

and/or total knee arthroplasty measure (NQF #1550) described in § 510.400(a)(1), CMS assigns the participant hospital measure value to a performance percentile and then quality performance points are assigned based on the following performance percentile scale:

- (i) 10.00 points for ≥90th.
- (ii) 9.25 points for ≥80th and <90th.
- (iii) 8.50 points for ≥70th and <80th;
- (iv) 7.75 points for ≥60th and <70th.
- (v) 7.00 points for ≥50th and <60th.
- (vi) 6.25 points for ≥40th and <50th.
- (vii) 5.50 points for ≥30th and <40th.
- (viii) [Reserved]
- (ix) 0.0 points for <30th.

(2) For the Hospital Consumer Assessment of Healthcare Providers and Systems Survey measure (NQF #0166) described in § 510.400(a)(2), CMS assigns the participant hospital measure value to a performance percentile and quality performance points are assigned based on the following performance percentile scale:

- (i) 8.00 points for ≥90th.
- (ii) 7.40 points for ≥80th and <90th.
- (iii) 6.80 points for ≥70th and <80th.
- (iv) 6.20 points for ≥60th and <70th.
- (v) 5.60 points for ≥50th and <60th.
- (vi) 5.00 points for ≥40th and <50th.
- (vii) 4.40 points for ≥30th and <40th.
- (viii) [Reserved]
- (ix) 0.0 points for <30th.

(d) *Quality improvement points.* If a participant hospital's quality performance percentile on an individual measure described in § 510.400(a) increases from the previous performance year by at least 3 deciles on the performance percentile scale, then the hospital is eligible to receive quality improvement points equal to 10 percent of the total available points for that individual measure.

(e) *Exception for hospitals without a measure value.* In the case of a participant hospital without a measure value that would allow CMS to assign quality performance points for that quality measure, CMS assigns the 50th percentile quality performance points to the hospital for the individual measure.

(1) A participant hospital will not have a measure value for the—

(i) Hospital-level risk-standardized complication rate following elective primary total hip arthroplasty and/or

total knee arthroplasty measure (NQF #1550) described in § 510.400(a)(1) if the hospital does not meet the minimum 25 case count; or

(ii) Hospital Consumer Assessment of Healthcare Providers and Systems Survey measure (NQF #0166) described in § 510.400(a)(2) if the hospital does not meet the minimum of 100 completed survey and does not have 4 consecutive quarters of HCAHPS data.

(ii) For either of the measures described in paragraphs (e)(1) or (2) of this section, if CMS identifies an error in the data used to calculate the measure and suppresses the measure value.

(f) *Quality incentive payments.* CMS provides incentive payments to participant hospitals that demonstrate good or excellent quality performance on the composite quality scores described in paragraph (b) of this section. These incentive payments are implemented in the form of the following reductions to the applicable discount factors described in § 510.300(c):

(1) A 1.0 percentage point reduction to the applicable discount factor for participant hospitals with good quality performance, defined as composite quality scores that are greater than or equal to 6.0 and less than or equal to 13.2.

(2) A 1.5 percentage point reduction to the applicable discount factor for participant hospitals with excellent quality performance, defined as composite quality scores that are greater than 13.2.

§ 510.320 Treatment of incentive programs or add-on payments under existing Medicare payment systems.

The CJR model does not replace any existing Medicare incentive programs or add-on payments. The target price and NPRA for a participant hospital are independent of, and do not affect, any incentive programs or add-on payments under existing Medicare payment systems.

§ 510.325 Allocation of payments for services that straddle the episode.

(a) *General.* Services included in the episode that straddle the episode are prorated so that only the portion attributable to care furnished during the