 Additi

Additional Stays
SFY25 Q1 vs SFY26 Q1



PPRs

57% Compliant PPR A/E Ratio Threshold 1.04, Grouper V40

Improved PPR A/E Ratio 60% Threshold 1.04, Grouper V40

57% Improved PPR Rate Threshold 1.04, Grouper V40

3,357 **Additional Stays** SFY25 Q1 vs SFY26 Q1

PPEDs

64% Compliant PPED Ratio Threshold 1.04, Grouper V40

53% Improved PPED A/E Ratio Threshold 1.04, Grouper V40

45% Improved PPED Rate Threshold 1.04, Grouper V40

3,357 Additional Stays SFY25 Q1 vs SFY26 Q1

AM-PPC

74% Compliant A/E Ratio SFY26 Cycle 2 Q1





What Are Potentially Preventable Hospital Returns?

A PPHR is an inpatient discharge that is followed by one or more PPR and/or PPED.

Continuation or recurrence of the reason for the initial admission or related to care.

What Are Potentially Preventable Hospital Returns?

Basis for clinical relationships in the PPR/PPED algorithm:

Readmissions to address a continuation or a recurrence of the problem causing the initial admission that may have resulted from care during the initial admission or in the post-discharge period after the initial admission.

- Medical: a closely related medical condition, and acute medical condition
- <u>Surgical</u>: a complication that may be related to or may have resulted from care during the surgical procedure.
- <u>Chronic Problem</u>: reoccurrence of the initial complication, new or worsening issues related to chronic condition.
- Mental Health: reasons following an initial admission for a non-mental health, non-substance abuse reason, substance abuse or mental health diagnosis.
- <u>Substance Abuse</u>: diagnosis for a non-mental health, non-substance abuse reason, substance abuse or mental health diagnosis
- Ambulatory: care sensitive conditions as designated by ARHQ.



PPHR Reporting

PPRs and PPEDs are combined into a single measure of potentially preventable hospital returns (PPHRs).

Hospital performance

 Compared to the statewide baseline, adjusted for each hospital's casemix, age mix, and mental health burden.

Actual-to-Expected ratio

 Performance is measured using the actualto-expected ratio. Expected rates are calculated separately for general acute care and psychiatric care hospitals.

PPHR Rate

 The number of at-risk inpatient discharges that are followed by one or more PPRs and/or PPEDs.

High Rates

 Can signal problems with premature inpatient discharge, inadequate discharge planning, poor follow-up care, or difficulty accessing care in the community.



Cycles of QIPP PPHR Reporting

| State Fiscal Year (SFY) | SFY23 | SFY24 | SFY25 | SFY26 |
|--|---------------------|---------------------|---------------------|---------------------|
| PPHR Cycle | Cycle 4 | Cycle 5 | Cycle 6 | Cycle 7 |
| Statewide Threshold A/E Ratio | 1.04 | 1.04 | 1.02 | 1.02 |
| Baseline Period | 1/1/2020-12/31/2021 | 1/1/2021-12/31/2022 | 1/1/2022-12/31/2023 | 1/1/2023-12/31/2024 |
| Date of Report to determine if CAP is required | July 2023 | July 2024 | July 2025 | July 2026 |
| If CAP is required, due date to submit CAP | 9/1/2023 | 9/16/2024 | 9/2/2025 | 9/1/2026 |
| Corrective Action Plan (CAP) Period | 1/1/2021-12/31/2022 | 1/1/2022-12/31/2023 | 1/1/2023-12/31/2024 | 1/1/2024-12/31/2025 |
| Date of Report that Provider Performance Incentives will be assessed (1%-2% improvement from CAP period) | January 2025 | January 2026 | January 2027 | January 2028 |
| Performance Incentives Period | 7/1/2022-6/30/2024 | 7/1/2023-6/30/2025 | 7/1/2024-6/30/2026 | 7/1/2025-6/30/2027 |

Note about QIPP PPHR cycles: A PPHR cycle is a period of three years that includes one baseline year, one year for corrective action plans, and one year for performance incentives. A new cycle starts each state fiscal year. The cycles overlap such that the second cycle's baseline year will cover the same time period as the first cycle's corrective action plan year.

*DOM intends to lower the statewide threshold to 1.0 for SFY 27



Memorial Hospital at Gulfport

Increasing compliance with:

- Sending patients home with medications,
- Ensure scheduling of follow up appointments before discharge,
- Clear discharge instructions from a dedicated discharge nurse,
- Close connections with home health agencies and SNF facilities.

"We continue to track reasons for readmission and interview each patient."

Shawn Dufford, MD, MBA

"I can't say our improvement is the result of anything spectacular, more just focusing on the basics. We have worked to hardwire the basic processes."

Shawn Dufford, MD, MBA

The common causes of readmissions remain pretty consistent with:

- Issues understanding or taking medications and/or side affects,
- Chronic or other medical conditions not related to the anchor discharge,
- Patients not reaching out to primary care at the first signs of adverse symptoms (such as slight fever or swelling), waiting until symptoms are severe needing an ED.





What are Potentially Preventable Complications?

The Potentially Preventable Complications (PPC) component of QIPP takes a population-based approach to identify hospitals that have more complications than would be expected based on a national benchmark.

Hospital complications often represent adverse healthcare outcomes.

What are Potentially Preventable Complications?

Hospital complications often represent adverse healthcare outcomes, but some complications of care are unavoidable and are a natural consequence of disease progression.

- Based on the Solventum (formerly 3M) PPC algorithm:
 - The algorithm identifies 57 separate complications ranging from major (myocardial infarction, pulmonary embolism) to "monitor" (renal failure without dialysis, clostridium difficile colitis).
 - Not every PPC can be prevented, even with the best possible care.
 - A population approach reflects the expectation that hospitals with higher-than-expected complication rates have room to improve the quality of care that they provide.

Some PPCs are more difficult to treat and costly than other PPCs.

 PPC weights reflect the relative impact on hospital cost of a given PPC, adjusted for a MS Medicaid population



PPC Reporting

PPCs are identified base on a combination of principal and secondary diagnoses, sometimes in combination with length of stay or present on admission.

Hospital performance

 Compared to the statewide baseline, adjusted for each hospital's casemix, age mix, and mental health burden.

Actual-to-Expected ratio

 Performance is measured using the actual-to-expected ratio. Expected rates are calculated separately for general acute care and psychiatric care hospitals.

PPC Rate

 The percentage of at-risk inpatient stays that are followed by one or more PPCs.

High Rates

 Can signal problems related to the care processes (e.g. Improper use of medical equipment, insufficient Hygiene, failure to follow protocols) rather than natural disease progression.



POA for PPC

The Present on Admission (POA) indicator differentiates between conditions a patient had upon entering the hospital (comorbidities) and those that developed during the hospital stay (complications).

Identifying True Complications:

 This distinction between POA and HACs is critical for accurately identifying actual inhospital complications.

Driving Quality Improvement:

 By identifying and analyzing preventable complications, hospitals can target specific areas for improvement, ultimately enhancing patient care and outcomes.

Focusing on Preventable Issues:

 Hospitals can better assess and address preventable events within the hospital environment.

Ensuring Fair Comparisons:

 Hospitals receive a more accurate assessment of performance by distinguishing between pre-existing conditions and HACs, enabling fairer comparisons of quality of care.



POA Analysis for PPC

According to the Statewide PPC reporting for SFY 26 Q1, there are 38 hospitals that are currently failing the POA Performance Testing with a score of 2 or more.

Each POA metric has a threshold of what is expected based on national norms.

- <u>2 points:</u> The outcome has fallen within a high concern or a problem threshold.
- <u>1 point:</u> Indicates the metric outcome has fallen within a monitor threshold.

Corrective Action Plans are not required with the outcome of the POA Performance tests. This additional requirement may be added in future cycles.



| This metric identifies hospitals with a high non-POA rate for likely pre-existing conditions, as identified by a list of ICD-10 diagnosis codes associated with pre-existing conditions published by 3M. Hypertension, obesity and diabetes mellitus are just a few examples of pre-existing conditions. Since these diagnoses are likely pre-existing, they should be reported as POA=Y. This metric identifies those hospitals that have higher than expected rates of POA=N for these diagnoses. 2 Points: Percent Not POA on pre-existing diagnosis list ≥ 7.5% 1 Point: 5% ≤ Percent Not POA on pre-existing diagnosis list ≥ 7.5% 1 Point: 5% ≤ Percent Not POA on pre-existing diagnosis list ≥ 7.5% 1 PERCENT OF SECONDARY DIAGNOSIS LISTED AS UNCERTAIN POA This metric identifies hospitals with a high rate of uncertain POA indicators. An uncertain POA indicator is a POA entry of "U", "W", blank or another invalid POA value for diagnoses that are not on the POA-exempt list published by CMS. 2 Points: 5% ≤ Percent of secondary diagnosis with uncertain POA indicator < 10% 1 Point: 5% ≤ Percent of secondary diagnosis with uncertain POA indicator < 10% 1 Point: 5% ≤ Percent of secondary diagnosis with uncertain POA indicator < 10% 1 Point: 5% ≤ Percent of secondary diagnosis with uncertain POA indicator < 10% 1 Point: 5% ≤ Percent of secondary diagnosis with uncertain POA indicator < 10% 1 Point: 5% ≤ POA FOA FOA FOA SECONDARY DIAGNOSIS This metric identifies hospitals with a higher than expected POA rate for diagnoses that do not represent pre-existing conditions and are not considered exempt from POA indicators by CMS. High rates on this metric indicate the hospital is identifying an unusually high number of secondary diagnoses as POA. 2 Points: % POA ≥ 96% 1 Point: 93% ≤ % POA < 96% 1 Points: 960A ≤ 70% FOA ∈ RECONDARY DIAGNOSIS This metric identifies hospitals with a lower than expected POA rate for non-pre-existing diagnoses and diagnoses that are not on the CMS list of POA-exempt diagnoses. Used in conjunction with the | | |
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| | complications for elective surgical cases. | |
| | 1 Point: 30% ≤ % POA < 40% | |

POA Analysis for PPC

POA analysis of the statewide data is ongoing, but our preliminary results indicate that chronic conditions were being designated as POA = Y on 95.8% of the claims.

Not POA: Percent NOT POA for likely pre-existing secondary diagnosis

2 Points: ≥ 7.5%

1 Point: 5% ≤ % Not POA < 7.5%

| Chronic Conditions | | | | | | |
|--------------------|---|--------|--|--|--|--|
| Code Category | ICD10 DX Code Category Short Description | | | | | |
| Q | Congenital malformations, deformations and chromosomal abnormalities | 100.0% | | | | |
| Н | Diseases of the eye and adnexa | 30.8% | | | | |
| В | Certain infectious and parasitic diseases | 24.4% | | | | |
| М | Diseases of the musculoskeletal system and connective tissue | 12.5% | | | | |
| G | Diseases of the nervous system | 11.4% | | | | |
| I | Diseases of the circulatory system | 11.2% | | | | |
| N | Diseases of the genitourinary system | 10.2% | | | | |
| Е | Endocrine, nutritional and metabolic diseases | 10.0% | | | | |
| Р | Certain conditions originating in the perinatal period | 9.0% | | | | |
| D | Diseases of the blood and blood-forming organs and certain disorders involving the immune mechanism | 8.7% | | | | |
| Т | Injury, poisoning and certain other consequences of external causes | 8.5% | | | | |
| K | Diseases of the digestive system | 8.2% | | | | |
| L | Diseases of the skin and subcutaneous tissue | 6.7% | | | | |
| J | Diseases of the respiratory system | 5.6% | | | | |

This table list the categories of Chronic Conditions with more than 5% marked as POA = "N".



Cycles of QIPP PPC Reporting

| State Fiscal Year (SFY) | SFY23 | SFY24 | SFY25 | SFY26 | |
|--|---------------------|---------------------|---------------------|---------------------|--|
| PPC Cycle | Cycle 2 | Cycle 3 | Cycle 4 | Cycle 5 | |
| Statewide Threshold A/E Ratio | 1.00 | 1.00 | 1.00 | 1.00 | |
| Baseline Period | 1/1/2020-12/31/2021 | 1/1/2021-12/31/2022 | 1/1/2022-12/31/2023 | 1/1/2023-12/31/2024 | |
| Date of Report to determine if CAP is required | July 2023 | July 2024 | July 2025 | July 2026 | |
| If CAP is required, due date to submit CAP | 9/1/2023 | 9/16/2024 | 9/2/2025 | 9/1/2026 | |
| Corrective Action Plan (CAP) Period | 1/1/2021-12/31/2022 | 1/1/2022-12/31/2023 | 1/1/2023-12/31/2024 | 1/1/2024-12/31/2025 | |
| Date of Report that Provider Performance Incentives will be assessed (1%-2% improvement from CAP period) | January 2026 | January 2027 | January 2028 | January 2029 | |
| Performance Incentives Period | 7/1/2023-6/30/2025 | 7/1/2024-6/30/2026 | 7/1/2025-6/30/2027 | 7/1/2026-6/30/2028 | |

A cycle is a period of four years that includes one baseline year, two year for corrective action plans, and one year for performance incentives. A new cycle starts each state fiscal year. The cycles overlap such that the second cycle's baseline year will cover the same time period as the first cycle's corrective action plan year.

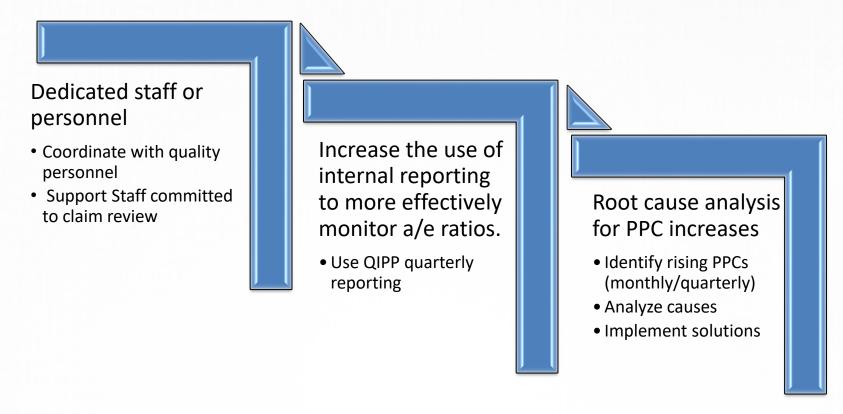
*DOM will evaluate the threshold for PPCs in consideration of using the statewide expected values versus the national values.



PPC Successes

Improvement does not always come from a brand-new program or initiative, but from utilizing the resources and staff that your hospital currently has.

What resources are currently available or can be shared within your hospital?





What are Ambulatory Potentially Preventable Complications?

The AM-PPC component takes a clinically based approach that uses sequenced administrative data (e.g. claims) to provide comparative rates of potentially preventable complications for outpatient procedures.

Negative outcomes developed after an ambulatory procedure was performed.

What are Ambulatory Potentially Preventable Complications?

Medical services performed on an outpatient basis, without admission to a hospital or other facility, where a negative outcome developed after an ambulatory procedure was performed and is the result from processes of care rather than from natural progression of an illness. Only the components of an ambulatory claim that is billed under a hospital provider will be included in analysis.

Based on the Solventum (formerly 3M) AM-PPC algorithm:

- The algorithm identifies **117 Procedure Subgroups** (PSGs) based on procedure codes included on the elective outpatient ambulatory event PSGs range from PSG 01: Shoulder and Elbow Arthroscopy to PSG 268: Intrathecal Spinal Pain Pump Procedures.
- The algorithm identifies **70 AM-PPCs** complications ranging from AM-PPC 01, Stroke and intracranial hemorrhage to AM-PPC 78, Amputation Stump Complications.
- Not every AM-PPC can be prevented, even with the best possible care.
- A population approach reflects the expectation that outpatient facilities with higher-than-expected complication rates have room to improve the quality of care that they provide.

Overall AM-PPC performance is measured by comparing the AM-PPCs that occurred after an elective ambulatory procedure, to the AM-PPCs that were expected to occur based on national AM-PPC rates for the same mix of patients.

AM-PPC Reporting

A complication diagnosis code that is clinically related to an ambulatory procedure and meets predefined timing guidelines (e.g. 30 days).

Hospital performance

 Compared to the statewide baseline, adjusted for each hospital's casemix, age mix, and mental health burden.

Actual-to-Expected ratio

 Performance is measured using the actual-to-expected ratio. Expected rates are calculated separately for general acute care and psychiatric care hospitals.

AM-PPC Rate

 The percentage of at-risk elective outpatient visits that are followed by one or more AM-PPCs.

High Rates

 Can signal problems with patient selection, patient safety, infection control practices, patient communication, and post-surgical coordination of care.



AM-PPC Changes to Reporting

Solventum has made updates to the clinical logic for AM-PPC version 1.2 used for SFY26 reporting.

Due the changes in AM-PPC V1.2, several hospitals that were identified as 'Low Volume' in V1.1, are now receiving an A/E Ratio. To better understand how your hospital is impacted, please review the Hospital Summary tab along with the supporting tabs.

Included 213 additional CPT/HCPCS codes

Included 136
additional ICD 10
Codes that are
assigned to AMPPCs

Created 9 new
PSGs, updated
descriptions for 10
PSGs, and
removed 3 PSGs,
and

Created 20 new AM-PPCs, updates descriptions for 15 AM-PPCs, and removed 3 AM-PPCs



| | | | Cycle 1 | Cycle 1 | | | Cycle 2 | | | |
|----------------------------|--------|---|--------------------------------|-----------------------------|---------------------------|---|---------|-----------------------------|---------------------------|---|
| Surgery Sub Category | PSG ID | PSG ID Description⁴ | SFY26Q1 At-Risk Services | SFY26Q1 Actual AM-PPC | SFY26Q1 Rate AM-PPC | SFY26Q1 Total Expected AM- PPC | SFY26Q1 | SFY26Q1 Actual AM-PPC | SFY26Q1 Rate AM-PPC | SFY26Q1 Total Expected AM- PPC |
| Shoulder and Elbow Surgery | 01 | Shoulder and Elbow Arthroscopy | | | | | | | | |
| Hip Surgery | 11 | Hip Arthroplasty | | | | | | | | |
| Hip Surgery | 12 | Hip Arthroplasty Revision | | | | | | | | |
| Knee Surgery | 13 | Knee Arthroplasty | | | | | | | | |
| Knee Surgery | 14 | Knee Arthroplasty Revision | | | | | | | | |
| Foot and Ankle Surgery | 15 | Foot and Ankle Arthroplasty | | | | | | | | |
| Spine Surgery | 16 | Cervical Spine Fusion | | | | | | | | |
| Abdominal Surgery | 46 | Complicated Ventral Hernia Repair | | | | | | | | |
| Abdominal Surgery | 47 | Pediatric Hernia Repair | | | | | | | | |
| Abdominal Surgery | 48 | Inguinal and Hydrocele Hernia Repair | | | | | | | | |
| Pulmonology | 68 | Bronchoscopy | | | | | | | | |
| Pulmonology | 69 | Bronchoscopy with Endobronchial Ultrasound | | | | | | | | |
| Gastroenterology | 70 | Upper Gastrointestinal Endoscopy Procedures | | | | | | | | |

PSG NOTES:

Cycle 1: Some PSGs will be blocked out because they are newly introduced in Version 1.2, resulting in no available data from Version 1.1. Others will be blocked because they were removed from the monitor PSG group and included in the performance measurement in Version 1.2.

Cycle 2: Some PSGs will be blocked out, indicating they have been removed in Version 1.2 and are no longer applicable.



| | | | Cycle 1 | | Cycle 2 | |
|--------------------------|---|--|--------------------------|------------------------|--------------------------|------------------------|
| AM-PPC ID ^{1,2} | AM-PPC ID Description ³ | AM-PPC Group | SFY26 Q1 Count AM-PPC | SFY26 Q1 % of Total | SFY26 Q1 Count AM-PPC | SFY26 Q1 % of Total |
| 01 | Stroke and Intracranial Hemorrhage | Perioperative Complications | | | | |
| 16 | Venous Thrombosis | Cardiovascular-Respiratory Complications | | | | |
| 17 | Gastrointestinal Complications w/ Transfusion or Bleeding Control | Gastrointestinal Complications | | | | |
| 18 | Major Gastrointestinal Complications including Hemorrhages | Perioperative Complications | | | | |
| 20 | Other Gastrointestinal Complications | Gastrointestinal Complications | | | | |
| 21 | Clostridium Difficile Colitis | Other Medical and Surgical Complications | | | | |
| 23 | Genitourinary Complications except Urinary Tract Infection | Other Medical and Surgical Complications | | | | |
| 24 | Unspecified and Other Renal Failure | Extreme Complications | | | | |
| 25 | Acute Renal Failure and Nephropathy | Extreme Complications | | | | |
| 26 | Diabetic Ketoacidosis and Coma | Other Medical and Surgical Complications | | | | |
| 27 | Acute Posthemorrhagic Anemia | Other Medical and Surgical Complications | | | | |
| 28 | Acute Posthemorrhagic Anemia with Transfusion | Other Medical and Surgical Complications | | | | |
| 30 | Anesthesia Complications | Other Medical and Surgical Complications | | | | |
| 31 | Pressure Ulcer | Other Medical and Surgical Complications | | | | |
| 32 | Anesthesia Complications | Other Medical and Surgical Complications | | | | |

AM-PPC NOTES:

Cycle 1: AM-PPCs that are grayed out indicate they are newly introduced in Version 1.2, resulting in no available data from Version 1.1.

Cycle 2: AM-PPCs that are grayed out indicate they have been removed in Version 1.2 and are no longer applicable.



Cycles of QIPP AM-PPC Reporting

| State Fiscal Year (SFY) | SFY25 | SFY26 | SFY27 | SFY28 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| AM-PPC Cycle | Cycle 1 | Cycle 2 | Cycle 3 | Cycle 4 |
| Statewide Threshold A/E Ratio | 1.00 | 1.00 | 1.00 | 1.00 |
| Baseline Period | 1/1/2022 - 12/31/2023 | 1/1/2023 - 12/31/2024 | 1/1/2024 - 12/31/2025 | 1/1/2025 - 12/31/2026 |
| Date of Report to determine if CAP is required | No CAP Required | July 2026 | July 2027 | July 2028 |
| If CAP is required, due date to submit CAP | No CAP Required | 9/1/2026 | 9/1/2027 | 9/1/2028 |
| Corrective Action Plan (CAP) Period | 1/1/2023-12/31/2024 | 1/1/2024-12/31/2025 | 1/1/2025-12/31/2026 | 1/1/2026-12/31/2027 |
| Date of Report that Provider Performance Incentives will be assessed (1%-2% improvement from CAP period) | N/A | January 2029 | January 2030 | January 2031 |
| Performance Incentives Period | 7/1/2025-6/30/2027 | 7/1/2026-6/30/2028 | 7/1/2027-6/30/2029 | 7/1/2028-6/30/2030 |

AM-PPC performance is measured in three periods (Baseline, Corrective Action Plan, and Performance Incentives). A new cycle starts each state fiscal year (SFY). The cycles overlap such that the second cycle's initial reporting year will cover the same time period as the first cycle's first corrective action plan implementation year. Each QIPP AM-PPC report will list your hospital's performance for each of the currently active cycles. Hospitals are not required to submit CAP for AM-PPC Cycle 1.



PPC vs AM-PPC

Ambulatory Potentially Preventable Complications (AM-PPCs) was a new metric introduced in SFY 2025 as a QIPP metric. AM-PPCs are different from Potentially Preventable Complications- despite the similar naming convention.

PPCs

- PPCs focus on <u>inpatient stays</u> and complications that occur during the stay.
- PPCs identify complications occurring while in a facility and therefore is only applicable to inpatient claims
- APR DRG Groups
- Different list of complications PPC

AM-PPCs

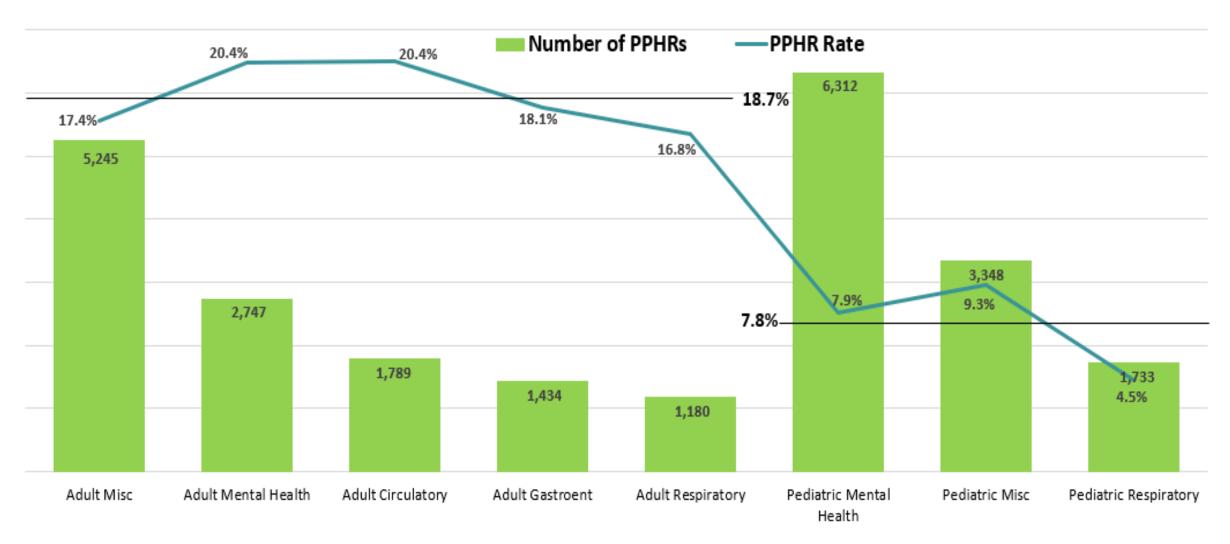
- AM-PPCs focus on <u>elective outpatient</u> <u>procedures</u> and what follows them.
- AM-PPCs identify complications that occur after an elective outpatient procedure and that are identified within the ED and IP admissions
- Elective OP Procedure Groups
- Different list of complications AM-PPC



Statewide Performance



PPHR Performance by Medicaid Care Category - Cycle 5 V40

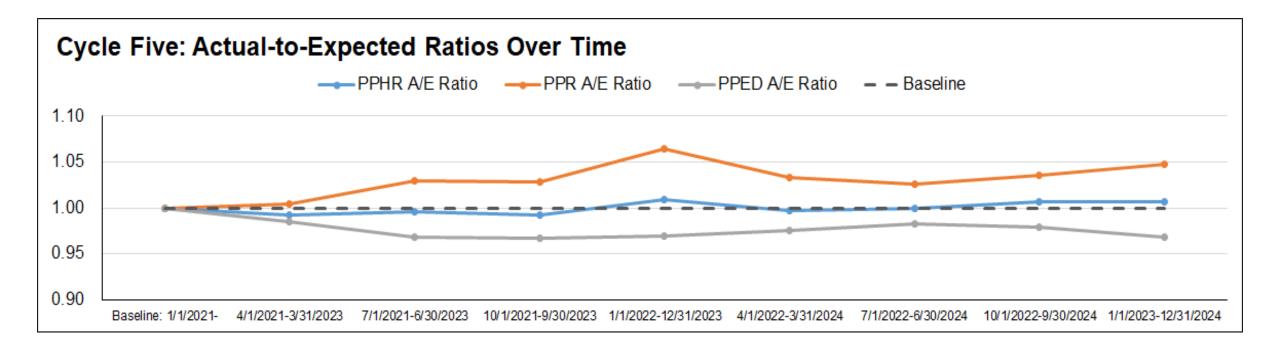




PPHR Performance - Cycle 5 V40

1/1/2023-12/31/2024 Statewide PPED A/E Ratio = 0.968

1/1/2023-12/31/2024 Statewide PPR A/E Ratio = 1.047

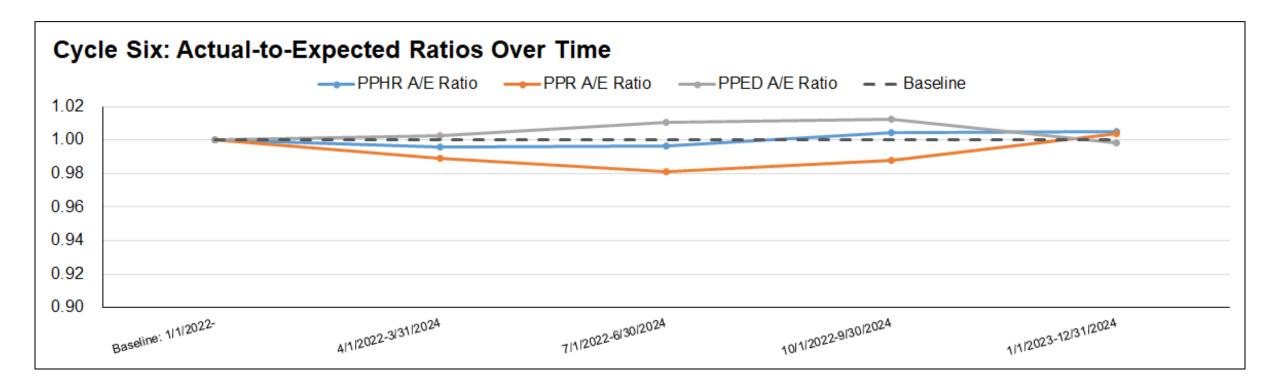




PPHR Performance - Cycle 6 V41

1/1/2023-12/31/2024 Statewide PPED A/E Ratio = 0.998

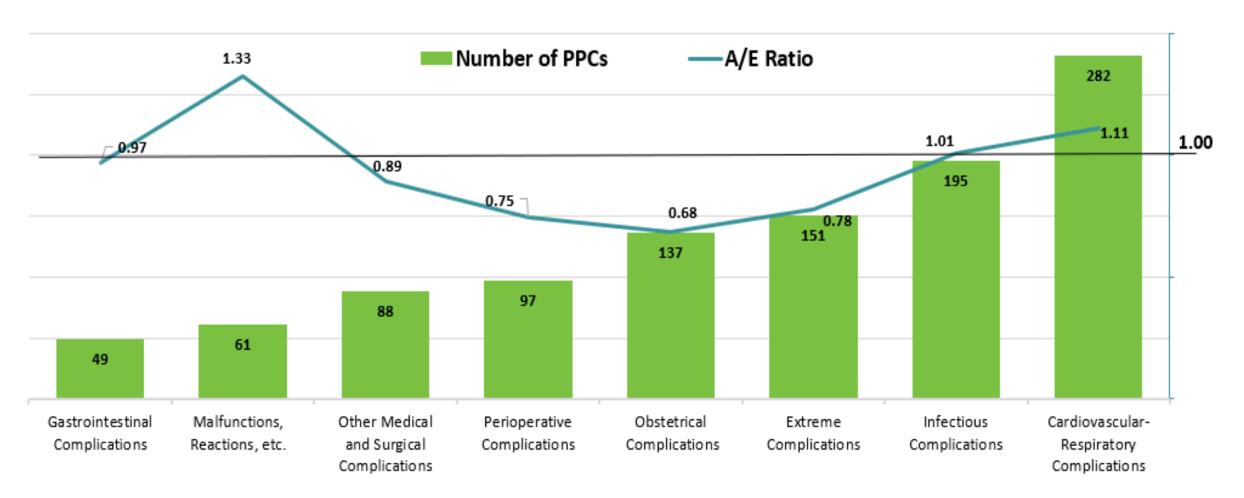
1/1/2023-12/31/2024 Statewide PPR A/E Ratio = 1.004





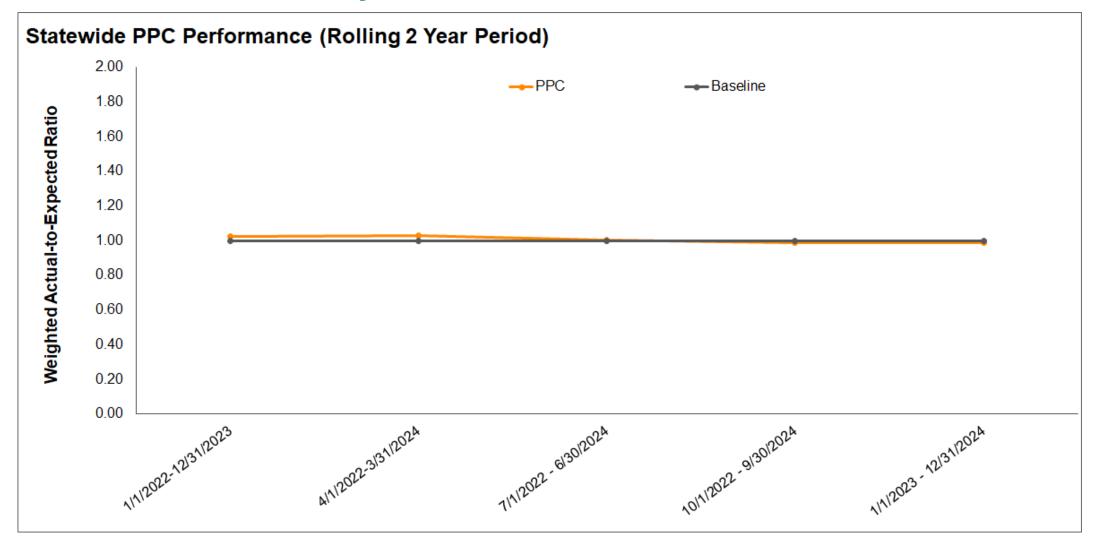
PPC Performance by Complication Type - Cycle 4 V41

1/1/2023-12/31/2024 Statewide weighted A/E Ratio = 0.990





PPC Performance - Cycle 4 V41





Mississippi Outcomes for Maternal Safety (MOMS)

Program Launch: July 1, 2024

Objective: Incentivize high value care to improve health outcomes and quality for beneficiaries.

Incentives: CCOs under Pay for Performance while hospitals and providers are under State Directed Payment.

The Mississippi Outcomes for Maternal Safety (MOMS) Initiative aims to reduce SMM, improve quality of care, and improve timeliness of outpatient postpartum follow-up.

Program Focus Areas:

Maternal Health

- Mississippi Outcomes for Maternal Safety (MOMS) Risk Assessment (Rate 1) - Hospitals
- MOMS Postpartum Timely Follow-up (Rate 2) Outpatient Providers
- Cesarean Birth (PC-02) CCOs

Mental Health

 Antidepressant Medication Management: Continuation Phase Treatment (AMM-AD) - CCOs

Metabolic Health

 Diabetes Screening for People With Schizophrenia or Bipolar Disorder Who Are Using Antipsychotic Medications (SSD-AD) - CCOs



SFY 2026 MOMS Program Requirement

Effective September 1, 2025, to receive the \$250 incentive payment, all hospitals will be required to submit the documented risk factors in conjunction with the MOMS Assessment risk score to the patients CCO and the patient's postpartum clinician timely at discharge. Risk factors may be submitted using one of the following methods:

Email Submission

Include the risk factors with the MOMS Assessment and send them to the designated MOMS mailbox at the respective CCO using one of the email addresses listed below.

- Magnolia Health Plan: <u>MHPMaternalHealth@centene.com</u>
- Molina Healthcare: MHMS CM Referrals@MolinaHealthcare.com
- TrueCare: MOMS@msTrueCare.com

HL7 ADT Transmission

Risk factors may also be transmitted via HL7 ADT. Please use the **OBX.5** field, which accommodates a large number of characters, to input the necessary information.



Success Story – UHC Maternity Member







Case Summary

Member delivered term baby boy on 3/4/25. Member was d/c'd on 3/7/25. MOMs assessment was completed by hospital and member was assessed as a Level 1. A postpartum appointment was scheduled for 3/11/25, per the 5-day post-discharge requirement of a Level 1 score.



Barriers

Member was unable to drive to her postpartum appointment due to having a C-section. Declined assistance with transportation. Lack of knowledge regarding her risk for postpartum complications.



Outcomes

CM called and confirmed member attended appt. on 3/11/25. She stated at appt. her blood pressure was elevated 190/110. Member was sent to the ER, and later admitted. She received IV Magnesium, Apresaline, and Labetalol. Member spent 2 nights in hospital until BP was normal and she was discharged on 3/13/25. Member voiced gratitude that CM convinced her of importance of attending her appt.

CM will continue to monitor and follow-up with until all needs addressed



Interventions

On 3/10/25, case manager successfully reached member via phone call. Member confirmed she had an appointment scheduled for 3/11/25 but was unable to drive post c-section. Case Manager educated member on the importance of attending her scheduled postpartum appointment due to her increased risk for postpartum complications. Case manager provided education on warning signs and symptoms of high blood pressure, including headache, blurry vision, and dizziness. Discussed increased risk of stroke, heart attack, or even death. Member verbalized understanding and agreed to have her husband take her to appt.



Stressors

Advanced maternal age Diagnosis include pre-eclampsia during pregnancy, chronic hypertension, and a history of epilepsy



QIPP Payments



PPHR-Related Payments - Cycle 5

For the first year of the QIPP PPHR cycle, hospitals will need to attest that they have received and reviewed their report to receive their QIPP PPHR-related payments.

In July 2024, CAP implementation year, hospitals having a PPHR A/E ratio greater than 1.04 will be required to submit a Corrective Action Plan (CAP) September 2024.

 Hospitals with a CAP will be required to improve their performance by 2% or decrease their A/E Ratio to less than 1.04 to receive their at-risk QIPP PPHR funds.

In July 2025, hospitals are evaluated on performance improvement and MHAP reduction is calculated.

January 2026 provider performance incentives will be assessed, and funds will be paid/withheld based on A/E Ratio & performance improvement.

NOTE: Threshold is lower for cycle 6 & 7 payment requirements.

| At-Risk Payment Thresholds Cycle 5 | | | |
|-------------------------------------|--------------|---------------|---------------------------------|
| | Low Range | High Range | At Risk % of QIPP PPHR funds |
| | | <= 1.040 | 0% |
| Actual-to- | >1.040 | <=1.140 | 10% |
| Expected | >1.140 | <=1.240 | 15% |
| Ratio | >1.240 | <=1.340 | 20% |
| | >1.340 | | 25% |

| | | Payment Thr Cycle 6 & 7 | esholds |
|------------|--------------|----------------------------|---------------------------------|
| | Low Range | High Range | At Risk % of QIPP PPHR funds |
| | | <=1.020 | 0% |
| Actual-to- | >1.020 | <=1.120 | 10% |
| Expected | >1.120 | <=1.220 | 15% |
| Ratio | >1.220 | <=1.320 | 20% |
| | >1.320 | | 25% |



PPC-Related Payments - Cycle 2

For the first year of the QIPP PPC cycle, hospitals will need to attest that they have received and reviewed their report to receive their QIPP PPC-related payments

In July 2023, hospitals identified as having a PPC A/E ratio greater than 1.00 will be required to submit a Corrective Action Plan (CAP) September 2023.

In July 2024, will be required to improve their performance by 2% or decrease their A/E Ratio to less than 1.00 to receive their at-risk QIPP PPC funds.

In July 2025 hospitals are evaluated on performance improvement and MHAP reduction is calculated.

In January 2026, provider performance incentives will be assessed, and funds will be withheld based on A/E Ratio & performance improvement.

| At-Risk Payment Thresholds | | | |
|----------------------------|--------------|---------------|--------------------------------|
| | Low Range | High Range | At Risk % of QIPP PPC funds |
| | | <=1.000 | 0% |
| Actual-to- | >1.000 | <=1.100 | 10% |
| Expected | >1.100 | <=1.200 | 15% |
| Ratio | >1.200 | <=1.300 | 20% |
| | >1.300 | | 25% |

AM-PPC-Related Payments – Cycle 2

For SFY25 of the QIPP AM-PPC program, hospitals will need to attest that they have received and reviewed their report to receive their QIPP AM-PPC-related payments.

For SFY26 of the QIPP AM-PPC program, hospitals will need to attest that they have received and reviewed their report to receive their QIPP AM-PPC-related payments.

In July 2026, hospitals identified as having an AM-PPC A/E ratio greater than 1.00 will be required to submit a Corrective Action Plan (CAP) in September 2026.

 Hospitals with a CAP will be required to improve their performance by 2% or have an A/E Ratio less than 1.00 to receive their at-risk QIPP AM-PPC funds.

In July 2028 hospitals are evaluated on performance improvement and MHAP reduction is calculated.

In January 2029, provider performance incentives will be assessed, and funds will be withheld based on A/E Ratio & performance improvement.

| At-Risk Payment Thresholds | | | |
|---------------------------------|--------------------------------------|--|-----------------------------------|
| | Low Range | High Range | At Risk % of QIPP AM-PPC funds |
| Actual-to- Expected Ratio | >1.000 >1.100 >1.200 >1.300 | <=1.000 <=1.100 <=1.200 <=1.300 | 0% 10% 15% 20% 25% |

Attestation & CAP



QIPP Attestation Process:

Beginning in SFY26, the attestation process will undergo a minor revision. Each hospital report will now include a direct link to an attestation form hosted in Smartsheet, enhancing efficiency and simplifying the completion process. The image provided illustrates the appearance of the updated attestation form.

Links to Attestation:

AM-PPC – <u>Ambulatory Potentially Preventable Complications (AM-PPC) Quarterly Attestation (SFY 2026)</u>

PPC – <u>Potentially Preventable Complications (PPC) Quarterly</u> Attestation (SFY 2026)

PPHR – <u>Potentially Preventable Hospital Returns (PPHR) Quarterly</u> Attestation (SFY 2026)

Complete the **PPHR, PPC, and AM-PPC** Smartsheet form to attest that the hospital has received and reviewed the QIPP PPHR, PPC, and AM-PPC reports.

Attestation is due 30 days after QIPP reports are distributed to hospitals.

If attestation is not received within 30 days of QIPP report delivery, 10% of the QIPP PPHR, PPC, and AM-PPC funds will be withheld.

Please see the **QIPP calendar for Attestation deadlines** under SFY 2026 QIPP Resources on the Value-Based Incentives page of the DOM website:

Value-Based Incentives - Mississippi Division of Medicaid (ms.gov).



Changes in PPHR Reporting - Attestation

Attestation Form - Smartsheet

Mississippi Hospital QIPP PPHR Certification Form



For SFY26, providers are required to complete the attestation using the Smartsheet <u>PPHR</u>

<u>Attestation Link</u> provided below. Please click the <u>PPHR Attestation Link</u> and submit your responses accordingly.

Potentially Preventable Hospital Returns (PPHR) Quarterly Attestation

State Fiscal Year 2026

This form provides attestation that the hospital has received and reviewed the Potentially Preventable Hospital Returns (PPHR) report provided by the Division of Medicaid.

PPHR Attestation Link

Additional Questions

| | that the PPHR report for the hospital named above for the period eceived and reviewed? * |
|-------------------------|--|
| Yes | |
| ○ No | |
| Is your facility consid | dered "Low Volume"? * |
| No | • |
| A/E Ratio * | |
| ✓ Send me a copy of r | ny responses |
| Email address | |
| | |

Hospitals that either do not submit the required attestation or are late in submitting the attestation for the QIPP components will forfeit ten percent (10%) of that quarterly portion of the calculated payment.



Changes in PPC Reporting - Attestation

Attestation Form - Smartsheet

Mississippi Hospital QIPP PPC Certification Form For SFY26, providers are required to complete the attestation using the Smartsheet PPC Attestation Link provided below. Please click the PPC Attestation Link and submit your responses accordingly. Potentially Preventable Complications (PPC) Quarterly Attestation State Fiscal Year 2026 This form provides attestation that the hospital has received and reviewed the Potentially Preventable Complications (PPC) report provided by the Division of Medicaid.

PPC Attestation Link

Additional Questions

| Do you hereby attest that the PPC report for the hospital named above for the period indicated has been received and reviewed? * |
|--|
| Yes |
| ○ No |
| |
| Is your facility considered "Low Volume"? * |
| No |
| A/E Ratio * |
| Send me a copy of my responses |
| Submit |

Hospitals that either do not submit the required attestation or are late in submitting the attestation for the QIPP components will forfeit ten percent (10%) of that quarterly portion of the calculated payment.



Changes in AM-PPC Reporting - Attestation

Attestation Form - Smartsheet

Mississippi Hospital QIPP AM-PPC Certification Form



For SFY26, providers are required to complete the attestation using the Smartsheet <u>AM-PPC</u> <u>Attestation Link</u> provided below. Please click the <u>AM-PPC Attestation Link</u> and submit your responses accordingly.

Ambulatory Potentially Preventable Complications (AM-PPC) Quarterly Attestation

State Fiscal Year 2026

This form provides attestation that the hospital has received and reviewed the Ambulatory Potentially Preventable Complications (AM-PPC) report provided by the Division of Medicaid.

AM-PPC Attestation Link

Additional Questions

| | ceived and reviewed? * |
|--------------------------|------------------------|
| Yes | |
| ○ No | |
| Is your facility conside | ered "Low Volume"? * |
| No | • |
| A/E Ratio * | |
| Send me a copy of m | y responses |
| Email address | |
| | |
| | |

Hospitals that either do not submit the required attestation or are late in submitting the attestation for the QIPP components will forfeit ten percent (10%) of that quarterly portion of the calculated payment.

Submit



Completing Corrective Action Plans

The Division of Medicaid has developed a template for CAPs to guide hospitals that need to submit a plan. Please be sure that your CAP addresses the root cause or specific areas of improvement identified in your report (e.g. Procedures with higher-than-expected PPHR/PPC/AM-PPC).

- Hospitals that have a PPC CAP requirement for Cycle 4 are expected to complete and submit the Corrective Action Plan template by September 2, 2025.
- Hospitals that have a **PPHR CAP** requirement for <u>Cycle 6</u> are expected to complete and submit the Corrective Action Plan template by **September 2, 2025**.
- Hospitals that have an AM-PPC CAP requirement for Cycle 2 are expected to complete and submit the Corrective Action Plan template by September 1, 2026.

Hospitals that either do not submit the required CAP or are late in submitting the CAP for the QIPP components will forfeit ten percent (10%) of the quarterly portion of the calculated payment for the payment due in December 2025.

Forfeitures will be limited to 25% for hospitals not meeting required improvements.

Questions about completing CAPs should be directed to the QIPP mailbox at QIPP@Medicaid.ms.gov.



Accessing QIPP Reports

DSH PSR SharePoint site: https://msmedicaid.sharepoint.com/sites/DSHPSR/.

Access to SharePoint:

- All hospitals participating in MHAP should have access to the DSH PSR SharePoint site.
- Hospital Administrator or CFO should send approval for new user access the DSH PSR SharePoint site to the QIPP mailbox at <u>QIPP@medicaid.ms.gov</u>
- Access error issues should be sent to the QIPP mailbox at QIPP@medicaid.ms.gov.
- All users are granted 90-day access (no permanent access).



QIPP Reporting Timeline



Upcoming dates of interest: QIPP Payments

In SFY 2026, QIPP payments will be made quarterly by the Coordinated Care Organizations to hospitals who meet QIPP reporting requirements.

For each quarter in SFY 26:

- The PPHR, PPC &, AM-PPC portions of QIPP will be paid the last month of the quarter:
 - September 2025
 - December 2025
 - March 2026
 - June 2026



Upcoming dates of interest: QIPP PPHR and PPC Reporting

| Date | Event |
|-------------------|---|
| July 14, 2025 | Quarterly PPHR and PPC reports distributed to hospitals for Q1 Hospitals required to submit a PPHR and PPC corrective action plan identified |
| August 13, 2025 | Hospital deadline to attest receipt and review of the quarterly reports for Q1 |
| September 2, 2025 | PPHR and PPC corrective action plan (CAP) deadline |
| October 6, 2025 | Quarterly PPHR and PPC reports distributed to hospitals for Q2 |
| November 5, 2025 | Hospital deadline to attest receipt and review of the quarterly reports for Q2 |
| January 7, 2026 | Quarterly PPHR and PPC reports distributed to hospitals for Q3 Performance incentives for PPHR allocated for Cycle 3 |
| February 9, 2026 | Hospital deadline to attest receipt and review of the quarterly reports for Q3 |
| April 6, 2026 | Quarterly PPHR and PPC reports distributed to hospitals for Q4 |
| May 6, 2026 | Hospital deadline to attest receipt and review of the quarterly reports for Q4 |



Upcoming dates of interest: QIPP AM-PPC Reporting

| Date | Event |
|----------------------|--|
| July 28, 2025 | Quarterly AM-PPC report distributed to hospitals for Q1 |
| August 27, 2025 | Hospital deadline to attest receipt and review of the quarterly reports for Q1 |
| October 20, 2025 | Quarterly AM-PPC report distributed to hospitals for Q2 |
| November 19, 2025 | Hospital deadline to attest receipt and review of the quarterly reports for Q2 |
| January 21, 2026 | Quarterly AM-PPC report distributed to hospitals for Q3 |
| February 20, 2026 | Hospital deadline to attest receipt and review of the quarterly reports for Q3 |
| April 20, 2026 | Quarterly AM-PPC report distributed to hospitals for Q4 |
| May 20, 2026 | Hospital deadline to attest receipt and review of the quarterly reports for Q4 |



MHAP Reconciliations

A carry-forward of any reconciliation amounts at the end of SFY 2026 will not be carried forward into the next state fiscal year unless the recoupment is more than the remaining SFY 2025 interim payment for your hospital.

SFY 24 MHAP Reconciliation

- The SFY2025 VBP payments will be applied to any outstanding balances from the SFY2024 Reconciliation
- DOM is continuing to recoup the remaining SFY 2024 MHAP reconciliation funds by withholding 50% of each hospital's monthly SFY 2026 MHAP payment until the full balance is collected.

SFY 25 MHAP Reconciliation

- If your hospital is experiencing a decline in managed care utilization and wants the Division to adjust the payments during SFY 26 so that a large recoupment does not occur at the time of reconciliation, please let the Division know.
- DOM anticipates sending preliminary SFY 2025
 MHAP reconciliation totals in late October
 2025. Hospitals will be required to confirm
 whether they wish to have SFY 2025
 reconciliation funds deducted from their
 remaining SFY 2026 MHAP payments.

Office of Inspector General (OIG) Audit

- Mississippi was notified October 29, 2024, that the MHAP Program for SFY 23 had been chosen for audit by the Office of Inspector General (OIG).
- OIG expanded this audit to include SFY 24.
- The objectives of this audit are to determine whether the Mississippi Division of Medicaid:
 - (1) obtained CMS approval for the directed payment proposal;
 - (2) complied with CMS-approved requirements and outcomes in the approved proposal; and
 - (3) ensured that those directed payments were made in accordance with the approved proposal.
- The OIG has informed DOM that they intend to have site visits at hospitals to review original source documentation for MHAP payments.



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For QIPP Resources including the presentation, see the following link: <u>Value-Based</u> <u>Incentives - Mississippi Division of Medicaid (ms.gov)</u>



Questions



Appendix



Glossary: PPCs

- At-risk stays: Inpatient admissions that may or may not include a potentially preventable complication (PPC), but do not meet the clinical exclusion criteria. Each PPC has a different pool of at-risk stays, depending on the clinical characteristic of the stay. For example, only inpatient stays that included a procedure are at-risk for surgical PPCs.
- Casemix adjustment: Mathematically adjusting the expected PPC rate for the mix of DRGs and severities of illness at a given hospital.
- **Corrective action plan (CAP):** Document that describes strategies for reducing potentially preventable complications. CAPs will be required from hospitals with a weighted actual-to-expected ratio greater than 1.00.
- Monitor PPCs: PPC 21 (clostridium difficile colitis) and 24 (renal failure without dialysis) are excluded from the PPC performance metric. Coding of these PPCs is inconsistent across hospitals, making it difficult to compare performance across hospitals.
- Potentially preventable complication (PPC): Patient conditions that develop during an inpatient stay that may reflect adverse. outcomes
- **Present on admission flag (POA flag):** POA flags are used to identify conditions that develop during an inpatient stay. Only conditions identified as not present on admission are used to identify PPCs.
- Quality Incentive Payment Program (QIPP): Mississippi Medicaid program designed to link MHAP funds to care quality.
- **Weighted actual-to-expected ratio:** Performance metric that compares the relative cost of potentially preventable complications at a given hospital to the expected relative cost nationwide during the baseline period.
- POA update definitions



Glossary: PPHRs

- Actual-to-expected ratio: Performance metric that compares a given hospital to an average Mississippi hospital with the same casemix
- At-risk stays: Inpatient admissions that may or may not be followed by an inpatient readmission or return ED visit, but are not excluded from analysis per the requirements
- Casemix adjustment: Mathematically adjusting the expected PPHR rate for the mix of patient characteristics at a given hospital
- Corrective action plan (CAP): Document that describes strategies for reducing potentially preventable hospital returns
- Initial admission: Inpatient admission that is followed by one or more inpatient readmissions and/or ED visits
- **Potentially preventable ED visit (PPED):** Return ED visits that are clinically related to a preceding inpatient admission with a discharge within a specified time period (15 days in this analysis)
- **Potentially preventable hospital return (PPHR):** Hospital returns refer to both inpatient readmissions and return ED visits, the PPHR rate refers to the rate of inpatient admissions that are followed by either an inpatient readmission, or a return ED visit, or both
- Potentially preventable readmission (PPR): Inpatient readmissions that are clinically related to a preceding inpatient admission with a discharge within a specified time period (15 days in this analysis)
- PPHR chain: The series of an initial admission and one or more inpatient readmissions and/or return ED visits, each chain is only counted once in the PPHR rates
- Quality Incentive Payment Program (QIPP): Mississippi Medicaid program designed to link MHAP funds to care quality
- **Time window:** 15 days after the preceding inpatient admission's discharge, during which clinically related inpatient admissions are considered PPRs, and ED visits are considered PPEDs
- Low Volume: Hospitals with fewer than 10 expected and/or actual PPHRs



Glossary: AM-PPCs

- Age adjustment weight Solventum has determined that patient age is observed as a proxy for patient frailty and presence of undifferentiated comorbid chronic conditions. An age adjusted reference weight is calculated for each Procedure Subgroup (PSG) by Solventum. The observed rate for a PSG is adjusted for the observed difference in complication rate for an age group for PSGs within a common sub service line.
- Actual-to-expected ratio The Actual-to-expected ratio compares the total number of ambulatory potentially preventable complications (Actual AM-PPCs) that occurred to the number of expected AM-PPCs.
- Actual AM-PPC A Procedure Subgroup (PSG) can have more than 1 AM-PPC related to the visit. The Actual AM-PPC reflects the count of each claim that has a PSG assigned with at least 1 AM-PPC. Even if there are multiple AM-PPCs related to the claim/visit, the Actual AM-PPC only assigns a count of 1 to the PSG.
- Ambulatory potentially preventable complications (AM-PPC) Harmful events or negative outcomes that develop, or are discovered, after an elective ambulatory procedure was performed and may result from processes of care rather than from natural progression of an underlying illness and are therefore potentially preventable.
- **At-risk elective outpatient ambulatory services** An elective outpatient ambulatory service that may or may not result in an AM-PPC. At-risk elective outpatient ambulatory services exclude any visits that met the criteria for global exclusions, such as conditions that have a particularly high rate of expected complications.
- **Elective procedures** procedures where providers and patients have time and opportunity to decide when it is appropriate to treat patients and in which setting. An elective surgery doesn't always mean it's optional. It means that the surgery isn't an emergency and can be scheduled in advance.
- Expected AM-PPCs Solventum has calculated the expected rate from a suitable reference benchmark using Indirect Rate Standardization (IRS) by PSG group. Observed rates are calculated directly from the AM-PPC outputs. For each hospital, the "expected" number of complications is the mean age adjusted reference rates observed in the national claims data.
- Low Volume Hospitals with fewer than 10 actual or expected AM-PPCs.
- **PSG Rate** Solventum has calculated the expected PSG rate for each PSG. This is the rate of PSGs that they would expect to have an AM-PPC.

