# Hospital-Acquired Condition (HAC) <a href="Reduction Program">Reduction Program</a>





## What is the HAC Reduction Program?

- The HAC Reduction Program is a Medicare value-based purchasing program that reduces payments to hospitals based on their performance on measures of hospital-acquired conditions.
- The program supports the long-standing efforts of CMS to provide incentives for hospitals to improve health care quality in the hospital inpatient setting.



#### Which measures are included?



• CMS PSI 90 (CMS Patient Safety and Adverse Events Composite)



- CLABSI (Central Line-Associated Bloodstream Infection)
- CAUTI (Catheter-Associated Urinary Tract Infection)
- **SSI** (Colon and Abdominal Hysterectomy Surgical Site Infection)
- MRSA (Methicillin-resistant Staphylococcus aureus) bacteremia
- CDI (Clostridium difficile Infection)



## How does the HAC Reduction Program affect hospitals' payments?

- CMS evaluates overall hospital performance using Total HAC Scores.
- Hospitals with a Total HAC Score in the worst-performing quartile (that is, above the 75th percentile) receive a 1-percent payment reduction on their overall Medicare fee-for-service payments for a fiscal year's discharges (that is, discharges from October 1 of the year before through September 30 of the program year).

## How does CMS determine payment reductions?

## Step 1:

Calculate measure results

Calculate an SIR for each HAI measure.

 $SIR = \frac{Observed \ HAI}{Predicted \ HAI}$ 

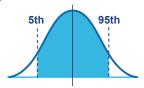
Calculate the CMS PSI 90 composite value as the weighted average of 10 component PSI measures.

Sum product of each component PSI's smoothed rate multiplied by its component weight

## Step 2:

Transform measure results into measure scores

Winsorize each hospital's measure results.



Calculate each measure score as the z-score of Winsorized results.<sup>a</sup>

## Step 3:

Calculate Total HAC Score

For each hospital, calculate the Total HAC score as the equally weighted average of the hospital's measure scores.



## Step 4:

Determine worst performing quartile and payment reduction

Hospitals with a Total HAC Score greater than the 75th percentile are in the worst-performing quartile and subject to a 1% payment reduction.<sup>b</sup>



For more information about measure score calculations, see the HAC Reduction Program Scoring Methodology Infographic on the QualityNet website.

- <sup>a</sup> A Winsorized z-score is equal to the difference between a hospital's Winsorized measure result and the mean of Winsorized measure results calculated across all subsection (d) hospitals, divided by the standard deviation of Winsorized measure results calculated across all subsection (d) hospitals. Negative Winsorized z-scores indicate better performance. Positive Winsorized z-scores indicate worse performance.
- <sup>b</sup> Maryland hospitals are exempt from payment reductions under the HAC Reduction Program because of an agreement between CMS and Maryland. These hospitals are not included in the 75th percentile distribution.



#### What are the fiscal year 2025 HAC Reduction Program performance periods?

- The CMS PSI 90 performance period is July 1, 2021, to June 30, 2023.
- The CDC's NHSN HAI measures' performance period is January 1, 2022, to December 31, 2023.



## What changes did CMS make to the fiscal year 2025 HAC Reduction Program?

- Adopted a validation reconsideration process to provide hospitals that fail to meet the HAI validation requirement with the opportunity to request a reconsideration of this validation decision.
- Made a non-substantive update to component measure CMS PSI 08 In Hospital Fall-Associated Fracture Rate to include all hospital fall-associated fractures, rather than only hospital fall-associated hip fractures.

For more information, please refer to the HAC Reduction Program Frequently Asked Questions document on the QualityNet website.



## How can hospitals review their HAC Reduction Program results?

Hospitals can download their Hospital-Specific Report directly from the Hospital Quality Reporting system at the beginning of the 30-day Scoring Calculations Review and Correction period.

For more information on how to download your hospital's Hospital-Specific Report, please refer to the HAC Reduction Program Frequently Asked Questions document on the QualityNet website, or this brief instructional video.



## How does CMS publicly report HAC Reduction Program results?

For each hospital, CMS will post select information from the fiscal year 2025 HAC Reduction Program on the data catalog on Data.cms.gov in early 2025.



CMS PSI 90 measure result and measure score



CDC's NHSN HAI measure results and measure scores



Total HAC Score



Payment reduction indicator



## Where can I go for more information about the HAC Reduction Program?

For more information, visit the HAC Reduction Program page on the QualityNet website, or the HAC Reduction Page on the CMS website.

For additional questions about CMS' calculations, issues accessing Hospital-Specific Reports, dischargelevel data, CMS PSI 90 software, and methodology, please submit inquiries via the QualityNet Question and Answer Tool.