

---

Published by the Data & Analytics Group.

# Frequently Asked Questions: National Pay-for-Performance Map

Click the *red* link below to go directly to your question of choice.

## Part 1: Tool Methodology and Data Definitions

1. [What years does this map cover?](#)
2. [Where do the adjustment factors \(for HRRP and VBP\) and penalty flags \(for HAC\) come from?](#)
3. [What are your financial data sources?](#)
4. [How often is the map updated?](#)
5. [How is the % impact figure for each program calculated?](#)
6. [This is all historical data. Where can I find projections?](#)
7. [Where can I learn more about the P4P programs?](#)

## Part 2: Additional Resources

8. [What other tools can I access through Advisory Board?](#)

If you have additional questions not addressed here, let us add it! Email us at [analytics@advisory.com](mailto:analytics@advisory.com)

## Part 1: Tool Methodology and Data Definitions

### 1. What years does this map cover?

The P4P Map includes data from FY 2013 (when the HRRP and VBP were first started) through the current fiscal year. Use the 'FY 20XX' fiscal year drop-down menu in the upper right-hand corner of the map to toggle to your fiscal year of interest.

### 2. Where do the adjustment factors (for HRRP and VBP) and penalty flags (for HAC) come from?

These values are published annually by CMS through supplemental data files on the [IPPS Final Rule Homepage](#) (for HRRP and VBP) and in the January data update of Hospital Compare (HAC).

### 3. What are your financial data sources?

Base operating amount and Medicare inpatient revenue amount are derived from the CMS's MedPAR (Medicare Provider and Analysis Review) inpatient dataset, which represents 100% of all stay-level Medicare Part A fee-for-service claims across a given fiscal year. Please note that we will always use the most current MedPAR financial data available, but the most recent historical years shown on the map must rely on base operating and revenue information from one-to-two years ago due to the release lag for the MedPAR IP dataset.

### 4. How often is the map updated?

We update the map whenever CMS releases finalized results for one of the three P4P programs. Readmissions results are usually released in August/September, VBP usually in September/October, and HAC results are released with the January data update of Hospital Compare.

### 5. How is the '%Impact' figure calculated for each program?

This metric conveys the estimated impact of a given P4P program relative to an organization's Medicare inpatient revenue during a given fiscal year. It is calculated in the following ways:

For VBP / HRRP:

- i. By first applying a provider's adjustment factor to their base operating amount (from MedPAR) to arrive at estimated dollar impact for a given program year
- ii. By then dividing the size of that provider's dollar impact within a program by the provider's total Medicare Inpatient Revenue to arrive at an impact percentage

For HAC:

When your organization receives a HAC penalty, Advisory Board estimates total dollar impact for your organization by applying a 1% penalty amount to your hospital's total "adjusted" Medicare inpatient revenue amount after accounting for your Readmissions and VBP adjustments. Please note that while the HAC impact dollar amount is calculated off of total Medicare IP revenue after adjusting for HRRP and VBP impact, we express HAC % Impact by using "unadjusted" total Medicare inpatient revenue as the denominator (i.e., total Medicare inpatient revenue before accounting for HRRP and VBP impact). This is why some HAC % Impact values are not equal to either 0.0% or 1.0% (which you would expect to see within the mechanics of the HAC program). We express HAC % Impact in this manner in order to ensure the impact percentages across all three P4P programs are calculated using the same denominator ("unadjusted" total Medicare inpatient revenue).

### 6. This is all historical data. Where can I find projections?

Our projections for the HAC and VBP programs may be found in the [Customized P4P Assessment](#). Note that this assessment is only available to hospital members, and you can only view your own organization's projections. We do not offer projections for HRRP performance for the reasons detailed in this [Advisory Board Readmissions Penalties research note](#). Additional information on our projection methodology is available within the Customized P4P Assessment FAQ document.

## 7. Where can I learn more about the P4P programs?

You can find more information about the CMS Inpatient PPS Pay-for-Performance Programs by viewing Advisory Board's annual [P4P Webconference](#). This webconference encompasses Advisory Board's expert review of important updates to all three programs, which place up to 6% of a given hospital's inpatient Medicare payments at risk.

You'll learn about:

- The scoring and payment mechanics for each of the pay-for-performance programs
- Updates to scoring approaches, metrics, and time-frames
- Advisory Board tools and resources available to assess the impact of these programs

## Part 2: Additional Resources

### 8. What other tools can I access through Advisory Board?

Please visit our [Data and Analytics Navigator](#) to view the full set of tools available to you based on your organization's membership portfolio. You can click "My Tools" within the Navigator tool to view all of the tools available via your current membership.



655 New York Avenue NW, Washington DC 20001

This document does not constitute professional legal advice. Advisory Board does not endorse any companies, organizations, or their products as identified or mentioned herein. Advisory Board strongly recommends consulting legal counsel before implementing any practices contained in this document or making any decisions regarding suppliers and providers.