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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

episode are included in the calculation of actual episode payments.

(b) *Proration of services.* Payments for services that straddle the episode are prorated using the following methodology:

(1) *Non-IPPS inpatient services and other inpatient services.* Non-IPPS inpatient services, and services furnished by other inpatient providers that extend beyond the end of the episode are prorated according to the percentage of the actual length of stay (in days) that falls within the episode.

(2) *Home health agency services.* Home health services paid under the prospective payment system in part 484, subpart E of this chapter are prorated according to the percentage of days, starting with the first billable service date (''start of care date'') and through and including the last billable service date, that occur during the episode. This methodology is applied in the same way if the home health services begin (the start of care date) prior to the start of the episode.

(3) *IPPS services.* IPPS claim amounts that extend beyond the end of the episode are prorated according to the geometric mean length of stay, using the following methodology:

(i) The first day of the IPPS stay is counted as 2 days.

(ii) If the actual length of stay that occurred during the episode is equal to or greater than the MS–DRG geometric mean, the normal MS–DRG payment is fully allocated to the episode.

(iii) If the actual length of stay that occurred during the episode is less than the geometric mean, the normal MS–DRG payment amount is allocated to the episode based on the number of inpatient days that fall within the episode.

(iv) If the full amount is not allocated to the episode, any remainder amount is allocated to the post-episode spending calculation (defined in § 510.2).

Subpart E—Quality Measures, Beneficiary Protections, and Compliance Enforcement

§ 510.400 Quality measures and reporting.

(a) *Reporting of quality measures.* The following quality measures are used for public reporting, for determining whether a participant hospital is eligible for reconciliation payments under § 510.305(g), and whether a participant hospital is eligible for quality incentive payments under § 510.315(f) in the performance year:

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

(2) Hospital Consumer Assessment of Healthcare Providers and Systems Survey.

(b) *Requirements for successful voluntary data submission of patient-reported outcomes and limited risk variable data.* To be eligible to receive the additional points added to the composite quality score for successful voluntary data submission of patient-reported outcomes and limited risk variable data, as described in § 510.315(b)(4), participant hospitals must submit the THA/TKA patient-reported outcome and limited risk variable data requested by CMS related to the pre- and post-operative periods for elective primary total hip and/or total knee arthroplasty procedures. The data must be submitted within 60 days of the end of the most recent performance period and be accompanied by the patient-reported outcomes and limited risk variable data (eleven elements finalized) as outlined in § 510.315(b)(4).

(1) For each eligible procedure all eleven risk variable data elements are required to be submitted. The eleven risk variables are as follows:

(i) Date of birth.

(ii) Race.

(iii) Ethnicity.

(iv) Date of admission to anchor hospitalization.

(v) Date of eligible THA/TKA procedure.

(vi) Medicare Health Insurance Claim Number.

(vii) Body mass index.

(viii) Use of chronic (≥90 day) narcotics.

(ix) Total painful joint count.

(x) Quantified spinal pain.

(xi) Single Item Health Literacy Screening (SILS2) questionnaire.

(2) Hospitals must also submit the amount of requested THA/TKA patient-reported outcomes data required for