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**Applying the  
Commission's principles for  
measuring quality:  
Population-based measures  
and hospital quality incentives**

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ONLINE APPENDIX

# 7-A

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**Comparison of current quality  
program and potential  
hospital value incentive  
program payment adjustments**

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**TABLE  
7-A1****Illustrative comparison of existing quality programs  
and potential HVIP payment adjustments**

<b>Hospital group</b>	<b>Number of hospitals</b>	<b>Current quality payment adjustments relative to average</b>	<b>HVIP payment adjustment after 2 percent withhold relative to average</b>
All hospitals	3,021	0%	0%
<b>Hospital size</b>			
Large urban	1,209	-0.08	-0.03
Other urban	1,065	0.10	0.03
Rural	747	0.42	0.04
<b>Teaching status</b>			
Major teaching	300	-0.23	-0.1
Other teaching	764	-0.06	0.0
Nonteaching	1,957	0.20	0.1
<b>Fully dual-eligible peer groups</b>			
Peer Group 1 (lowest share)	300	0.39	0.0
Peer Group 3	301	0.06	0.0
Peer Group 6	301	-0.18	0.0
Peer Group 10 (highest share)	301	-0.41	0.0
<b>Ownership</b>			
Nonprofit	1,826	0.05	0.05
For profit	754	-0.17	-0.23
Government	441	-0.06	0.02
<b>DSH</b>			
No DSH	410	0.42	0.06
Moderate to low DSH	1,897	-0.22	0.01
High DSH	665	-0.22	-0.04

Note: HVIP (hospital value incentive program), DSH (disproportionate share). The current quality programs include the Hospital Readmissions Reduction Program (HRRP), Hospital-Acquired Condition Reduction Program (HACRP), and hospital value-based purchasing (VBP) program. The HRRP and HACRP are penalties, and the VBP is budget neutral. To make the current programs and HVIP comparable, we included a budget-neutrality adjustment in the current programs adjustment. The budget-neutrality adjustment is the overall current program adjustment divided by overall base payments (0.93 percent). The HVIP adjustment is the sum of each hospital's HVIP adjustment after the withhold divided by the sum of each hospital's base payment. The HVIP is budget neutral. There are 49 hospitals with unknown DSH status.

Source: MedPAC analysis of Medicare fee-for-service hospital quality data, 2014–2016.