



Evaluation Report for the Quality Incentive Payment Program for Nursing Facilities (SFY 2018 – 2020)

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Executive Summary

This report describes the outcomes of Texas' Quality Incentive Payment Program (QIPP) for nursing facilities (NFs) for SFY 2018-2020. The program was expanded in Year Three to include new quality measures, beginning in September 2019. This evaluation will discuss the design and performance for Years One and Two together; before addressing program changes and performance evaluation for QIPP Year Three.

During the 83rd legislative session, the Texas Legislature outlined its goals for the managed care carve-in of nursing facilities. In implementing the nursing NF carve-in, the Health and Human Services Commission (HHSC) was directed to encourage transformative efforts in the delivery of nursing facility services, including "efforts to promote a resident-centered care culture through facility design and services provided" (Senate Bill 7, 83rd Texas Legislature, Regular Session).

In 2014, HHSC established the Minimum Payment Amount Program (MPAP), which became effective March 1, 2015. The MPAP established minimum payment amounts for qualified nursing facilities participating in STAR+PLUS, a Medicaid managed care program for people who have disabilities or are age 65 or older. The STAR+PLUS managed care organizations (MCOs) paid the minimum payment amounts to qualified nursing facilities based on state direction. The program was intended to be a short-term program that would ultimately transition to a value-based performance model.

The 84th Texas Legislature directed HHSC to transition the MPAP to the Quality Incentive Payment Program. The first program year of the QIPP began September 1, 2017.

The QIPP is a state directed payment program that operates under federal regulatory authority contained in 42 Code of Federal Regulations Section 438.6(c). QIPP serves as a value-based performance initiative to help nursing facilities achieve transformation in the quality of their services through implementation of program-wide improvement processes for which facilities are compensated for meeting or exceeding certain goals. Improvement is based upon several indices of success, including quality metrics that are collected by the Centers for Medicare and Medicaid Services (CMS).

Trend analyses indicate the following performance results:

- Overall quality gradually improved for QIPP participating facilities for all metrics
- QIPP facilities have made significant improvements when compared to non-QIPP facilities, suggesting QIPP participation may influence quality improvements in NFs

1. Evaluation Methods

Data Sources and Analytic Methods

Data on Texas NFs from calendar years 2017 through 2019 for the four SFY 2018-SFY 2019 metrics were collected from the Minimum Data Set (MDS) on CMS's Nursing Home Compare (NHC) website. Data on Texas NFs for SFY 2020 were collected from NHC as well, after the January 27, 2021, publication. Due to the public health emergency caused by COVID-19, CMS waived timely reporting requirements for NFs submitting MDS data. The 2020 data published by CMS in January 2021 may not include complete data for all Texas NFs.

A combination of pre-post study design and case-control study design were used to assess the differences between QIPP and non-QIPP facilities and program years. This was done through trend analysis to identify:

- Quality improvements in NFs
- Differences in performance between QIPP and Non-QIPP facilities

After the two full years of data became available on NHC, HHSC compared the performance of facilities enrolled in QIPP and all other Texas facilities not enrolled in QIPP. Active facilities with non-suppressed data available on the CMS website during the reporting periods most closely aligning with QIPP quarters (calendar quarters 2017 Q4 – 2019 Q3) were tracked retrospectively as QIPP or non-QIPP facilities based on QIPP enrollment by quarter in both program years one and two.

When SFY 2020 data became available, HHSC compared active facilities who participated in QIPP Year 3 to non-participating Texas facilities for the reporting periods most closely aligned with QIPP quarters, i.e. calendar quarters 2019 Q4 through 2020 Q3. Because of reduced data availability during the public health emergency, only the first two quarters of the program year were used to measure facility performance.¹

¹ See Section "SFY 2020 Mid-Year COVID-19 Response" on page 19.

2. SFY 2018 - 2019 Program Design

Eligibility

Each QIPP eligibility period is equal to a state fiscal year (SFY) beginning September 1 and ending August 31 of the following year. Two classes of NF provider types are eligible to participate, non-state government owned and private nursing facilities. The QIPP participation criteria for each NF type is as follows:

- **Non-State Government-Owned (NSGO):** A non-state governmental entity includes nursing facilities operated by a hospital authority, hospital district, health district, city, or county which holds the license and is party to the facility's Medicaid contract.
- **Privately Owned:** To ensure that QIPP funds were focused on the Medicaid population, HHSC limited private nursing facility participation to those with Medicaid utilization greater than or equal to the mean percentage of historical Medicaid NF days of service provided under fee-for-service (FFS) and managed care by all private NFs plus one standard deviation, as determined by HHSC. For QIPP Year One (SFY 2018) the cut-off was set at 77.89 percent and for QIPP Year Two (SFY 2019) the cut-off was set at 76.70 percent.

SFY 2018 – 2019 Component Structure

HHSC increases STAR+PLUS MCO capitation rates to account for the estimated payments to the enrolled NF providers. MCOs distribute the funds to their providers based on each NF's performance on the quality measures in each component.

Component One: Quality Assurance and Performance Improvement (QAPI) Meetings

Federal law requires NFs to develop QAPI programs and review them quarterly. Participating NFs must submit a monthly QAPI Validation Report. This attestation is a signed statement that the NF conducted this comprehensive review monthly.

- **Metric:** Facility holds a QAPI meeting each month in accordance with quarterly federal requirements.

Funds in this Component are distributed monthly. Payments are only available to the NSGO providers.

Components Two and Three: Minimum Data Set CMS Quality Measures

For Components Two and Three, Texas adopted three quality measures from the CMS Five-Star Quality Rating System and an additional quality measure selected by quality monitoring clinical staff. The four metrics are based on the CMS Minimum Data Set (MDS) for long-stay NF residents and are evaluated quarterly.

Facilities earned incentive payments by meeting a program-wide benchmark set each year as the most recently published national average or by demonstrating improvement from a facility-specific baseline.

- Component Two required a NF to achieve “moderate improvement” over their facility-specific baseline to earn an incentive payment. and was worth 35 percent of remaining QIPP funds after Component One.
- Component Three required a NF to achieve “strong improvement” over their facility-specific baseline. and was attached to 65 percent of QIPP funds remaining after Component One.

A nursing facility's baseline remained the same throughout the measurement period, while the amount of improvement required each quarter increased. The quarterly goals for the Component One and Component Two increased by 1.7 and 5.0 above the baseline per quarter for the first three quarters. Fourth quarter goals were set at 7 percent and 20 percent above the baseline, respectively.

Table 1: Baseline Improvement Standards

| Quarter | Component Two Payment Standard | Component Three Payment Standard |
|---------|--------------------------------|----------------------------------|
| 1 | 1.7% | 5% |
| 2 | 3.4% | 10% |
| 3 | 5.1% | 15% |
| 4 | 7.0% | 20% |

Program-wide targets for SFY 2018 and 2019 were set at the most recently published national average for each quality metric in July 2017 and July 2018, and remained unchanged for the program year. A NF performing better than the program-wide benchmark could decline in performance and still earn 100 percent of the available funds.

The four MDS-based quality metrics in effect for program years one and two and program-wide targets per program year are presented in Table 2, below.

Table 2. MDS Long-Stay Quality Measures and Benchmarks in QIPP Years One and Two

| Measure Description | CMS ID | Nursing Home Compare ID | SFY 2018 Benchmark | SFY 2019 Benchmark |
|--|---------------------|-------------------------|--------------------|--------------------|
| Percent of high-risk residents with pressure ulcers, including unstageable pressure ulcers | N015.02/ N015.03 | 403/453 | 5.67% | 5.57% |
| Percent of residents who were physically restrained | N027.01 | 409 | 0.53% | 0.37% |
| Percent of residents experiencing one or more falls with major injury | N013.01 | 410 | 3.35% | 3.37% |
| Percent of residents who received an antipsychotic medication | N031.02 | 419 | 16.06% | 15.25% |

NOTE: CMS updated the technical specifications for the long-stay pressure ulcer measure, which is reflected in the shift in CMS ID from N015.02 to N015.03 and on Nursing Home Compare from 403 to 453.

3. SFY 2018 – 2019 Program Performance

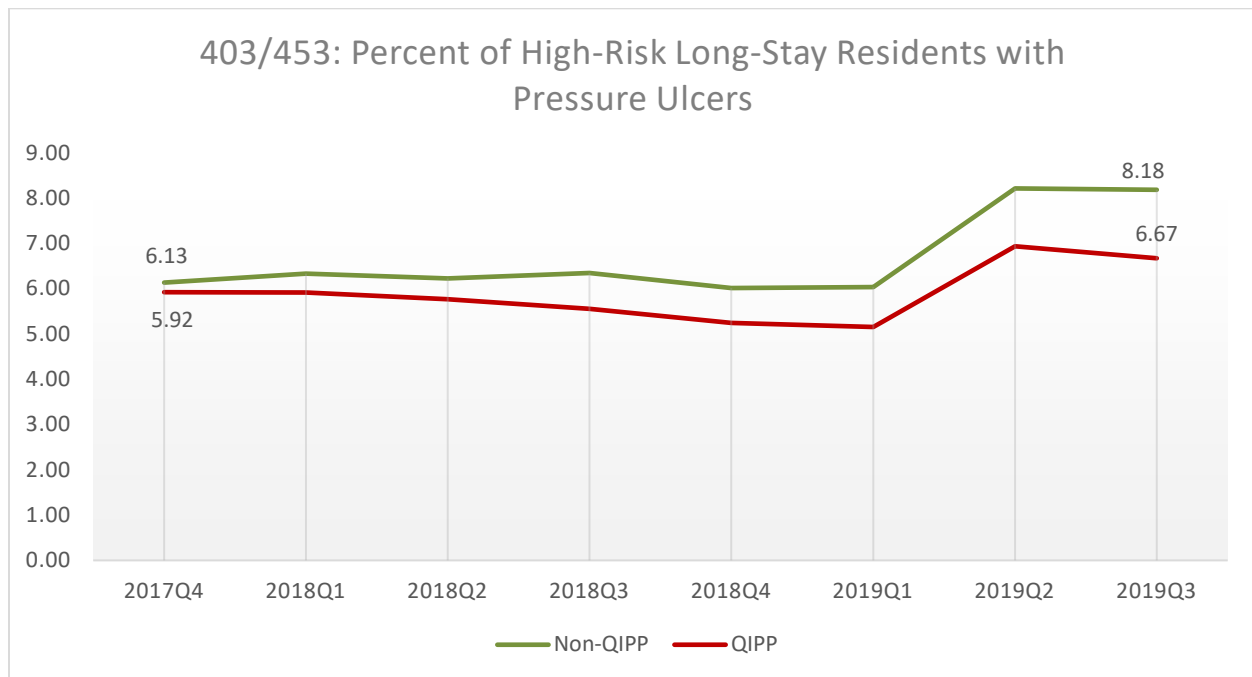
For year one, beginning in September of 2017, 515 NFs participated in QIPP, including 431 non-state government owned (NSGO) nursing facilities and 84 private nursing facilities. The budget for year one was approximately \$400 million.

In program year two, 555 NFs participated in QIPP, including 460 NSGO nursing facilities and 95 private nursing facilities. The budget for year two was \$446 million.

SFY 2018-2019 MDS Quality Measure Performance

Each trend line below displays the average performance for facilities in the represented subgroup per quarter.

Figure 1: Percent of High-Risk Long-Stay Residents with Pressure Ulcers by Calendar Year Quarter



NOTE: The spike between 2019Q1 and 2019Q2 corresponds with an updated CMS methodology reflected in the change from measure NHC ID 403 to 453.

Figure 2: Percent of Long-Stay Residents Who Were Physically Restrained by Calendar Year Quarter

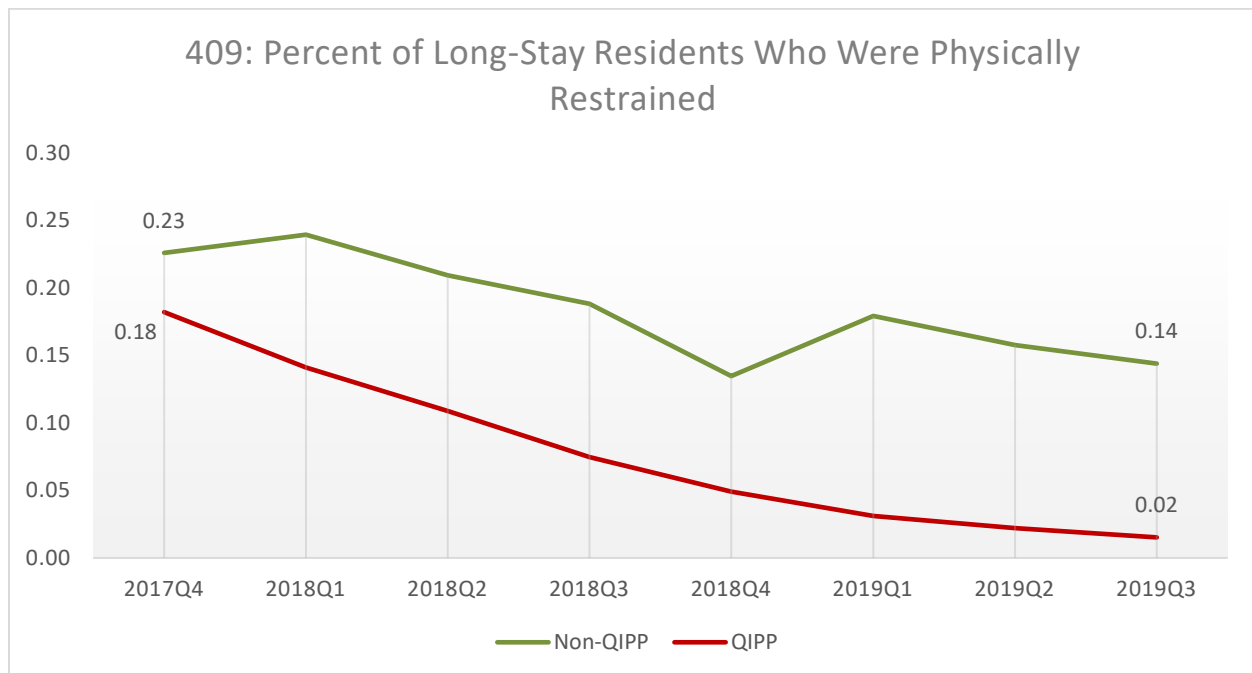


Figure 3: Percent of Long-Stay Residents Experiencing One or More Falls with Major Injury by Calendar Year Quarter

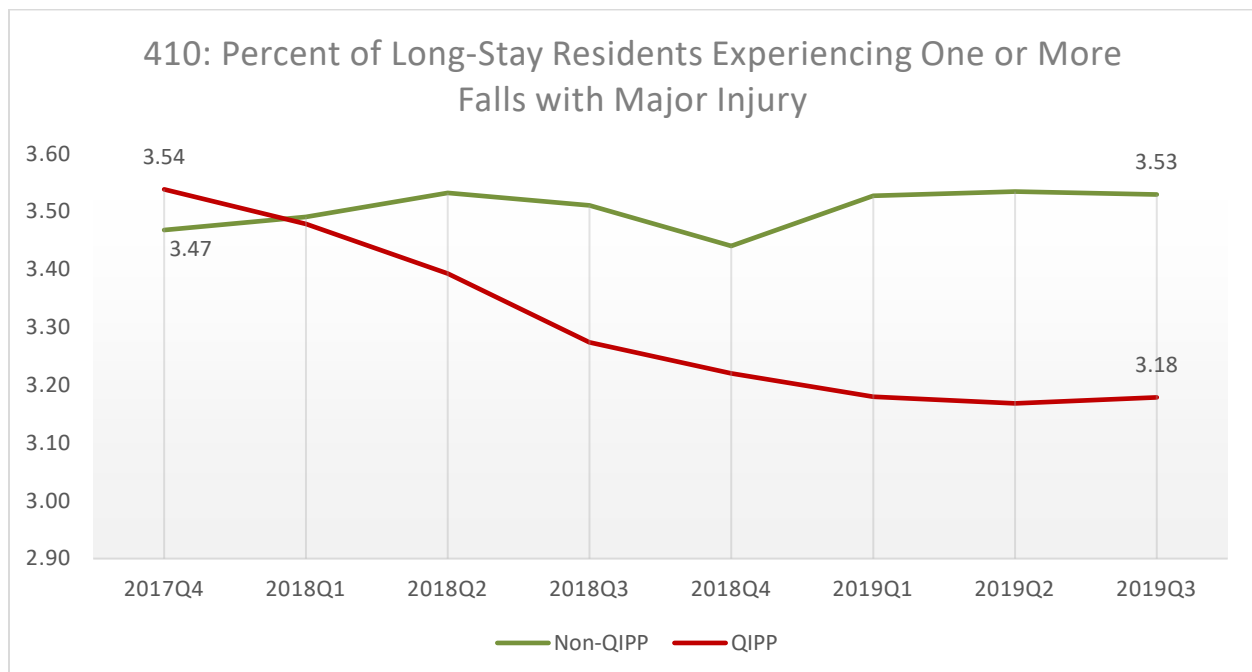
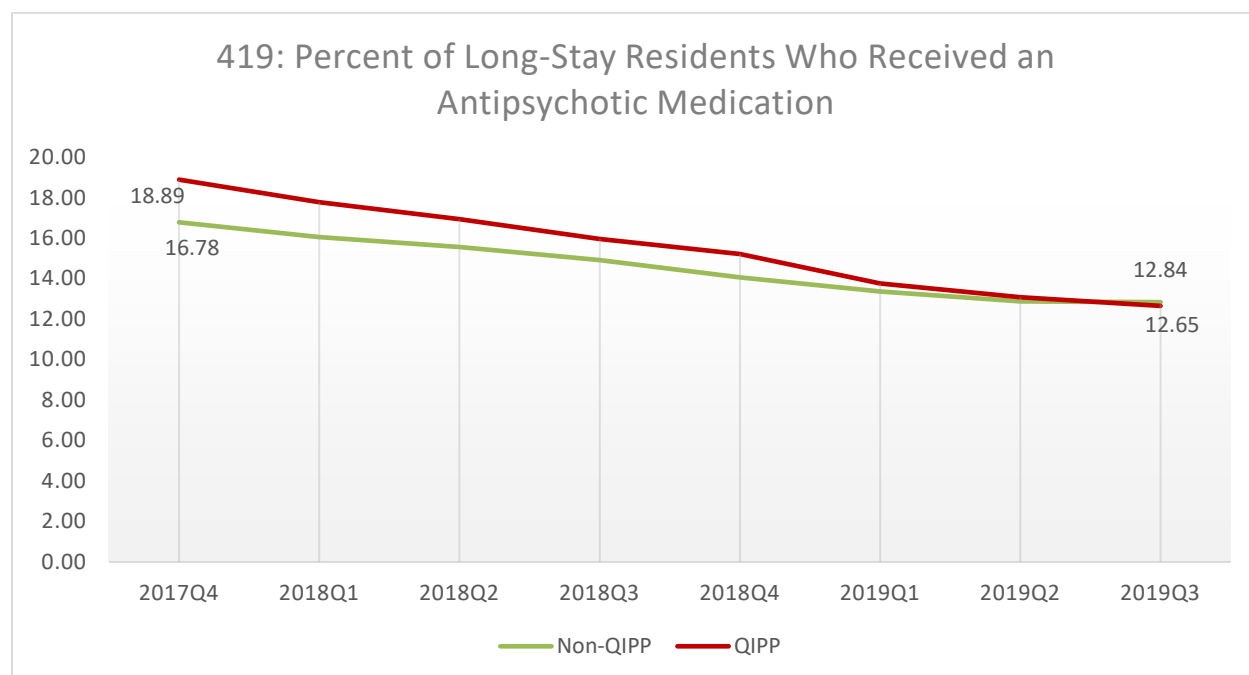


Figure 4: Percent of Long-Stay Residents Who Received an Antipsychotic Medication by Calendar Year Quarter



HHSC evaluated the performance of QIPP and non-QIPP facilities on the four MDS quality of care measures. As seen in figures 1 through 4 (above), by the end of the evaluation period QIPP facilities were performing on average better than non-QIPP facilities on all four measures. On the two measures where QIPP facilities' averages started ahead of non-QIPP facilities, the performance gap widened (pressure ulcers and physical restraints). For one measure, the average score for non-QIPP facilities worsened while the QIPP facility average improved (falls with major injury).

SFY 2018 – 2019 Facility Achievement and Payments

An aggregate summary of QIPP Program Year One and Two achievements is presented for each component in this section.

Component One Achievement

- Year One: All eligible NFs met the reporting requirements for Component One each quarter of SFY 2018.
- Year Two: All eligible NFs met the reporting requirements for Component One, except for one newly re-opened facility.

Component Two Achievement

The tables below show the number and percentage of participating NFs that achieved moderate improvement relative to performance targets for MDS quality measures each quarter for one or more measures.

Table 3. Component Two –Year One Achievement, by Quarter

| Measures Met | Number of NFs Q1 | Number of NFs Q2 | Number of NFs Q3 | Number of NFs Q4 |
|-------------------|---------------------|---------------------|---------------------|---------------------|
| 0 Measures | 4 (0.78%) | 5 (0.97%) | 6 (1.17%) | 7 (1.36%) |
| 1 Measure | 11 (2.14%) | 12 (2.33%) | 8 (1.56%) | 8 (1.56%) |
| 2 Measures | 68 (13.23%) | 80 (15.56%) | 68 (13.23%) | 69 (13.42%) |
| 3 Measures | 216 (42.02%) | 186 (36.19%) | 195 (37.94%) | 187 (36.38%) |
| 4 Measures | 215 (41.83%) | 231 (44.94%) | 237 (46.11%) | 243 (47.28%) |

NOTE: Some of the facilities marked as meeting 0 measures in Year One reflect facilities that became ineligible for the program due to closure and ceased participating.

Table 4. Component Two – Year Two Achievement, by Quarter

| Measures Met | Number of NFs Q1 | Number of NFs Q2 | Number of NFs Q3 | Number of NFs Q4 |
|-------------------|---------------------|---------------------|---------------------|---------------------|
| 0 Measures | 0 (0.00%) | 0 (0.00%) | 1 (0.18%) | 4 (0.72%) |
| 1 Measure | 8 (1.45%) | 12 (2.17%) | 8 (1.46%) | 9 (1.62%) |
| 2 Measures | 74 (13.38%) | 84 (15.22%) | 69 (12.59%) | 73 (13.15%) |
| 3 Measures | 211 (38.16%) | 207 (37.50%) | 231 (42.15%) | 206 (37.12%) |
| 4 Measures | 260 (47.02%) | 249 (45.1%) | 239 (43.61%) | 263 (47.39%) |

NOTE: Each column includes only those facilities that remained open and eligible for payments in a given quarter in Year Two.

Component Three Achievement

The tables below show the number and percentage of participating NFs that met strong improvement performance targets for MDS quality measures each quarter for one or more measures.

Table 5. Component Three – Year One Achievement, by Quarter

| Measures Met | Number of NFs Q1 | Number of NFs Q2 | Number of NFs Q3 | Number of NFs Q4 |
|-------------------|---------------------|---------------------|---------------------|---------------------|
| 0 Measures | 4 (0.78%) | 5 (0.97%) | 6 (1.17%) | 7 (1.36%) |
| 1 Measure | 13 (2.53%) | 18 (3.50%) | 9 (1.75%) | 14 (2.72%) |
| 2 Measures | 74 (14.40%) | 82 (15.95%) | 79 (15.37%) | 79 (15.37%) |
| 3 Measures | 217 (42.22%) | 191 (37.16%) | 205 (39.88%) | 190 (36.96%) |

| Measures Met | Number of NFs Q1 | Number of NFs Q2 | Number of NFs Q3 | Number of NFs Q4 |
|-------------------|---------------------|---------------------|---------------------|---------------------|
| 4 Measures | 206 (40.08%) | 218 (42.41%) | 215 (41.83%) | 224 (43.58%) |

NOTE: Some of the facilities marked as meeting 0 measures in Year One reflect facilities that became ineligible for the program due to closure and ceased participating.

Table 6. Component Three – Year Two Achievement, by Quarter

| Measures Met | Number of NFs Q1 | Number of NFs Q2 | Number of NFs Q3 | Number of NFs Q4 |
|-------------------|---------------------|---------------------|---------------------|---------------------|
| 0 Measures | 0 (0.00%) | 0 (0.00%) | 1 (1.82%) | 4 (0.72%) |
| 1 Measure | 10 (1.80%) | 15 (2.72%) | 11 (2.01%) | 13 (2.34%) |
| 2 Measures | 75 (13.56%) | 95 (17.21%) | 82 (14.99%) | 87 (15.68%) |
| 3 Measures | 216 (39.06%) | 212 (38.41%) | 232 (42.34%) | 223 (40.18%) |
| 4 Measures | 252 (45.57%) | 230 (41.67%) | 222 (40.51%) | 228 (41.08%) |

NOTE: Each column includes only those facilities that remained open and eligible for payments in a given quarter in Year Two.

Funds Earned

The following tables show the total funds earned in each quarter and by component for SFY 2018 and SFY 2019.

Table 7. Total QIPP Payments Earned per Quarter – Year One

| Component | Q1 | Q2 | Q3 | Q4 |
|------------------------|---------------|---------------|---------------|---------------|
| Component One | \$ 44,912,142 | \$ 46,852,193 | \$ 46,009,185 | \$ 46,906,861 |
| Component Two | \$ 12,207,209 | \$ 12,856,634 | \$ 12,770,347 | \$ 13,074,676 |
| Component Three | \$ 22,413,277 | \$ 23,499,853 | \$ 23,162,746 | \$ 23,701,312 |
| Redistributed | \$ 8,463,751 | \$ 9,082,229 | \$ 8,799,801 | \$ 9,021,105 |

Table 8. Total QIPP Payments Earned per Quarter – Year Two

| Component | Q1 | Q2 | Q3 | Q4 |
|------------------------|--------------|--------------|--------------|--------------|
| Component One | \$46,422,491 | \$48,128,026 | \$46,422,399 | \$44,848,214 |
| Component Two | \$13,618,252 | \$13,868,854 | \$13,939,842 | \$31,692,846 |
| Component Three | \$25,068,264 | \$25,199,734 | \$25,217,566 | \$24,648,918 |
| Redistributed | \$8,507,471 | \$9,801,301 | \$10,365,449 | \$9,972,788 |

Table 9. Total QIPP Payment Amounts – Years One and Two

| Component | Year One Amounts | Year Two Amounts |
|----------------------------|-------------------------|-------------------------|
| Component One | \$ 184,680,381 | \$ 185,821,130 |
| Component Two | \$ 50,908,866 | \$ 73,119,794 |
| Component Three | \$ 92,777,188 | \$ 100,134,482 |
| Redistributed Funds | \$ 35,366,886 | \$ 38,647,009 |
| Total Funds | \$ 363, 733, 321 | \$ 397, 722, 415 |

4. SFY 2020 Program Design and COVID-19 Impact

Before the start of QIPP Year Three (September 2019 through August 2020), HHSC convened a workgroup comprised of HHSC staff, NF providers, and other stakeholders to review the program's quality metrics and funding structure. The workgroup recommended several changes to continue incentivizing NFs to improve quality and innovation in the provision of NF services. CMS approved and HHSC implemented new quality measures, eligibility requirements, and financing components for QIPP to begin September 1, 2019.

Eligibility

Both NSGO and private facilities continued to be eligible to enroll in QIPP for Year Three. For QIPP Year Three, private NFs were eligible to participate only if they had a percentage of Medicaid NF days of service greater than or equal to 65%.

SFY 2020 Component Structure

HHSC increases STAR+PLUS MCO capitation rates to account for the estimated payments to their enrolled NF providers. MCOs distribute the funds to their providers based on each NF's performance on the quality measures in each component. Performance measures are equally weighted within a component. If the provider meets all measures within a component, they will receive all eligible funds related to that component. If the provider meets only one out of three measures in a component, they will receive one-third of their eligible funds for that Component.

Component One: Quality Assurance and Performance Improvement (QAPI) Meetings

No changes were made to Component One for Year Three.

- Metric 1.1: Facility holds a QAPI meeting each month in accordance with quarterly federal requirements.

Component Two: Workforce Development

The QIPP workgroup recommended an addition of a component to Years Three and Four dedicated to workforce development. This component was added to incentivize NFs to improve Registered Nurses' availability and to address nation-wide concern over Registered Nurses' coverage during evening and weekend hours. All participating facilities were eligible to earn Component Two payments. Payment was based on NF improved performance on the three measures:

- Metric 2.1: NF maintains four additional hours of registered nurse (RN) staffing coverage per day, beyond the CMS mandate.

- Metric 2.2: NF maintains eight additional hours of RN staffing coverage per day, beyond the CMS mandate.

For quality measures 2.1 and 2.2, HHSC outlined the following requirements for a NF to meet these measures:

- ▶ Hours above the federally mandated eight hours of in-person RN coverage must be scheduled non-concurrently with mandated hours.
 - ▶ NFs must provide, in total, 12 or 16 hours of RN coverage, respectively, on at least 90 percent of the days within the reporting period.
 - ▶ NFs may use telehealth services for scheduling hours beyond the eight-hour in-person mandate.
- Metric 2.3: NF has a staffing recruitment and retention program that includes a self-directed plan and monitoring outcomes.

For quality metric 2.3 each NF submits a self-directed recruitment and retention plan during the first reporting period and subsequently reports outcomes related to that plan throughout the program period. HHSC does not determine specific outcomes required for meeting the metric; rather, each NF must monitor and regularly report ongoing development of its self-directed goals and outcomes.

Component Three: Minimum Data Set CMS Five-Star Quality Measures

For Year Three, two metrics were retired (Residents who were restrained, Residents who experienced a fall) and one metric was added. All participating facilities were eligible to earn Component Three payments. All three measures were related to MDS quality measures and were measured against fixed as well as facility-specific targets. The three measures were:

- Metric 3.1: (CMS N015.01) Percent of long-stay high-risk residents with pressure ulcers.
- Metric 3.2: (CMS N031.02) Percent of long-stay residents who received an antipsychotic medication.
- Metric 3.3 [New]: (CMS N035.02) Percent of long-stay residents whose ability to move independently worsened.

Component Four: Infection Control Program

Component Four was a new addition in Year Three. HHSC designated three equally weighted quality measures for Component Four. Component Four was open only to NSGO providers.

- Metric 4.1: (CMS N024.01) Percent of residents with a urinary tract infection (UTI).

The first metric was a Five-Star MDS quality metric and was measured against quarterly targets.

- Metric 4.2: Percent of residents whose pneumococcal vaccine is up to date.

The second metric required providers to self-report vaccination data and submit documentation through the QIPP Web portal each quarter. The metric was measured against a fixed benchmark that was set as the most recently published national average for the related MDS quality metric (CMS N020.01) and remained unchanged for the program year.

- Metric 4.3: Facility has an infection control program that includes antibiotic stewardship.

The program incorporated policies and training as well as monitoring, documenting, and providing staff with feedback. The metric encompassed a list of nine infection control elements that each facility was required to incorporate into its infection control program.

SFY 2020 Mid-Year COVID-19 Response

In response to the COVID-19 public health emergency, CMS waived certain reporting requirements for nursing facilities effective March 1, 2020, including timeframe requirements for Minimum Data Set assessments and transmission.

To account for the lack of sufficient MDS data, HHSC waived the following performance requirements connected to QIPP MDS-based quality measures, effective March 1, 2020, and for the rest of SFY 2020²:

- All quality measures related to Component Three are MDS based and were impacted. Funds dedicated to this component were disbursed in monthly payments to all enrolled NFs to support responses to COVID-19, such as workforce recruitment and retention and infection control.
- Except the quality metric around 'Percent of Residents with Urinary Tract Infection (CMS ID: N024.02)', remaining quality metrics for Component Four continued on a quarterly schedule with funds reliant on the two remaining quality measures.
- Furthermore, to help relieve the administrative burden on facilities during this time of critical functioning, HHSC waived the Component One QAPI reporting requirements for the program, effective beginning March 1 and for the rest of SFY 2020.

² <https://hhs.texas.gov/about-hhs/communications-events/news/2020/06/qipp-performance-reporting-requirement-adjustments-due-covid-19>

5. SFY 2020 Program Performance

For year three, 807 NFs participated in QIPP, including 507 NSGO nursing facilities and 300 private nursing facilities. The budget for year three was \$650 million.

HHSC evaluates NFs performance on the QMs on monthly and quarterly bases.

SFY 2020 MDS Quality Measure Performance

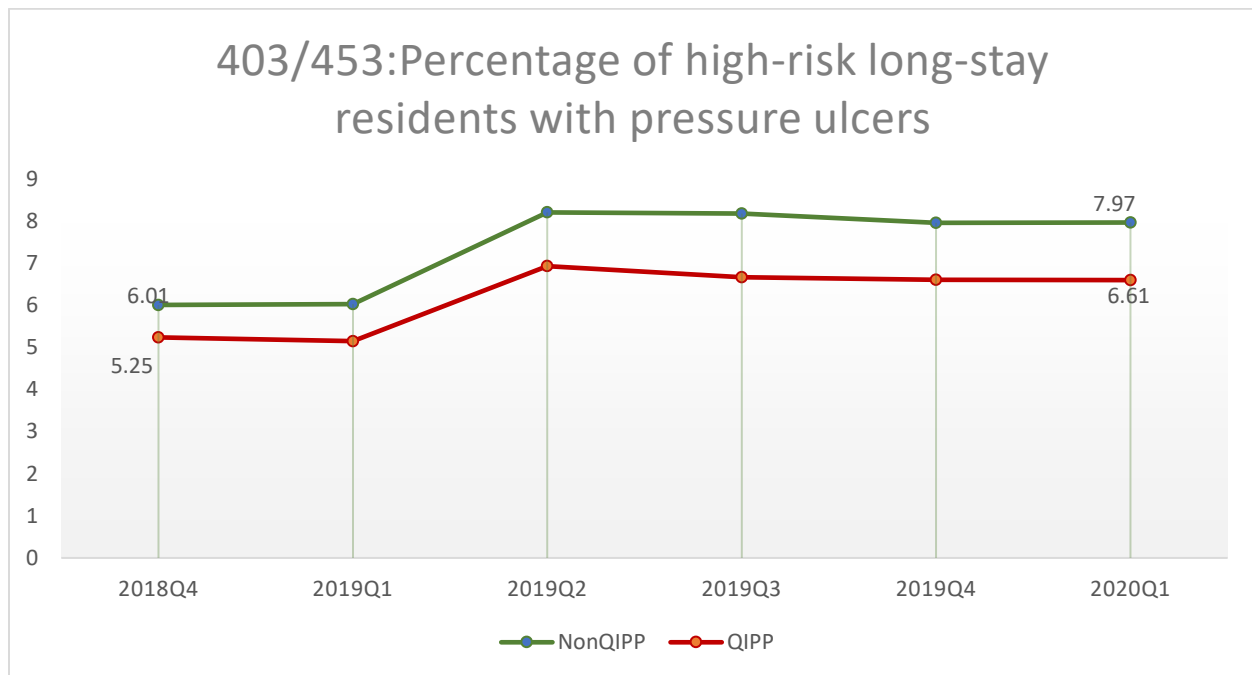
Because of COVID-19 response, only two quarters of performance data for SFY 2020 are available as of this publication. In addition, all Texas NFs may not be represented in the data available from CMS.

Similar to Years One and Two, facility-specific targets were calculated as improvements upon a NF's initial baseline; however, only the strong improvement targets were retained. Program-wide targets were set at the most recently published national average for each quality metric in August 2019 and remained unchanged for the program year.

Table 10. MDS Long-Stay Quality Measure Benchmarks in QIPP Year Three

| Measure Description | CMS ID | Nursing Home Compare ID | SFY 2020 Benchmarks |
|---|---------|-------------------------|---------------------|
| Percent of high-risk residents with pressure ulcers, including unstageable pressure ulcers. | N015.02 | 453 | 7.35% |
| Percent of residents who received an antipsychotic medication. | N031.02 | 419 | 14.56% |
| Percent of residents whose ability to move independently has worsened. | N013.01 | 451 | 17.72% |
| Percent of residents with a urinary tract infection. | N031.02 | 407 | 2.80% |

Figure 5. Percent of High-Risk Long-Stay Residents with Pressure Ulcers by Calendar Quarter (Including QIPP Year Two)



NOTE: The spike between 2019Q1 and 2019Q2 corresponds with an updated CMS methodology reflected in the change from measure NHC ID 403 to 453.

Figure 6. Percent of Long-Stay Residents Who Received an Antipsychotic Medication by Calendar Quarter (Including QIPP Year Two)

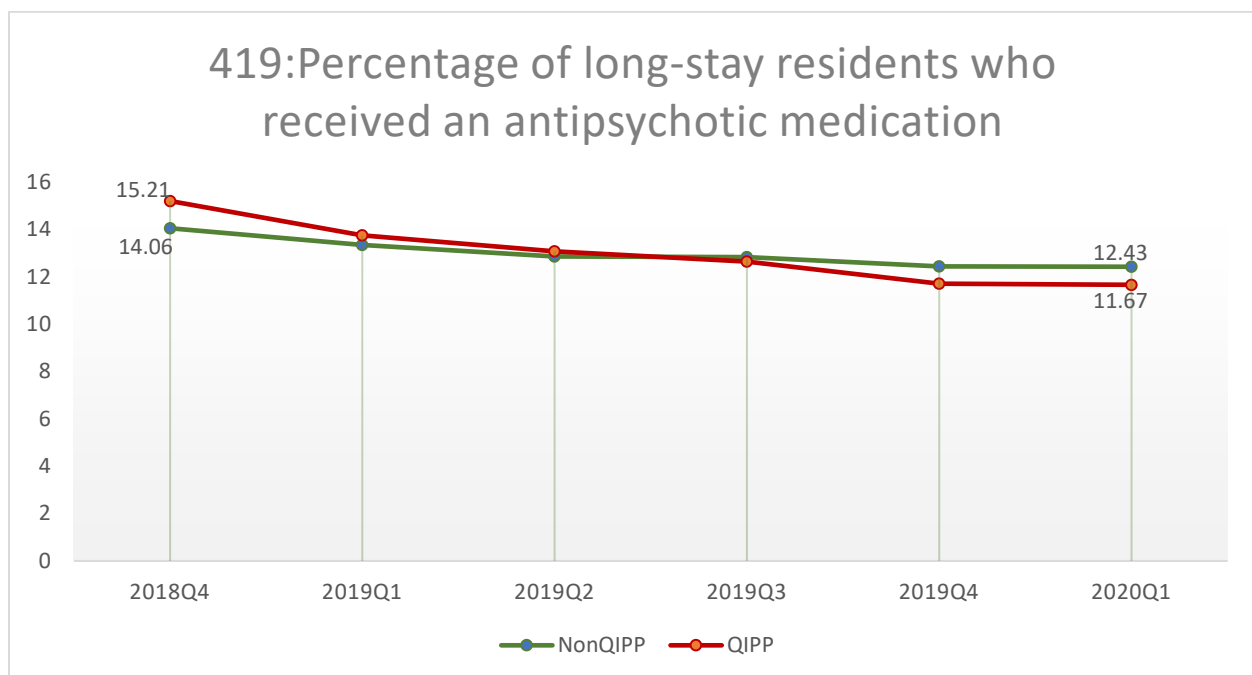


Figure 7. Percent of Long-Stay Residents Whose Ability to Move Independently Worsened by Calendar Quarter

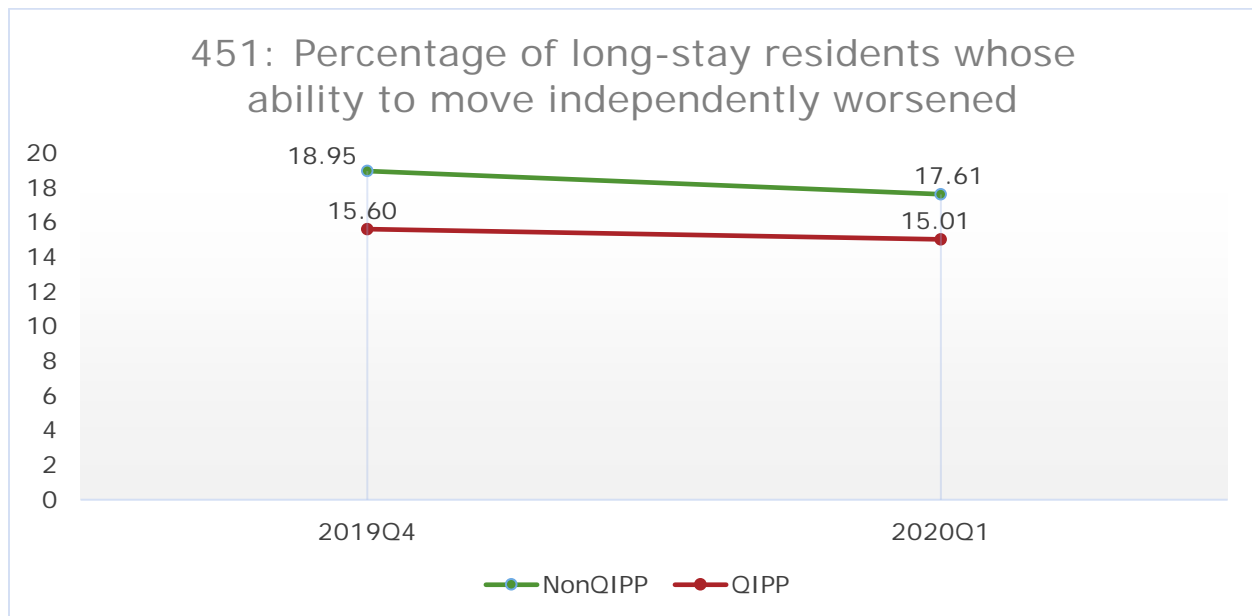
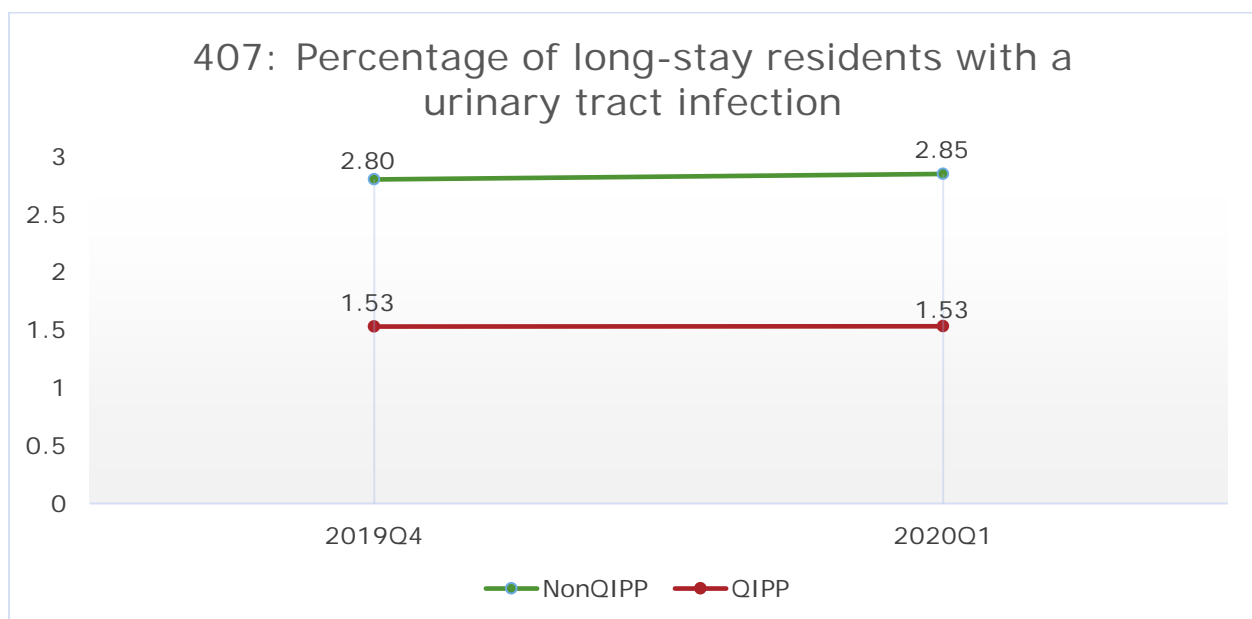


Figure 8. Percent of Long-Stay Residents with a UTI by Calendar Quarter



As seen in figures 5 through 8, by the end of the evaluation period QIPP facilities were performing on average better than non-QIPP facilities on all four measures. All QIPP facilities maintained or improved performance over the two quarters evaluated.

SFY 2020 Facility Achievement and Payments

For year three, 807 NFs participated in QIPP, including 507 NSGO nursing facilities and 300 private nursing facilities. The mid-year COVID-19 response allowed for all funds originally dedicated to Component 3 to be distributed monthly, proportionally to all eligible NFs.

Component One Achievement

With few exceptions, all eligible NFs met the reporting requirements for Component One.

Component Two Achievement

Table 11 presents the average number and percentage of NFs who met the Component Two requirements by measure per quarter. The table also reports the number and percentage of NFs who did not meet the requirements.

Table 11. Component Two – Average Year Three Achievement per Measure

| Measure | NFs Met Targets | NFs Did Not Meet Targets |
|---|-----------------|--------------------------|
| NF maintains four additional hours of RN staffing | 660 (82.1%) | 144 (17.9%) |
| NF maintains eight additional hours of RN staffing | 629 (78.2%) | 175 (21.8%) |
| NF has a staffing recruitment and retention program | 746 (92.8%) | 58 (7.2%) |

Component Three Achievement

Table 12 presents the average number and percentage of NFs who met the program-wide benchmark or facility-specific targets per quarter during the SFY 2020 measurement period. In addition, the table reports the average number and percentage of NFs that did not meet the targets and NFs with insufficient data during a quarter to determine if the facility met the target.

Table 12. Component Three – Average Year Three Achievement per MDS Measure

| Measure | NFs Met Targets | NFs Did Not Meet Targets | NFs with insufficient data |
|--|-----------------|--------------------------|----------------------------|
| Percent of residents with a pressure ulcer | 580 (71.3%) | 221 (27.2%) | 12 (1.5%) |
| Percent of residents who received an antipsychotic medication. | 649 (79.8%) | 156 (19.2%) | 8 (1.0%) |

| Measure | NFs Met Targets | NFs Did Not Meet Targets | NFs with insufficient data |
|---|-----------------|--------------------------|----------------------------|
| Percent of residents whose ability to move independently worsened | 571 (70.2%) | 226 (27.8%) | 16 (2.0%) |

Note: Results for MDS quality measures only include Quarters 1 and 2.

Component Four Achievement

Table 13 presents the average number and percentage of NFs who met the program-wide benchmark or facility-specific targets for the MDS UTI measure and similar results for the other two infection control measures. The table also shows the average number and percentage of NFs who did not meet the performance targets.

Table 13. Component Four – Average Year Three Achievement per Infection Control Measure

| Measure | NFs Met Targets | NFs Did Not Meet Targets | NFs with insufficient data |
|--|-----------------|--------------------------|----------------------------|
| Percent of residents with a urinary tract infection | 446 (88.0%) | 55 (10.8%) | 6 (1.2%) |
| Percent of residents with a current pneumococcal vaccine | 446 (88.0%) | 61 (12.0%) | n/a |
| Facility has an infection control program | 486 (95.9%) | 21 (4.1%) | n/a |

Note: Results for the MDS UTI measure only include Quarters 1 and 2.

Funds Earned

Participating providers received incentive payments for their achievement on each component. Table 14 presents the average amount earned and paid per quarter for each component and the total paid for the year. The funds that were not disbursed as earned payments were redistributed to facilities who met metric requirements according to utilization and are also presented below.

Table 14. Average and Total QIPP Payments Earned per Quarter – Year Three

| Component | Average Paid per Quarter | Total |
|-------------------|--------------------------|----------------------|
| Component One | \$62,858,217 | \$251,432,867 |
| Component Two | \$14,048,468 | \$56,193,870 |
| Component Three | \$33,146,018 | \$132,584,071 |
| Component Four | \$21,879,073 | \$87,516,292 |
| Redistributed | \$10,124,628 | \$40,498,510 |
| Total Paid | | \$568,225,610 |

NOTE: Adjustment Period 1 is not included in these figures. An additional \$6,925,959, paid in January 2021, is not included.

6. Conclusion

QIPP has provided a unique opportunity for Texas nursing homes to further improve quality in their provision of NF services. This value-based payment program uses a variety of models to incentivize and reward improvement. Most importantly, this program uses a pay-for-performance model linked to participating facilities' performance on CMS MDS-based quality metrics in both structures of QIPP (Years 1-2 and Years 3-4). HHSC used CMS-verified MDS data to determine if participating NFs are improving the care provided to their residents.

COVID-19 impacted the state's ability to fully evaluate QIPP facilities' performance in 2020. It is unknown how long it will impact data collection or the extent of its impact on NF residents and staff.

Overall, the results suggest QIPP facilities have made significant improvements when compared to non-QIPP facilities on the important quality of care metrics selected for this program. The SFY 2020 component structure and payment model is continued in SFY 2021. HHSC will continue to analyze performance improvement for the remainder of SFY 2020 and for SFY 2021 and beyond. HHSC expects the positive results observed reported here to extend into future program years. As more Texas NFs participate in QIPP and achieve their performance targets more Medicaid residents should benefit from improved quality of care.