

Reporting Hospital Quality Data for Annual Payment Update (RHQDAPU) January 2006

Section 501(b) of the Medicare Prescription Drug, Improvement and Modernization Act (MMA) of 2003 provides a financial incentive for certain hospitals to report to CMS on the quality of inpatient care provided to all patients. This is one of a series of steps to promote public reporting of hospital quality information intended to provide consumers information to make informed decisions about care.

As a result, the Reporting Hospital Quality Data for Annual Payment Update (RHQDAPU) initiative was developed. This initiative requires hospitals to submit data for specific quality measures for health conditions common among people with Medicare. For the fiscal year (FY) payment update in 2006, CMS requires hospitals to continuously submit the required 10 quality measures for three medical conditions: acute myocardial infarction, heart failure and pneumonia. These are the same measures collected by the JCAHO for participation in their certification program.

Hospitals that did not participate in the RHQDAPU initiative by reporting the required data by the established [Data Transmission Deadlines](#) will receive a 0.4 percentage point reduction in their annual payment update for Medicare in FY 06.

To qualify for the Annual Payment Update (APU) for FY 06, the hospital must meet the following requirements:

- The hospital must continuously submit for each quarter the required 10 “starter set” APU measures.
- The hospital must pass validation with a minimum of 80 percent upper bound reliability, based upon the chart audit validation process, on its 3rd quarter 2004 data of a 5-sample chart submission.
 - If the hospital fail its 3rd quarter 2004 reliability it may submit 4th quarter 2004 data and CMS will calculate a upper bound reliability from the combined 3rd quarter 2004 and 4th quarter 2004 data of the 10-sample chart submission.
- The hospital must successfully submit 2 consecutive quarters of publishable data.
- The hospital must complete the RHQDAPU participation form.
- The hospital must identify a QNet Exchange Administrator and follow registration requirements.
- The hospital must register with QNet Exchange, regardless of the method of data submission.

Additional information regarding RHQDAPU requirements and procedures can be found on the QualityNet Exchange at www.qnetexchange.org. The materials on the website include the following:

- Hospital Data Collection (HDC)
- CMS Abstraction & Reporting Tool (CART)
- Specifications Manual for National Hospital Quality Measures