

Pilot Program on Performance-Based Maternity Payments (P-BMP)

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1.0 PURPOSE

The purpose of the P-BMP pilot is to meet requirements set forth in the [National Defense Authorization Act for Fiscal Year 2017](#) (NDAA FY 2017), Section 705(a) which authorizes the implementation of value-based incentive programs to encourage health care providers under the TRICARE program (including physicians, hospitals, and other persons and facilities involved in providing such health care services) to improve the following:

- The quality of health care provided to covered beneficiaries under the TRICARE program;
- The experience of covered beneficiaries in receiving health care under the TRICARE program; and
- The health of covered beneficiaries.

2.0 BACKGROUND

VBP is an emerging strategy in the health care industry that seeks to reward better health outcomes, enhance the beneficiary's experience of care, and reduce health care costs over time. The P-BMP pilot is a value-based initiative that seeks to improve health outcomes for mothers and babies via an increased emphasis on maternity care quality in the TRICARE networks. Phase I of the pilot implemented beneficiary-friendly tools to promote greater transparency regarding the quality of maternity care delivered by hospitals in the TRICARE network. This initial phase of the pilot was designed to help beneficiaries understand the risks associated with specific delivery choices and facilitate meaningful dialogue with health care providers during this pivotal time in a woman's life. Phase II of the pilot incorporates performance-based payments (incentives) to network hospitals related to network maternity care.

3.0 APPLICABILITY

The P-BMP pilot is applicable to hospitals that are in the TRICARE network.

4.0 PILOT PROGRAM OVERVIEW

4.1 The P-BMP pilot incorporates quality metrics and survey findings from the Leapfrog Group, a national nonprofit organization established in 2000 to drive improvements in health care quality and

safety. Leapfrog conducts an annual Hospital Survey and compares reported hospital performance against nationally-recognized benchmarks for five maternity care measures (early elective deliveries, C-sections, episiotomies, maternity care processes, and high-risk deliveries). Leapfrog posts its survey results on a public website (<http://www.leapfroggroup.org>) that clearly shows how each hospital performed on each reported measure in comparison to Leapfrog's posted target measure.

4.2 The Defense Health Agency (DHA) has designated the first four Leapfrog measures (early elective deliveries, C-sections, episiotomies, and maternity care processes) as core metrics (key and essential elements) for the P-BMP pilot. Network hospitals assigned a performance rating of **Fully Meets Standard** by Leapfrog on three core metrics (as evidenced by Leapfrog survey results) will be awarded a **Value** tier rating. Network hospitals assigned a performance rating of **Fully Meets Standard** on all four core metrics will be awarded a **High Value** tier rating.

4.3 A fifth Leapfrog measure (**High-Risk Deliveries**) is not considered a core metric for the P-BMP pilot; however, **Value** and **High Value** tier hospitals may be eligible for an additional incentive based on their performance regarding high-risk delivery volume and care quality. In order to achieve a Leapfrog Group performance rating of **Fully Meets Standard** for high-risk deliveries, hospitals must deliver ≥ 50 very-low birth weight (VLBW) infants annually (defined as infants weighing less than 1,500 grams at time of birth) AND meet the Leapfrog Group target for the antenatal steroid process measure. Network hospitals assigned a performance rating of **Fully Meets Standard** by the Leapfrog Group will be awarded a **High-Risk Deliveries** tier rating. Hospitals that have achieved a **High-Risk Deliveries** tier rating and that have also achieved a **Value** or **High Value** tier rating shall be considered for an additional P-BMP incentive payment as outlined in [paragraph 7.2.3](#).

4.4 P-BMP tier ratings (**Value**, **High Value**, and **High-Risk Deliveries**) will be based upon the most current survey data posted by Leapfrog on its public website as of **August 1st** each year.

4.5 Upon implementation of the pilot, and on an ongoing basis thereafter, the contractor shall obtain the most current Leapfrog Annual Hospital Survey results for maternity care and identify all network hospitals that achieved **Value**, **High Value**, and **High-Risk Delivery** tier ratings during the survey rating period. Based on the contractor's review of the Leapfrog survey data and their identification of **Value**, **High Value**, or **High-Risk Delivery** tier ratings, the contractor shall update their web-based network Provider Directory with unique provider designation symbols that will effectively communicate the hospital's quality rating and P-BMP pilot status to beneficiaries within 30 days that it is posted by Leapfrog on its public website. Specific Provider Directory designation processes are described in [paragraph 6.2](#).

5.0 POLICY CONSIDERATIONS

5.1 The implementation of the P-BMP pilot does not limit or change normal TRICARE reimbursement methodologies or claims submission policies and processes. Hospital claims for maternity care services will continue to be processed following normal TRICARE reimbursement rules. Nothing in this pilot changes the beneficiary's right to choose their network provider.

5.2 Participation in the annual Leapfrog Hospital Survey is voluntary. Hospitals will not be reimbursed by the Government for any administrative costs associated with participation in the Leapfrog survey.

5.3 In order to be eligible for designation symbols (indicating **Value**, **High Value**, or **High-Risk Delivery** tier ratings) or to be eligible for incentive payments, hospitals must have an active provider network agreement with the appropriate regional contractor on August 1st for consideration of an incentive for the preceding year. Hospitals with TRICARE network agreements that are in process, but not yet completed, are not eligible for the P-BMP pilot.

6.0 PHASE I - QUALITY TRANSPARENCY FOR BENEFICIARIES

6.1 Upon commencement of the P-BMP pilot, and on an ongoing basis thereafter (following publication of Leapfrog findings), the contractor shall obtain the most current Leapfrog survey results and determine which TRICARE network hospitals in its respective region have achieved a **Value** or **High Value** rating. The contractor shall also use this survey data to identify **Value** and **High Value** tier hospitals that also were assigned a performance rating of **Fully Meets Standard** by the Leapfrog Group for the **High-Risk Delivery** tier rating.

6.2 No later than June 1, 2018, using the most recent data available, the contractor shall have annotated their web-based Provider Directory with unique provider designation symbols for hospitals who achieved a **Value**, **High Value**, or **High-Risk Delivery** tier rating during the preceding year (e.g., "Silver Stork" for **Value** tier; "Gold Stork" for **High Value** tier, etc.). The contractor shall select the specific symbols to be used for this purpose. The contractor shall include clarifying information on the Provider Directory to ensure that beneficiaries understand how to interpret these symbols that align with posted Leapfrog methodology.

6.3 The contractor shall update their Provider Directory within 30 calendar days following publication of any refreshed Leapfrog data as specified in paragraph 4.5, to maintain consistency with Leapfrog's website. Hospitals no longer meeting Leapfrog criteria will have their designation status removed. As new hospitals are added to the TRICARE network, the Provider Directory shall be refreshed to ensure that any appropriate P-BMP quality designation symbols are included within 30 calendar days of the hospital joining the network.

6.4 Since participation in the Leapfrog survey is voluntary, the lack of a P-BMP quality designation symbol on the provider directory does not infer that a particular hospital provides low quality care. The contractor shall provide clarifying information on its Provider Directory to preclude any misinterpretation of the data by beneficiaries such as a construing that a hospital without a stork rating is somehow considered low value by TRICARE or the DHA.

6.5 The contractor shall provide the Government with a Performance-Based Maternity Payment (P-BMP) Report, identifying those hospitals which have been designated as **Value**, **High Value**, with an additional endorsement for **Value** or **High Value** in the **High-Risk Delivery** category on the network provider directory. Details for reporting are identified in DD Form 1423, Contract Data Requirements List (CDRL) located in Section J of the applicable contract.

7.0 PHASE II - PERFORMANCE-BASED HOSPITAL INCENTIVES

7.1 Eligibility

7.1.1 Network hospitals that provide childbirth services to TRICARE beneficiaries will be automatically considered for Value, High Value, or High-Risk Delivery incentive payments on a retroactive annual basis if they elected to participate in the Leapfrog Group Hospital Survey, and have

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provided applicable performance data to the Leapfrog Group on their maternity quality metrics. Network hospitals that do not report maternity care metrics in the Leapfrog Group Hospital Survey and non-network hospitals are not eligible for P-BMP incentives. Alternative forms of evidence for maternity care quality will not be accepted for P-BMP pilot purposes or incentives (only official Leapfrog data are accepted).

7.1.2 Network hospitals that achieve **Value, High Value, or High-Risk Delivery** tier ratings will be awarded a retroactive annual incentive payment (subject to the provisions of the P-BMP pilot) based upon their performance rating, the volume of TRICARE deliveries at each hospital during each incentive cycle, and the total TRICARE allowable amount for these deliveries. The rating in effect on August 1st each year will be used for incentive calculation purposes; this rating shall be applied retroactively to TRICARE deliveries during each incentive cycle as follows:

Incentive Cycle	Leapfrog Rating (as of date)	Date of Service (Hospital Admission)
1	August 1, 2019	Commencement of Phase II September 1, 2018 through December 31, 2018*
2	August 1, 2020	January 1, 2019 through December 31, 2019*
3	August 1, 2021	January 1, 2020 through December 31, 2020*

* Or last day of health care delivery under the contract, whichever comes first.

Note: Incentive cycles end on December 31st each year to allow time for claims processing to occur prior to incentive calculations, which will commence on August 1st of the following year.

7.1.3 P-BMP incentive payments are not appealable; however, if hospitals identify a suspected calculation error, they may provide written notification of the suspected error (with substantiating documentation) to the attention of the appropriate regional contractor within 180 calendar days of the date of the incentive payment with the suspected error. The contractor shall investigate the matter, and if it indicates that a calculation error occurred, the contractor shall notify DHA and request appropriate adjustments to incentive payment(s) within 90 calendar days following receipt of the hospital notification and all substantiating documentation.

7.1.4 Hospital maternity care incentive payments under this pilot shall be excluded from National Cost Trend Incentive calculations.

7.1.5 At the Government's discretion, hospitals that are active subjects in fraud or abuse investigations, including civil prosecution and civil litigation, may be deemed ineligible for P-BMP incentive payments. If the investigations are later resolved, and it is determined that the hospital did not commit fraud or abuse, the hospital may be eligible for retroactive P-BMP incentive payments at the normal rate. Hospitals with confirmed fraudulent or abusive actions are ineligible for P-BMP incentive payments.

7.2 Incentive Payment Calculations

Beginning in 2019, and on an annual basis thereafter, the contractor shall issue incentive payments (from non-underwritten funds) as determined by the Government to eligible network hospitals, using the Leapfrog rating as of that date. The Government will calculate incentive payments as a percentage of total TRICARE allowed charges for TRICARE maternity cases with admission dates in the applicable incentive cycle (Medicare Severity-Diagnosis Related Groups (MS-DRGs) 765-768, 774,

and 775) as follows:

7.2.1 High Value Tier (hospital met the target for all four core metrics): Hospital receives **High Value** incentive payment (equal to 2% of allowed charges on all TRICARE deliveries (MS-DRGs 765-768, 774 and 775) that occurred during the applicable incentive cycle).

7.2.2 Value Tier (hospital met the target for three core metrics): Hospital receives **Value** incentive payment (equal to 1% of allowed charges on all TRICARE deliveries that occurred during the applicable incentive cycle).

7.2.3 High-Risk Delivery Tier: High Value and Value tier hospitals that also achieved a **High-Risk Deliveries** tier rating will receive an additional incentive payment (equal to 1% of allowed charges on High-Risk TRICARE deliveries that occurred during the applicable incentive cycle). High-risk TRICARE deliveries include all deliveries with 2018 International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM) diagnosis code series O09.XX with admission dates in the applicable incentive cycle and performed at facilities with the **High-Risk Delivery** tier designation.

Note: Hospital claims must include an ICD-10-CM diagnosis code in the O09.XX series in order to be included in incentive calculations. The Government will not retroactively search for high-risk pregnancy diagnoses in outpatient maternity care claims for incentive calculation purposes. Contractors shall ensure that hospitals are aware of this process.

7.2.4 Hospitals who met two, one, or zero core metrics, or who chose not to participate in the Leapfrog Hospital Survey (or who are rated "not applicable" by Leapfrog), even if they fully met the Leapfrog standard for High-Risk Deliveries will not receive incentive payments.

7.2.5 The contractor shall provide annual feedback reports to participating providers and hospitals in the purchased care sector regarding their cost and quality performance and their eligibility for a positive incentive (as determined by the Government). These feedback reports shall be provided to participating providers and hospitals no later than 30 days following the Government's completion of the annual data analysis and determination of incentive payments.

7.2.6 Contractors shall follow normal processes and procedures for non-underwritten manual check requests for P-BMP incentive payments. Contractors shall request funding approval from the DHA, Contract Resource Management (CRM) Office prior to issuance of P-BMP incentive checks/ Electronic Funds Transfers (EFTs) to hospitals. P-BMP incentive payments shall not be reported on the TRICARE Encounter Data (TED).

7.2.7 See [Addendum A](#) for specific data elements for P-BMP reporting purposes.

7.2.8 See [Addendums B and C](#) for specific incentive calculation processes and procedures.

8.0 EXCLUSIONS

8.1 Hospitals located outside the 50 United States and the District of Columbia (DC).

8.2 Hospitals in Maryland that are not reimbursed under the MS-DRG system, although they may participate in the Provider Directory designation.

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8.3 Critical Access Hospitals (CAH) not paid under the DRG reimbursement methodology.

8.4 Beneficiaries with Other Health Insurance (OHI).

8.5 Designated Providers (DPs) under the Uniformed Services Family Health Plan (USFHP).

9.0 EFFECTIVE AND TERMINATION DATES

Phase I of the P-BMP pilot commenced on April 1, 2018. Phase II of the P-BMP pilot commences on September 1, 2018. The P-BMP pilot will continue through the last day of health care delivery of a Region's current contract, or three years from the start of the pilot project, whichever comes first, subject to the Government's discretion under [Section 1, paragraph 4.2](#).

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