12. In Table 1 below, identify the measure(s), baseline statistics, and targets that the State will tie to provider performance under this payment arrangement (provider performance measures). Please complete all boxes in the row. To the extent practicable, CMS encourages states to utilize existing, validated, and outcomes-based performance measures to evaluate the payment arrangement, and recommends States use the CMS Adult and Child Core Set Measures when applicable.

Table 1: Payment Arrangement Provider Performance Measures

Measure Name and NQF # (if applicable)	Measure Steward/ Developer[1]	Baseline Year[2]	Baseline Statistic[2]	Performance Measurement Period[3]	Performance Target	Notes[4]
Component Two, Metric 1: NF maintains 12 hours of RN coverage per day	Texas	N/A	Federal requirement is 8 hours of RN coverage per day	Monthly	NF maintains 12 hours of RN coverage per day; "met" if NF maintains 4 additional hours for 90% of days in the month	4 additional hours [beyond the CMS-mandated 8 hours]" is equivalent to "12 hours of RN coverage
Component Two, Metric 2: NF maintains 16 hours of RN coverage per day	Texas	N/A	Federal requirement is 8 hours of RN coverage per day	Monthly	NF maintains 16 hours of RN coverage per day; "met" if NF maintains 8 additional hours for 90% of days in the month	8 additional hours [beyond the CMS-mandated 8 hours]" is equivalent to "16 hours of RN coverage

[1] Baseline data must be added after the first year of the payment arrangement
[2] If state-developed, list State name for Steward/Developer.
[3] If this is planned to be a multi-year payment arrangement, indicate which year(s) of the payment arrangement that performance on the measure will trigger payment.
[4] If the State is using an established measure and will deviate from the measure steward's measure specifications, please describe here. Additionally, if a state-specific measure will be used, please define the numerator and denominator here.

Measure Name and NQF # (if applicable)	Measure Steward/ Developer[5]	Baseline Year[6]	Baseline Statistic[6]	Performance Measurement Period[7]	Performance Target	Notes[8]
Component 3 Metric 1: Percent of high-risk residents with pressure ulcers (long stay)	CMS N015.03	Baselines are reset at the start of each measurement year, using most recently published data.	Each August: •NF-specific baseline set at most recent four-quarter average. • Program-wide benchmark set at national average	Component 3 Quarterly,	Relative 5% improvement over NF-specific baseline each quarter or program-wide benchmark. To "meet" performance target in the NF must perform either: • Equal to or better than its facility-specific target; or • Equal to or better than the program-wide target without declining in performance beyond an allowed margin from the NF's initial baseline. Each metric-specific margin will be defined as the	~~MDS Long Stay Quality Measure with target escalating each quarter~~ Any metric will be considered "Not Met" for the quarter/year if a NF performs worse than its initial baseline by more than an allowed margin of decline. Each metric's allowed margin will be defined as the absolute +/- change in
Component 3 Metric 2: Percent of residents who received an antipsychotic medication (long stay)	CMS N031.03					
Component 3 Metric 3: Percent of residents whose ability to move independently has worsened (long stay)	CMS N035.03					
Component 3 Metric 4: Percent of residents with a urinary tract infection (long stay)	CMS N024.02					
~~**Component 4, Quarter 4 Metric:** Percent of Residents Assessed and Appropriately Given the Pneumococcal Vaccine (long stay)~~	~~CMS N020.02~~			~~Component 4, Annually~~		

[5] Baseline data must be added after the first year of the payment arrangement
[6] If state-developed, list State name for Steward/Developer.
[7] If this is planned to be a multi-year payment arrangement, indicate which year(s) of the payment arrangement that performance on the measure will trigger payment.
[8] If the State is using an established measure and will deviate from the measure steward's measure specifications, please describe here. Additionally, if a state-specific measure will be used, please define the numerator and denominator here.

Measure Name and NQF # (if applicable)	Measure Steward/ Developer[5]	Baseline Year[6]	Baseline Statistic[6]	Performance Measurement Period[7]	Performance Target	Notes[8]
~~**Component 4, Quarter 4 Metric:** Percent of Residents Assessed and Appropriately Given the Seasonal Influenza Vaccine (long stay)~~	~~CMS N016.03~~				absolute +/- change in the national average for that metric from the previous program year to the current program year.	the national average for that metric from the previous program year to the current program year.
~~**Component 4, Quarter 1 and 3 Metric:** NF maintains active infection control program that includes pursuing improved outcomes in antibiotic stewardship~~	~~Texas~~	~~N/A~~	~~N/A~~	~~Quarters 1 and 3~~	~~"met" if facility completes assessment of Infection control program requirements for seven core elements of antibiotic stewardship, submits supporting evidence and observational audits for hand hygiene and PPE usage as well as facility-specific antibiogram report.~~	
~~**Component 4, Quarter 2 Metric:** NFA and DON demonstrate recent completion of "Nursing Home Infection Preventionist Training Course" developed by CMS and the CDC~~	~~Texas~~	~~N/A~~	~~N/A~~	~~Quarter 2~~	~~Certificate of completion of training required to "meet" the metric.~~	

NOTE: In response to Round 2 questions from CMS, Component 4 description has been revised for clarity. See below.

Measure Name and NQF # (if applicable)	Measure Steward/ Developer[9]	Baseline Year[10]	Baseline Statistic[2]	Performance Measurement Period[11]	Performance Target	Notes
Component 4, There is one quality metric – "Facility has active infection control program that includes pursuing improved outcomes in vaccination rates and antibiotic stewardship". However, there are different performance requirements staged differently for each quarter:						
Quarter 1 and 3	Texas	N/A	N/A	Quarters 1, 3	"Met" if facility completes assessment of Infection control program requirements for seven core elements of antibiotic stewardship, submits supporting evidence and observational audits for hand hygiene and PPE usage as well as facility-specific antibiogram report.	N/A
Quarter 2	Texas	N/A	N/A	Quarter 2	NFA and DON demonstrate recent completion of "Nursing Home Infection Preventionist Training Course"	N/A

[9] Baseline data must be added after the first year of the payment arrangement
[10] If state-developed, list State name for Steward/Developer.
[11] If this is planned to be a multi-year payment arrangement, indicate which year(s) of the payment arrangement that performance on the measure will trigger payment.

					developed by CMS and the CDC	
Quarter 4	**NFs must meet performance targets in both the vaccination measures listed below for the Component 4 quality metric to be considered "Met" for the Quarter Four reporting period.**					
(i) Percent of Residents Assessed and Appropriately Given the Pneumococcal Vaccine (long stay)	CMS N020.02	Baselines are reset at the start of each measurement year, using most recently published data.	Each August: •NF-specific baseline set at most recent four-quarter average. •Program-wide benchmark set at national average	Annually	Relative 5% improvement over NF-specific baseline or program-wide benchmark. To "meet" performance target in the NF must perform either: • Equal to or better than its facility-specific target; or • Equal to or better than the program-wide target without declining in performance beyond an allowed margin from the NF's initial baseline. Each metric-specific margin will be defined as the absolute +/- change in the national average for that metric from the previous program year to the current program year.	Any metric will be considered "Not Met" for the quarter/year if a NF performs worse than its initial baseline by more than an allowed margin of decline. Each metric's allowed margin will be defined as the absolute +/- change in the national average for that metric from the previous program year to the current program year.
(ii) Percent of Residents Assessed and Appropriately Given the Seasonal Influenza Vaccine (long stay)	CMS N016.03					

13. For the measures listed in Table 1 above, please provide the following information:

a. Please describe the methodology used to set the performance targets for each measure.

Component 2: Setting the threshold for additional RN hours at 90% of days in the month and allowing use of telehealth technologies for scheduling hours beyond the CMS mandate of eight hours of in-person RN coverage allows for flexibility and innovation in scheduling while still encouraging increased regular, weekly RN coverage for participating NFs. Setting the target based on coverage over a set number of days in the month requires NFs to improve evening and weekend coverage beyond the CMS-mandated hours.

Component 3: NF-specific performance targets for MDS-based performance measures were set at 5% relative improvement each quarter based on successes in previous program years related to MDS improvement. In SFY 2018 and SFY 2019, the "strong improvement" component included 5% relative improvement each quarter. Starting with SFY 2020, this was adopted as the standard improvement target across MDS-based performance measures. Program-wide performance targets are set at national average.

To better illustrate a proposed change to Component 3 for SFY 2023, Table 2 below shows the targets for each quarter, reflecting the escalating 5% improvement. Providers are required to meet either target each quarter. A provider whose performance on their NF-specific target does not improve must still exceed the program-wide (national) benchmark to earn an incentive payment.

Table 2: Summary of Quarterly Performance Targets

Requirement	Q1 Target	Q2 Target	Q3 Target	Q4 Target
Improve on NF-specific baseline; OR	5% relative improvement on baseline	10% relative improvement on baseline	15% relative improvement on baseline	20% relative improvement on baseline
	OR	OR	OR	OR
Meet or Exceed program-wide benchmark	Most recently published national average at the beginning of the program period (BM)	BM	BM	BM

To account for natural fluctuations in quarterly performance results while still holding NFs accountable for incremental improvement, the state will define an allowed margin for each quality metric in Component 3. Any

metric will be considered "Not Met" for the quarter if a NF performs worse than its initial baseline by more than this margin. Each metric's margin will be defined as the absolute +/- change in the national average for that metric from the previous program year to the current program year.

Component 4: For the two MDS measures in Component 4, a NF must improve over its NF-specific baseline by 5% or perform better than the national benchmark on both vaccination measures to earn payment in quarter 4. Either metric will be considered "Not Met" if the NF's performance declines by more than a set margin, which is defined as the absolute +/- change in the national average for that metric from the previous program year to the current program year. The state considers this target appropriate for Texas NFs.

b. If multiple provider performance measures are involved in the payment arrangement, discuss if the provider must meet the performance target on each measure to receive payment or can providers receive a portion of the payment if they meet the performance target on some but not all measures?

For Components 1-3: Performance measures are equally weighted within a Component. If the provider meets performance targets for all measures within a Component, they will receive all available funds related to that Component. For example, if the provider meets only one out of three measures in a Component, they will receive only one-third of their available funds related to that Component.

For Component 4: All quarterly performance targets must be met to earn an incentive payment for the component.

c. For state-developed measures, please briefly describe how the measure was developed?

HHSC considered recommendations from CMS and the Office of Inspector General as well as input from internal and external stakeholder workgroups. The proposed Component structure was developed for SFY 2020 and improved upon for SFY 2022. This component structure will continue in SFY2023.

Component 2: The state recognized the importance of a staffing component and collaborated with the stakeholder workgroups to develop the performance targets, resulting in three equally weighted quality measures.

Performance measures regarding RN hour coverage address key concerns noted by CMS over RN coverage on evenings and weekends. Two measures were developed for SFY2020 to encourage increased RN coverage, and these were continued in SFY2022 and SFY2023.

Component 3: The state has designated four MDS-based performance measures for Component 3. These measures were selected based on state quality objectives and stakeholder input. For SFY2022, the state proposes to move the urinary tract infection measure (N024.02) from Component 4 to Component 3 to incentivize improved infection control outcomes in all participating providers.

Component 4: Quarterly payments to non-state government-owned facilities will be triggered by the demonstrated pursuit of infection control initiatives. The quarterly staged performance measures were developed in collaboration with the state's Long-Term Care (LTC) Regulatory department, LTC Quality Monitoring section, and other internal and external stakeholders. Performance requirements reflect improved, data-driven infection control and antibiotic stewardship practices as published in the *'Core Elements of Antibiotic Stewardship for Nursing Homes'* by the Centers for Disease Control and Prevention. The Quarter 2 performance measure requires both clinical and administrative staff in eligible NFs to complete infection control training, addressing a key barrier to quality improvement noted by HHSC staff during on-site visits to state NFs.

Component 4 also includes two MDS-based performance measures to incentivize improvement in vaccination rates.