# Detailed Business Requirements

## Gestational Age 31 Weeks or Less Neonatal Episode

V1.1

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# 1 Introduction

## 1.1 VERSIONS AND REVISIONS

To keep track of the version of an episode used at any given time, a versioning system is employed:

- The versioning system is designed to discern between major and minor changes made to the DBR. Changes are reflected by the V0.0 design format.
- Major changes to the DBR will be reflected by an increase of 1.0. For example, V1.0 is the first version of the DBR. If a major change is made, version V2.0 will be released. Major changes include revisions to the algorithm, configuration file or significant content updates to the DBR.
- Minor changes to the DBR will be reflected by an increase of 0.1. For example, V1.0 is the first version of the DBR. If a minor change is made, version V1.1 will be released. Minor changes include revisions that do not impact the design or intent of the DBR (e.g., grammatical, formatting, etc).

| Version | Date | Changes |
|---|---|---|
| V1.0 | 2017-06-01 | ■ First version |
| V1.1 | 2017-11-01 | ■ DBR: Updated section 2.3.6 to include DCS custody as a clinical exclusion.<br>■ DBR: Added additional clinical exclusions to section 2.3.6. |

## 1.2 SCOPE OF THIS DOCUMENT

The Detailed Business Requirement (DBR) document serves as a guide to understand the definition of an episode.

Section 2 addresses the following questions:

- **Typical patient journey**: Which patient cases are addressed by the episode?
- **Sources of value**: At which points in the typical patient journey do providers have most potential to improve quality of care, outcomes, and cost-effectiveness?

- **Design dimensions**: What decisions underlie the design of the episode?
  - Identify episode triggers: What events trigger an episode?
  - Attribute episodes to providers: Which provider is primarily held accountable for the outcomes of an episode, i.e., Quarterback (QB) or Principal Accountable Provider (PAP)?
  - Determine the episode duration: What is the duration of the episode?
  - Identify claims included in episode spend: Which claims are included in or excluded from the episode spend?
  - Calculate non-risk-adjusted episode spend: How is the spend for an episode calculated?
  - Perform risk adjustment: What approach is taken to adjust episodes for risk factors that cannot be influenced by the Quarterback?
  - Identify excluded episodes: Which episodes are excluded from a Quarterback's average episode spend for the purposes of calculating any gain/risk sharing?
  - Determine quality metrics performance: Which quality metrics are employed to inform Quarterbacks about their quality of care?
  - Calculating gain and risk sharing: How are the gain and risk sharing amounts for Quarterbacks determined?

Section 3 of the DBR explains the data flow of an episode. It addresses the following questions:

- **Input data**: What inputs does the episode algorithm require to build the episode?
- **Episode algorithm and detailed description**: What is the intent of the episode design that needs to be reflected in the code to produce the episode outputs?
- **Configuration file**: What parameters (e.g., number of days) and medical codes (e.g., diagnosis codes) need to be specified to define the episode?
- **Output tables**: What are the recommended outputs of an episode algorithm?

Section 4 contains general elements of the episode algorithm that must be used in conjunction with section 5, as section 5 contains the specific details for the episode described in this DBR. These address the following questions:

- What are the logical steps the episode algorithm needs to complete in order to produce the required outputs?
- What cases does the algorithm need to address?
- Are there exceptions to the overall logic and how are they handled?
- Which algorithm logic is the same across episodes, and which is specific to an episode?

The DBR document does not cover the following topics:

- Background on how episodes compare to the current payment system
- Clinical rationale for inclusions and exclusions
- Intermediate analyses used during design of the episode
- Meeting materials used during design of the episode
- Guidance on data collection/transformation/storage
- Guidance on the episode algorithm coding approach

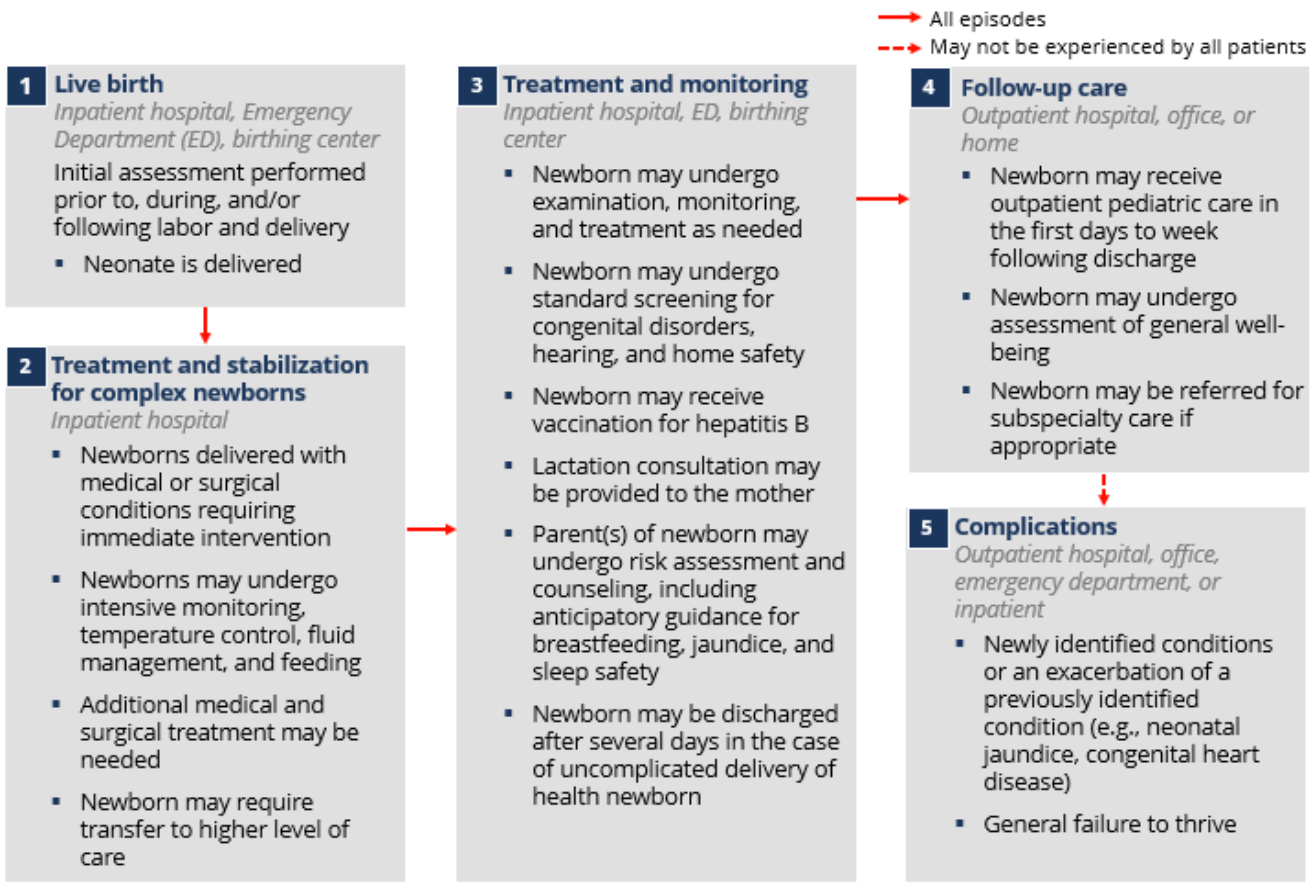
# 2 Gestational age 31 weeks or less neonatal episode description

## 2.1 TYPICAL PATIENT JOURNEY

The episode described in this document pertains to newborns born at a gestational age of 31 weeks or less. As depicted in Exhibit 1, the patient journey begins at the time of birth at an inpatient hospital facility. These newborns are typically stabilized in labor and delivery. Then, the newborn is typically triaged to a level II, level III, or level IV neonatal intensive care unit (NICU), where intensive monitoring, respiratory support, temperature control, and medical interventions are performed as required. Some newborns may require surgical interventions, such as the placement of a shunt to decrease intracranial pressure or surgical repair of an abdominal wall defect. After the newborn reaches physiologic maturity and is able to breathe and feed without assistance, he or she may be transferred to a less intensive level of care. For newborns who require complex care, inpatient stays may range from days to months. Additionally, vaccination and standard screenings for metabolic, genetic, and congenital disorders are typically performed. The facility will also provide services to the mother to improve the care of the newborn, including counseling and lactation consultation, prior to discharge.

Regardless of whether the newborn was healthy or not, he or she will have a first pediatric visit soon after discharge—typically within 48-72 hours—with additional appointments and referrals to subspecialists as needed. Some newborns may require emergency department visits and inpatient stays if they develop new conditions, have an exacerbation of a previously identified condition (e.g., neonatal jaundice), or for general failure to thrive.

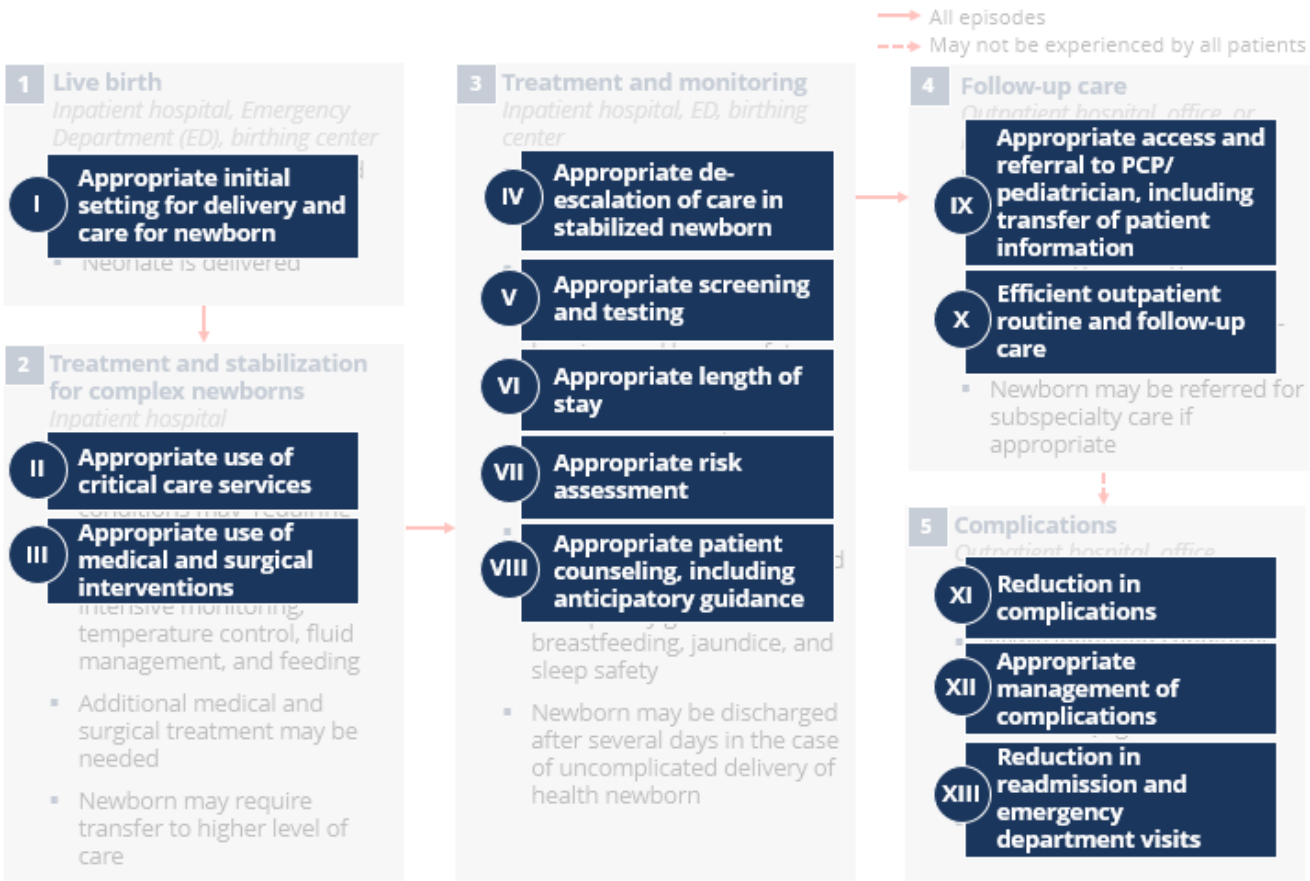
EXHIBIT 1 – TYPICAL PATIENT JOURNEY




## 2.2 SOURCES OF VALUE

Within the gestational age 31 weeks or less neonatal episode, providers have several opportunities to improve the quality and cost of care, as depicted in Exhibit 2. Important sources of value include ensuring that the newborn is delivered and triaged into the appropriate care setting according to anticipated or demonstrated intensity of needs; ensuring appropriate screening and testing, risk assessment, and counseling are performed; maintaining appropriate length of stay; and coordinating efficient outpatient routine and follow-up care in order to limit preventable visits to the emergency department and readmissions.

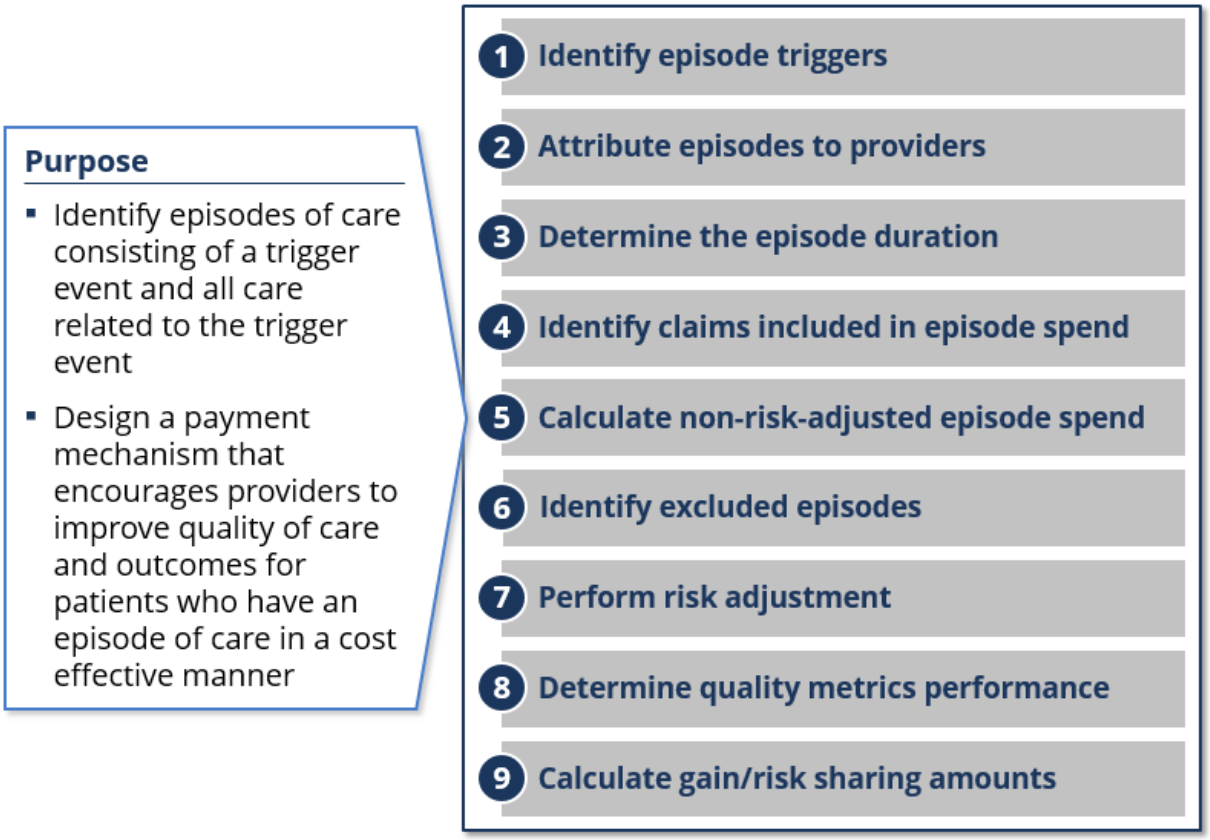
EXHIBIT 2 – SOURCES OF VALUE




## 2.3 DESIGN DIMENSIONS

Designing and building a gestational age 31 weeks or less neonatal episode comprises nine dimensions, as shown in Exhibit 3. Section 3 provides additional details on the episode data flow.

EXHIBIT 3 – DESIGN DIMENSIONS




### 2.3.1 Identify episode triggers

A potential trigger for the gestational age 31 weeks or less neonatal episode is an inpatient facility claim with a diagnosis of live birth and a diagnosis of a gestational age of 31 weeks or less.

To avoid triggering a second neonatal episode, no potential trigger can become an episode trigger during the clean period of a potential trigger for a given patient, i.e., a potential trigger is excluded for being in the clean period of any episode trigger. A chronological approach is taken, and the first potential trigger of a given patient is identified as the earliest (i.e., the furthest in the past) episode trigger. The clean period starts the day after the episode trigger ends and extends for a time period of one year.

### 2.3.2 Attribute episodes to providers

The Quarterback (also referred to as the Principal Accountable Provider, or PAP) is the person or entity deemed to be in the best position to influence the quality and cost of care for a patient during a gestational age 31 weeks or less neonatal episode – here the facility where the neonate was born. The contracting entity or tax identification number of the facility trigger claim will be used to identify the Quarterback. In the event of a transfer, the transferring facility will be the Quarterback.

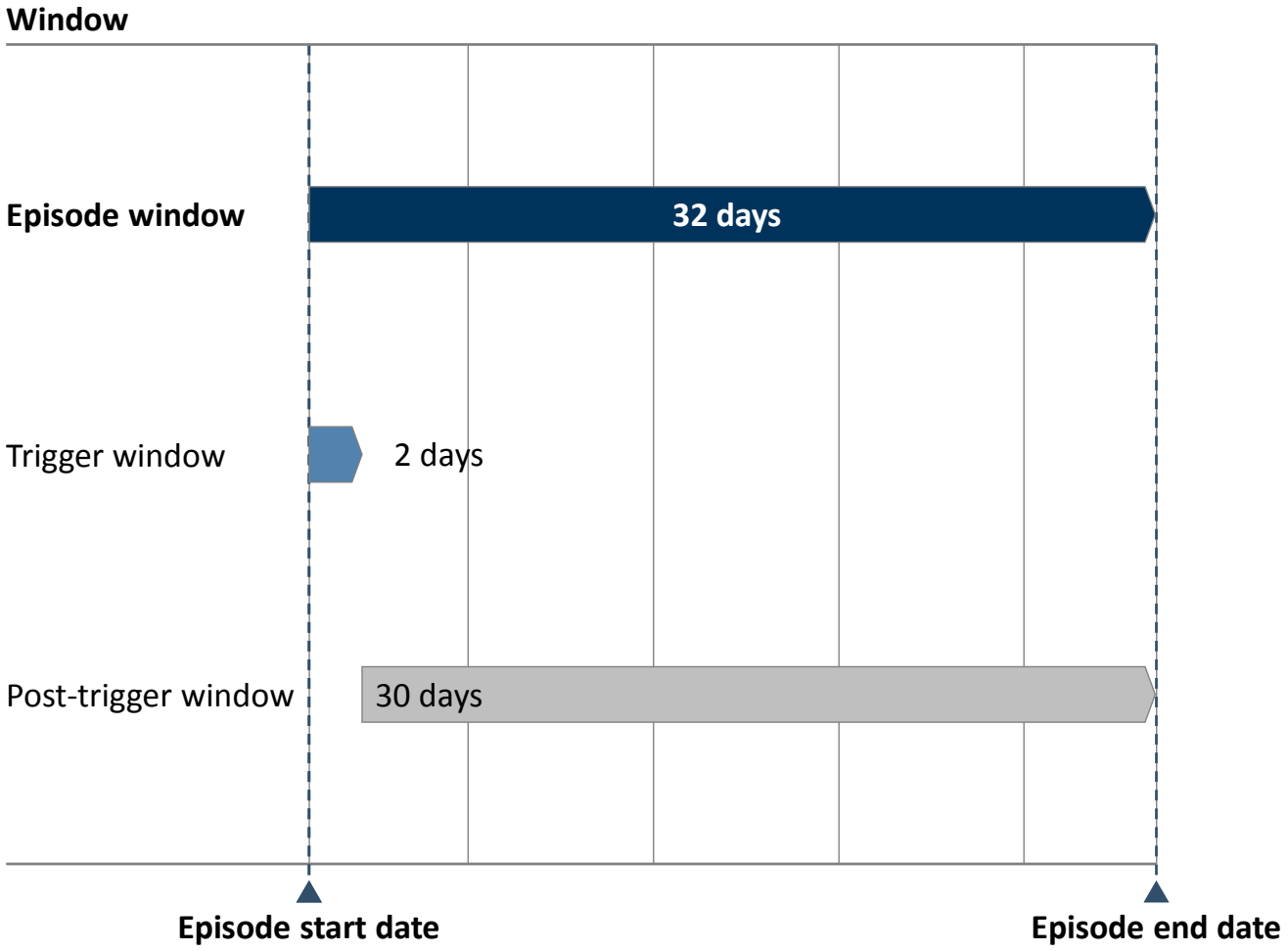
### 2.3.3 Determine the episode duration

The duration of the gestational age 31 weeks or less neonatal episode comprises the trigger window and the post-trigger window, as shown in Exhibit 4. Overall, the duration of the episode is referred to as the episode window.

- **Pre-trigger window:** This episode has no pre-trigger window.
- **Trigger window:** The trigger window spans the duration of the initial hospitalization.
- **Post-trigger window 1:** The post-trigger window 1 begins the day after the trigger window and extends for seven days.
- **Post-trigger window 2:** The post-trigger window 2 begins the day after the post-trigger window 1 and ends 30 days after the trigger window.

If a hospitalization begins on or before the 30$^{th}$ day of the post-trigger window and extends beyond the 30$^{th}$ day (i.e., is ongoing on the 31$^{st}$ day of the post-trigger window), then the post-trigger window is extended until discharge from the hospitalization. Extending the episode in this way may only occur once per episode window and does not lead to further extensions. See section 6 for the definition of hospitalization.

EXHIBIT 4 – EXAMPLE OF DETERMINING THE EPISODE DURATION




### 2.3.4 Identify claims included in episode spend

Episode spend is calculated on the basis of claims directly related to the neonatal episode. Claims or claim detail lines that are included in the calculation of the episode spend are referred to as included claims or included claim detail lines. Claims or claim detail lines that are included by spend inclusion rules may be subsequently excluded from episode spend and are referred to as excluded claims or excluded claim detail lines. The criteria to identify included claims, included claim detail lines, excluded claims, and excluded claim detail lines depend on the type of service they belong to, as well as the time window during which a claim occurs. The following types of service are included in the episode:

**Pre-trigger window**

This episode has no pre-trigger window.

**Trigger window**

For this episode, all claims and claim detail lines assigned to the trigger window are included in episode spend. This includes all professional, inpatient facility, outpatient facility, and pharmacy claims.

**Post-trigger window 1**

For this episode, all claim and claim detail lines assigned to the post-trigger window are included except for those outlined below. This includes all outpatient facility, inpatient facility, professional, and outpatient pharmacy claims.

- **Specific excluded care:** If an outpatient, professional, or inpatient claim with ICD-9 or ICD-10 primary or secondary diagnosis code for specific care associated with an unforeseen traumatic event (e.g., car accident), the claim is excluded from episode spend.

**Post-trigger window 2**

This episode does not include spend in post-trigger window 2. Post-trigger window 2 is used strictly for identifying claims used to inform quality metrics.

### 2.3.5 Calculate non-risk-adjusted episode spend

The episode spend is the amount that reflects the totality of all costs included in the episode. The episode spend reflects the paid amount plus patient cost share for included claims. Since the totality of spend for included claims is not risk-adjusted, it is referred to as non-risk-adjusted episode spend.

### 2.3.6 Identify excluded episodes

Episode exclusions ensure that episodes are comparable to each other and allow fair comparisons between patient panels. After all exclusions that identify invalid episodes have been applied, a set of valid episodes remains. The valid episodes form the basis to assess the performance of Quarterbacks.

- **Business exclusions**
  - **Inconsistent enrollment:** An episode is excluded if there are gaps in the plan coverage of the patient during the episode window.
  - **Third-party liability:** An episode is excluded if an inpatient, outpatient, professional, pharmacy, or long term care claim that is assigned to the episode window (included or not included) is associated with a third-party liability amount.
  - **Dual eligibility:** An episode is excluded if a patient has dual coverage by Medicaid and Medicare at any time during the episode window.
  - **FQHC/RHC:** An episode is excluded if the trigger diagnosis occurs in a Federally Qualified Health Center (FQHC) or a Rural Health Clinic (RHC).
  - **No PAP ID:** An episode is excluded if it cannot be associated with a corresponding PAP ID.
  - **Incomplete episodes:** An episode is excluded if either:
    - The triggering professional claim spend is less than or equal to 0, OR
    - It is within the bottom 2.5% of all episodes with the lowest non-risk-adjusted episode spend (not the risk-adjusted episode spend), without taking into account episodes where the triggering professional claim spend is less than or equal to (≤) 0.
- **Clinical exclusions**
  - **Different care pathway:** An episode is excluded if the patient has one or more conditions that would lead to a different care pathway. Codes that indicate a different care pathway are searched for on inpatient, outpatient, and professional claims (included or not included) during a specified length of time, as detailed in the configuration file. The list of conditions that would lead to a different care pathway are:
    - Department of Children's Services (DCS) custody
    - Bilious Emesis
    - Certain major neurologic and nervous system, cardiovascular, respiratory, gastrointestinal, renal, hepatobiliary, genitourinary, hematologic, and immunologic disorders

    - Certain congenital neurologic and nervous system, cardiovascular, respiratory, gastrointestinal, renal, hepatobiliary, genitourinary, musculoskeletal, chromosomal, and other anomalies
    - Coagulation Factor Deficiency
    - Coma
    - Conjoined twins
    - Gestation is less than 26 Weeks
    - Hepatitis
    - Hydrops Fetalis
    - Inborn Errors of Metabolism
    - Intrauterine Hypoxia and Birth Asphyxia
    - Intraventricular Hemorrhage Grade III-IV
    - Maternal death
    - Multiple births of triplets or greater
    - Other Hemorrhage
    - Patients receiving ECMO
    - Patients delivered in an emergency room setting
    - Renal Failure
    - Retinoblastoma
    - Stroke
  - The detailed list of codes and time window is given in the configuration file under "Clinical – (*condition for exclusion*)".
- **Patient exclusions**
  - **Age:** An episode is excluded if the patient is older than 64 (>64) years of age on the day of the triggering event. See section 6 for the definition of member age.
  - **Death:** An episode is excluded if the patient has a patient discharge status of "expired" on any inpatient or outpatient claim assigned to the episode window. The claim may be an included claim or not.

- **Left Against Medical Advice:** An episode is excluded if a patient has a discharge status of "left against medical advice or discontinued care" on any inpatient or outpatient claim during the episode window. The claim may be an included claim or not.

- **High-cost outlier**
  - An episode is excluded if the risk-adjusted episode spend (not the non-risk-adjusted episode spend) is greater than the high outlier threshold. The high outlier threshold is set at three standard deviations above the average risk-adjusted episode spend for valid episodes. Because this exclusion uses the risk-adjusted episode spend, it is the only exclusion that takes place after the risk adjustment process.

### 2.3.7 Perform risk adjustment

Quarterbacks are compared based on their performance on quality metrics and based on the average spend for their episodes. Risk adjustment is one of the mechanisms used to achieve a fair comparison in episode spend across Quarterbacks.

Risk factors and risk coefficients are identified using a statistical model that tests for correlation between factors and episode cost. The estimated risk coefficients are used to calculate a risk score for each episode given the risk factors that are present for the episode. The non-risk-adjusted episode spend is adjusted by the risk score to arrive at the risk-adjusted episode spend.

The final risk adjustment methodology decisions will be made at the discretion of the payer after analyzing the data. Because each payer runs its own risk adjustment model based on cost and there are variations in the population covered by each payer, the significant risk factors may vary across payers.

### 2.3.8 Determine quality metrics performance

A Quarterback must pass all quality metrics tied to gain sharing to be eligible for gain-sharing payments. Quarterbacks receive information on additional quality metrics that allow them to assess their performance but that do not affect their eligibility to participate in gain sharing. The quality metrics are based on information contained in the claims filed for each patient, and some might be based on other information sources. Risk sharing is not dependent on the Quarterback meeting any quality metrics. Setting thresholds for the

quality metrics is beyond the scope of this DBR; hence thresholds will be set and provided separately.

- **Quality metrics tied to gain sharing** (also referred to as threshold quality metrics):
  - Newborn hearing screen: Percentage of valid episodes where the newborn received a hearing screen during the initial hospitalization (higher rate indicative of better performance)
  - Critical congenital heart disease screen: Percentage of valid episodes where the newborn received a critical congenital heart disease screen during the initial hospitalization (higher rate indicative of better performance)
  - Blood spot screen: Percentage of valid episodes where the newborn received a blood spot screen during the initial hospitalization (higher rate indicative of better performance)
  - Hepatitis B vaccination: Percentage of valid episodes where the newborn received a hepatitis B vaccination during the initial hospitalization (higher rate indicative of better performance)
  - Participation in the Vermont Oxford Network (VON): Percentage of valid episodes where the newborn was discharged from a facility that participates in the VON (higher rate indicative of better performance)
- **Quality metrics not tied to gain sharing** (i.e., included for information only):
  - Pediatric visit within three days of discharge: Percentage of valid episodes with a first pediatric visit within the first three days after discharge (higher rate indicative of better performance)
  - Pediatric visit within five days of discharge: Percentage of valid episodes with a first pediatric visit within the first five days after discharge (higher rate indicative of better performance)
  - Readmission within seven days of discharge: Percentage of valid episodes with a readmission during the seven days after initial hospitalization (lower rate indicative of better performance)

- Readmission within 30 days of discharge: Percentage of valid episodes with a readmission during the 30 days after initial hospitalization (lower rate indicative of better performance)
- ED visit within seven days of discharge: Percentage of valid episodes with a presentation to the emergency department during the seven days after initial hospitalization (lower rate indicative of better performance)
- ED visit within 30 days of discharge: Percentage of valid episodes with a presentation to the emergency department during the 30 days after initial hospitalization (lower rate indicative of better performance)
- Mortality within seven days of discharge: Percentage of all episodes where the patient had a patient discharge status of "expired" on any inpatient or outpatient claim during the trigger window or within the seven days after initial hospitalization (lower rate indicative of better performance)
- Mortality within 30 days of discharge: Percentage of all episodes where the patient had a patient discharge status of "expired" on any inpatient or outpatient claim during the trigger window or within the 30 days after initial hospitalization (lower rate indicative of better performance)

During the initial preview period, the payer will send provider reports to Quarterbacks to inform them about their performance in the episode-based payment model. At a future date, the performance period timing will be established.

The performance of Quarterbacks in the episode-based payment model will be linked to payments at the end of the annual performance period. The description below outlines the approach of linking Quarterbacks' performances to payments. Gain/risk sharing is determined based on the comparison of the average risk-adjusted episode spend of each Quarterback over the course of the performance period in three pre-determined thresholds. The thresholds and their meaning for gain or risk sharing are:

- **Acceptable threshold:** Quarterbacks with average risk-adjusted episode spend above the acceptable threshold owe a risk sharing payment.

- **Commendable threshold:** Quarterbacks with average risk-adjusted episode spend below the commendable threshold that meet the quality metrics tied to gain sharing receive a gain sharing payment.
- **Gain sharing limit threshold:** Quarterbacks with average risk-adjusted episode spend below the gain sharing limit threshold and that pass the quality metrics tied to gain sharing receive a gain sharing payment up to a specified limit.

Quarterbacks with average risk-adjusted episode spend between the acceptable and commendable thresholds neither owe a risk sharing payment nor receive a gain sharing payment.

The gain or risk sharing payment of each Quarterback is calculated based on episodes that ended during the performance period. Quarterbacks receive reports about their performance in the episode-based payment model every quarter. Payments are made once a year. All Quarterbacks (not only those with valid episodes) receive a provider report.

The payers and providers share a portion of the losses/gains in the episode-based payment model. The calculation of the gain or risk sharing payment is as follows:

- **Risk sharing**: Quarterbacks who owe a risk sharing payment pay 50% of the difference between the acceptable threshold and the average risk-adjusted episode spend of the Quarterback, multiplied by the number of valid episodes of the Quarterback in the reporting period.
- **Gain sharing:**
  - **Quarterbacks below the commendable threshold and above the gain sharing limit**: Quarterbacks receive 50% of the difference between the commendable threshold and the average risk-adjusted episode spend of the Quarterback, multiplied by the number of valid episodes of the Quarterback in the reporting period.
  - **Quarterbacks below the gain sharing limit**: Quarterbacks receive 50% of the difference between the commendable threshold and the gain sharing limit threshold, multiplied by the number of valid episodes of the Quarterback in the reporting period.

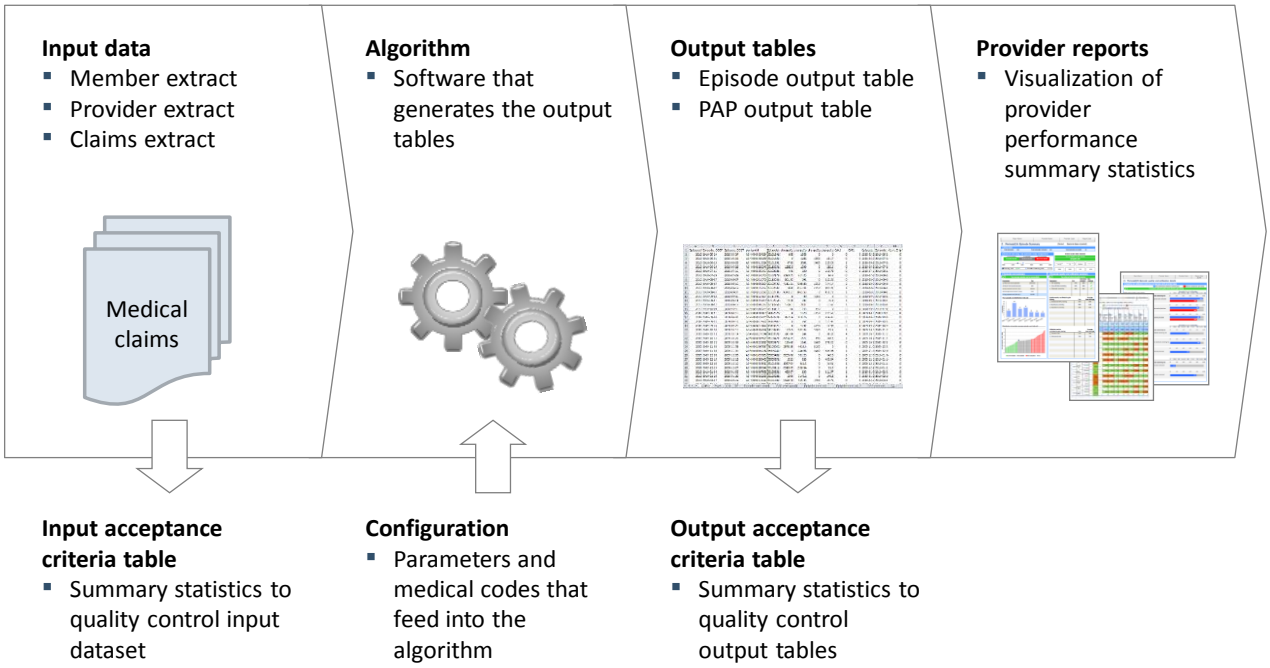
# 3 Episode data flow

The analytics underlying an episode-based payment model are performed by an episode algorithm. The algorithm takes an input dataset, transforms the data in accordance with the intent of the episode design, and produces a set of output tables (Exhibit 5). The output tables are used to create provider reports.

Several of the episode design dimensions require input parameters such as age ranges, and medical codes such as diagnosis, procedure, and medication codes to specify the intent of the episode. The parameters and medical codes are provided in the configuration file.

It is recommended that the episode data flow includes two elements for quality assurance: (1) An input summary table to assess the content and quality of the input dataset (2) An output summary table to assess the content and quality of the output tables.

EXHIBIT 5 – EPISODE DATA FLOW




## 3.1 INPUT DATA

To build an episode, the following input data are needed:

- **Member Extract**: List of patients and their health insurance enrollment information.
- **Provider Extract**: List of participating providers and their addresses.
- **Claims Extract**: Institutional claims (UB-04 claim form), professional claims (CMS1500 claim form), and pharmacy claims (NCPDP claim form) at the patient level.

The table below lists the required input fields using the input data field names and a description of these. Sections 4 and 5 describe the use of each input field. In these sections, input fields are referred to by the "Source field name in DBR" and written in italics.

**Table – Input data fields**

| Source field name in DBR | Description |
|---|---|
| **Member Extract** | |
| Member ID | Unique member identifier |
| Member Name | Member name |
| Eligibility Start Date | First date member is eligible for coverage by payer |
| Eligibility End Date | Last date member is eligible for coverage by payer |
| Date Of Birth | Member date of birth |
| **Provider Extract** | |
| Contracting Entity Name | Contracting entity name |
| Contracting Entity | Unique identifier of provider by contracting entity |
| Provider Name | Provider name |
| Provider ID | Unique identifier of provider |
| **Claims Extract** | |
| Internal Control Number | Unique claim identifier |
| Type Of Bill | Type of bill |
| Member ID | Unique member identifier |
| Billing Provider ID | Unique billing provider identifier |
| Detail Rendering Provider ID | Unique detail rendering provider identifier |
| Attending Provider NPI | Attending provider National Provider Identifier |
| Header From Date Of Service | Date on which service begins on claim header |
| Header To Date Of Service | Date on which service ends on claim header |
| Detail From Date Of Service | Date on which service begins on claim detail line |
| Detail To Date Of Service | Date on which service ends on claim detail line |
| Admission Date | Admission date |
| Patient Discharge Status | Patient discharge status |
| Header Diagnosis Code | All diagnosis codes on claim header |
| Header Surgical Procedure Code | All surgical procedure codes on claim header |
| Detail Procedure Code | Procedure code on claim detail line |
| All Modifiers | All procedure code modifiers on claim detail line |
| Place Of Service | Place of service |
| National Drug Code | National drug code |

| Source field name in DBR | Description |
|---|---|
| Header Paid Amount | Header paid amount |
| Detail Paid Amount | Detail paid amount |
| Header TPL Amount | Header third party liability amount |
| Detail TPL Amount | Detail third party liability amount |
| Revenue Code | Revenue code |
| Patient Cost Share | Patient cost share amount |

The date range for the episode input data has to include claims which were submitted for services provided during the defined episode reporting period as well as for a predetermined period of time preceding the reporting period. The duration of this predetermined period is the length of the episode window (see section 5.3 for guidance) plus an additional 12 months. Claims from this additional period preceding the reporting period are needed to allow for identification of risk factors and comorbidities as well as to provide sufficient input data to identify the episode start date for the first episodes that end during the reporting period.

The input data has to contain only unique and paid claims. It is the responsibility of each payer to apply appropriate methods to ensure that all claims in the input data are valid, de-duplicated, and paid. Payers should use denied claims for the purpose of determining quality metrics performance.

If the value of an input field from the Claims Extract that is required to build an episode is missing or invalid, then the corresponding claim is ignored when building the episode. For example, a claim that would be a potential trigger, but is missing the *Header From Date Of Service*, cannot be a potential trigger.

## 3.2 EPISODE ALGORITHM AND DETAILED DESCRIPTION

The intent of the episode algorithm is detailed in the Episode agnostic algorithm logic (section 4) and gestational age 31 weeks or less neonatal episode detailed description (section 5) of the DBR. Section 4 contains general elements of the episode algorithm that must be used in conjunction with section 5, as section 5 contains the specific details for the episode described in this DBR.

## 3.3 CONFIGURATION FILE

The parameters and medical codes needed to define the episode are listed in the configuration file, which is provided as an attachment to the DBR. The file includes:

- **Parameters sheet:** Values for parameters used in the episode, for example the duration of the post-trigger window.
  - Episode: Name of episode, i.e., Gestational age 31 weeks or less
  - Design Dimension: Episode design dimension, e.g., Determine the episode duration
  - Parameter Description: Description of the parameter, e.g., Duration Of Post-trigger Window
  - Parameter Value: Value of the parameter, e.g., 30
  - Parameter Unit of Measure: Unit of measure of the parameter, e.g., Days
- **Code sheet:** Medical codes used in the episode, such as trigger diagnosis or procedure codes, and codes to identify included claims. The columns contained in the code sheet are:
  - Episode: Name of episode, i.e., Gestational age 31 weeks or less
  - Design Dimension: Episode design dimension, e.g., Perform Risk Adjustment
  - Subdimension: Grouping of codes used for a specific purpose within the design dimension, e.g., Atrial septal defect
  - Time Period: Time for which the code is relevant, e.g., During the episode window
  - Code Type: Code system to which the code belongs to, e.g., ICD-9 Dx
  - Code Group: Code group level classification, e.g., Bulbus Cordis Anomalies
  - Code Description: Code detailed description, e.g., Ostium Secundum Type Atrial Septal Defect
  - Code: Code number, e.g., 7455

Sections 4 and 5 of the DBR explain the intended use of the parameters and medical codes by the episode algorithm. References to medical codes in the configuration file are made using the name for the relevant design dimension subcategory (subdimension) in the code sheet of the configuration file. References to parameters in the configuration file are made using the name for the relevant design dimension in the parameters sheet of the configuration file.

The code sheet may contain CPT codes. CPT is a registered trademark of the American Medical Association (AMA). Vendor purchases one single CPT distribution license for the configuration file of each episode that is delivered to a recipient. If its recipient wishes to further distribute a configuration file, it is the recipient's responsibility to comply with AMA CPT license requirement.

## 3.4 OUTPUT TABLES

Using the input data tables and the configuration file, an episode algorithm creates two output tables: the episode output table and the Principal Accountable Provider (also referred to as PAP or Quarterback) output table. The episode agnostic algorithm logic (section 4) and the gestational age 31 weeks or less episode detailed description (section 5) describe the definition of each output field. In these sections output fields are referred to by the output field names provided in the tables below and are written in italics.

### 3.4.1 Episode output table

The episode output table contains the set of episodes identified by the algorithm and the characteristics of each episode. The table “Episode Output Table” below lists the required output fields.

**Table – Episode Output Table**

| Design dimension | Output field name | Report template name |
|---|---|---|
| | **Episode identification** | |
| 1 – Identify episode triggers | Facility Trigger Claim ID | N/A |
| 1 – Identify episode triggers | Facility Trigger Claim Type | N/A |
| 1 – Identify episode triggers | Professional Trigger Claim ID | N/A |
| 1 – Identify episode triggers | Member ID | N/A |

| Design dimension | Output field name | Report template name |
|---|---|---|
| 1 – Identify episode triggers | Member Name | Patient Name |
| 1 – Identify episode triggers | Member Age | N/A |
| 1 – Identify episode triggers | Associated Facility Claim ID | N/A |
| 1 – Identify episode triggers | Associated Facility Claim Type | N/A |
| 2 – Attribute episodes to providers | PAP ID | Provider Code |
| 2 – Attribute episodes to providers | Rendering Provider ID | N/A |
| 2 – Attribute episodes to providers | Rendering Provider Name | N/A |
| 3 – Determine the episode duration | Episode Start Date | Episode Start Date |
| 3 – Determine the episode duration | Episode End Date | Episode End Date |
| 3 – Determine the episode duration | Pre-Trigger Window Start Date | N/A |
| 3 – Determine the episode duration | Pre-Trigger Window End Date | N/A |
| 3 – Determine the episode duration | Trigger Window Start Date | N/A |
| 3 – Determine the episode duration | Trigger Window End Date | N/A |

| Design dimension | Output field name | Report template name |
|---|---|---|
| 3 – Determine the episode duration | Post-trigger Window Start Date | N/A |
| 3 – Determine the episode duration | Post-trigger Window End Date | N/A |
| 4 – Identify claims included in episode spend | Count of Included Claims | # Claims |
| | **Episode spend** | |
| 5 – Calculate non-risk-adjusted spend | Non-risk-adjusted Episode Spend | Non-adjusted cost |
| 5 – Calculate non-risk-adjusted spend | By Pre-trigger Window | N/A |
| 5 – Calculate non-risk-adjusted spend | By Trigger Window | N/A |
| 5 – Calculate non-risk-adjusted spend | By Post-trigger Window | N/A |
| 5 – Calculate non-risk-adjusted spend | By Inpatient facility | Inpatient facility |
| 5 – Calculate non-risk-adjusted spend | By Emergency department or observation | Emergency department or observation |
| 5 – Calculate non-risk-adjusted spend | By Outpatient facility | Outpatient facility |
| 5 – Calculate non-risk-adjusted spend | By Inpatient professional | Inpatient professional |
| 5 – Calculate non-risk-adjusted spend | By Outpatient laboratory | Outpatient laboratory |

| Design dimension | Output field name | Report template name |
|---|---|---|
| 5 – Calculate non-risk-adjusted spend | By Outpatient radiology | Outpatient radiology |
| 5 – Calculate non-risk-adjusted spend | By Outpatient professional | Outpatient professional |
| 5 – Calculate non-risk-adjusted spend | By Other | Other |
| 5 – Calculate non-risk-adjusted spend | By Pharmacy | Pharmacy |
| | **Exclusions** | |
| 6 – Identify excluded episodes | Any Exclusion | N/A |
| 6 – Identify excluded episodes | Exclusion Inconsistent Enrollment | Patient was not continuously enrolled during episode window |
| 6 – Identify excluded episodes | Exclusion Third-party Liability | Patient has third-party liability charges |
| 6 – Identify excluded episodes | Exclusion Dual Eligibility | Patient has dual coverage of primary medical services |
| 6 – Identify excluded episodes | Exclusion FQHC/RHC | Episode trigger occurred in a Federally Qualified Health Center (FQHC) or a Rural Health Clinic (RHC) |
| 6 – Identify excluded episodes | Exclusion No PAP ID | N/A |
| 6 – Identify excluded episodes | Exclusion Incomplete Episode | Episode data was incomplete |

| Design dimension | Output field name | Report template name |
|---|---|---|
| 6 – Identify excluded episodes | Exclusion Left Against Medical Advice | Patient has a discharge status of “left against medical advice” |
| 6 – Identify excluded episodes | Exclusion Age | Patients >/< [XX] |
| 6 – Identify excluded episodes | Exclusion Death | Patient died in the hospital during the episode |
| 6 – Identify excluded episodes | Exclusion Different Care Pathway | Risk factor / co-morbidity reference found |
| 6 – Identify excluded episodes | Exclusion High Outlier | Episode exceed the high cost outlier threshold |
| | **Risk adjustment** | |
| 7 – Perform risk adjustment | Risk-adjusted Episode Spend | N/A |
| 7 – Perform risk adjustment | Same breakdown as for Non-risk-adjusted Episode Spend | |
| 7 – Perform risk adjustment | Risk Factor <risk factor number> | Episode risk factor |
| 7 – Perform risk adjustment | Episode Risk Score | N/A |
| | **Quality metrics** | |
| 8 – Determine quality metrics performance | Quality Metric 1 Indicator | Newborn hearing screen |
| 8 – Determine quality metrics performance | Quality Metric 2 Indicator | Critical congenital heart disease screen |

| Design dimension | Output field name | Report template name |
|---|---|---|
| 8 – Determine quality metrics performance | Quality Metric 3 Indicator | Blood spot screen |
| 8 – Determine quality metrics performance | Quality Metric 4 Indicator | Hepatitis B vaccination |
| 8 – Determine quality metrics performance | Quality Metric 5 Indicator | Participation in the Vermont Oxford Network |
| 8 – Determine quality metrics performance | Quality Metric 6 Indicator | Pediatric visit within three days of discharge |
| 8 – Determine quality metrics performance | Quality Metric 7 Indicator | Pediatric visit within five days of discharge |
| 8 – Determine quality metrics performance | Quality Metric 8 Indicator | Readmission within seven days of discharge |
| 8 – Determine quality metrics performance | Quality Metric 9 Indicator | Readmission within 30 days of discharge |
| 8 – Determine quality metrics performance | Quality Metric 10 Indicator | ED visit within seven days of discharge |
| 8 – Determine quality metrics performance | Quality Metric 11 Indicator | ED visit within 30 days of discharge |
| 8 – Determine quality metrics performance | Quality Metric 12 Indicator | Mortality within seven days of discharge |
| 8 – Determine quality metrics performance | Quality Metric 13 Indicator | Mortality within 30 days of discharge |

### 3.4.2 PAP output table

The PAP output table contains information about each PAP and their episodes. The table below lists the required output fields.

**Table – PAP Output Table**

| Design dimension | Output field name | Report Template Name |
|---|---|---|
| | **PAP identification** | |
| 2 – Attribute episodes to providers | PAP ID | Provider Code |
| 2 – Attribute episodes to providers | PAP Name | |
| 2 – Attribute episodes to providers | National Provider Identifier | National Provider Identifier |
| 2 – Attribute episodes to providers | Specialty | |
| 2 – Attribute episodes to providers | Provider Billing ZIP Code | |
| | **PAP spend** | |
| 5 – Calculate non-risk-adjusted spend | Average Non-risk-adjusted PAP Spend | Average episode cost (non-adjusted) |
| 5 – Calculate non-risk-adjusted spend | By Inpatient facility | Inpatient facility |
| 5 – Calculate non-risk-adjusted spend | By Emergency department or observation | Emergency department or observation |
| 5 – Calculate non-risk-adjusted spend | By Outpatient facility | Outpatient facility |

| Design dimension | Output field name | Report Template Name |
|---|---|---|
| 5 – Calculate non-risk-adjusted spend | By Inpatient professional | Inpatient professional |
| 5 – Calculate non-risk-adjusted spend | By Outpatient laboratory | Outpatient laboratory |
| 5 – Calculate non-risk-adjusted spend | By Outpatient radiology | Outpatient radiology |
| 5 – Calculate non-risk-adjusted spend | By Outpatient professional | Outpatient professional |
| 5 – Calculate non-risk-adjusted spend | By Other | Other |
| 5 – Calculate non-risk-adjusted spend | By Pharmacy | Pharmacy |
| 5 – Calculate non-risk-adjusted spend | By Pre-trigger window | |
| 5 – Calculate non-risk-adjusted spend | By Trigger window | |
| 5 – Calculate non-risk-adjusted spend | By Post-trigger window | |
| 5 – Calculate non-risk-adjusted spend | Total Non-risk-adjusted PAP Spend | Total cost across episodes |
| | **Risk adjustment** | |
| 7 – Perform risk adjustment | Average Risk-adjusted PAP Spend | Average episode cost (risk-adjusted) |
| 7 – Perform risk adjustment | By Inpatient facility | Inpatient facility |

| Design dimension | Output field name | Report Template Name |
|---|---|---|
| 7 – Perform risk adjustment | By Emergency department or observation | Emergency department or observation |
| 7 – Perform risk adjustment | By Outpatient facility | Outpatient facility |
| 7 – Perform risk adjustment | By Inpatient professional | Inpatient professional |
| 7 – Perform risk adjustment | By Outpatient laboratory | Outpatient laboratory |
| 7 – Perform risk adjustment | By Outpatient radiology | Outpatient radiology |
| 7 – Perform risk adjustment | By Outpatient professional | Outpatient professional |
| 7 – Perform risk adjustment | By Other | Other |
| 7 – Perform risk adjustment | By Pharmacy | Pharmacy |
| 7 – Perform risk adjustment | Total Risk-adjusted PAP Spend | N/A |
| | **Quality metrics performance** | |
| 8 – Determine quality metrics performance | PAP Quality Metric 1 | Newborn hearing screen |
| 8 – Determine quality metrics performance | PAP Quality Metric 2 | Critical congenital heart disease screen |

| Design dimension | Output field name | Report Template Name |
|---|---|---|
| 8 – Determine quality metrics performance | PAP Quality Metric 3 | Blood spot screen |
| 8 – Determine quality metrics performance | PAP Quality Metric 4 | Hepatitis B vaccination |
| 8 – Determine quality metrics performance | PAP Quality Metric 5 | Participation in the Vermont Oxford Network |
| 8 – Determine quality metrics performance | PAP Quality Metric 6 | Pediatric visit within three days of discharge |
| 8 – Determine quality metrics performance | PAP Quality Metric 7 | Pediatric visit within five days of discharge |
| 8 – Determine quality metrics performance | PAP Quality Metric 8 | Readmission within seven days of discharge |
| 8 – Determine quality metrics performance | PAP Quality Metric 9 | Readmission within 30 days of discharge |
| 8 – Determine quality metrics performance | PAP Quality Metric 10 | ED visit within seven days of discharge |
| 8 – Determine quality metrics performance | PAP Quality Metric 11 | ED visit within 30 days of discharge |
| 8 – Determine quality metrics performance | PAP Quality Metric 12 | Mortality within seven days of discharge |
| 8 – Determine quality metrics performance | PAP Quality Metric 13 | Mortality within 30 days of discharge |
| | **PAP performance** | |
| 8 – Determine quality metrics performance | Gain Sharing Quality Metric Pass | N/A |

| Design dimension | Output field name | Report Template Name |
|---|---|---|
| 9 – Calculate gain/risk sharing amounts | Gain/Risk Sharing Amount | Total gain / risk share |
| 9 – Calculate gain/risk sharing amounts | PAP Sharing Level | Share factor |
| | **Episode counts** | |
| 9 – Calculate gain/risk sharing amounts | Count Of Total Episodes Per PAP | Total episodes |
| 9 – Calculate gain/risk sharing amounts | Count Of Valid Episodes Per PAP | Total episodes included |
| 9 – Calculate gain/risk sharing amounts | Same breakdown as for Average Non-risk-adjusted PAP Spend | |

# 4 Episode agnostic algorithm logic

The algorithm logic forms the basis to code an episode algorithm. Section 4 contains general elements of the episode algorithm that must be used in conjunction with section 5, as section 5 contains the specific details for the episode. Sections 4 and 5 used in conjunction explain the intent of the episode design at a level of granularity that will allow an IT implementation team to create an algorithm that matches the episode design.

## 4.1 IDENTIFY EPISODE TRIGGERS

The first design dimension of building an episode is to identify triggers.

**Episode output fields created**: *Facility Trigger Claim ID, Facility Trigger Claim Type, Professional Trigger Claim ID, Member ID, Member Age, Member Name, Associated Facility Claim ID, Associated Facility Claim Type*

The episode may be triggered by a professional claim and an associated facility claim, a facility claim alone, or through custom logic. The triggering logic to be used for this episode will be laid out in section 5.1. The first step in identifying episode triggers is to identify potential triggers, then identifying which of the potential triggers become episode triggers based on clean period logic, and lastly to set the output fields.

### 4.1.1 Identify potential triggers

- **For episodes triggered by a professional claim and an associated facility claim:**

  A potential trigger is defined as a professional trigger claim and an associated facility (inpatient and/or outpatient dependent on the episode) claim for the same patient as identified by the same *Member ID*. Professional, inpatient, and outpatient claims are identified based on the input field *Claim Type* as defined in section 6.

  The professional trigger claim for the potential trigger must have all of the following conditions:

  – The claim has a procedure code for an episode-specific procedure in the input field *Detail Procedure Code* on one or more of its claim detail lines. The configuration file lists the episode-specific procedure codes under “Trigger Procedure”.

– At least one of the claim detail lines with an episode-specific procedure code does not contain a modifier for assistant surgeon, nurse, or discontinued procedure in one of the input fields *All Modifiers*. The configuration file lists the modifiers under "Assistant Surgeon", "Nurse", and "Discontinued".

An associated inpatient claim must meet all of the following conditions:

– The claim has a *Header From Date Of Service* on or before the *Detail From Date Of Service* of the professional trigger claim detail line. It also has a *Header To Date Of Service* on or after the *Detail From Date of Service* of the professional trigger claim detail line.

– The claim has a confirmatory episode-specific diagnosis in the input field *Header Diagnosis Code*. The configuration file lists these diagnosis codes under "Associated Facility".

An associated outpatient claim must meet all of the following conditions:

– The claim's *Header From Date of Service* is within two days (i.e., as early as two days before or as late as two days after, inclusive) of the *Detail From Date of Service* of the professional trigger claim detail line.

– The claim has a confirmatory episode-specific diagnosis in the input field *Header Diagnosis Code*. The configuration file lists these diagnosis codes under "Associated Facility".

To address cases where a professional trigger claim detail line is associated with two or more inpatient or outpatient claims, the following hierarchy is used such that each professional trigger claim detail line is unambiguously associated with one inpatient or outpatient claim. Only the inpatient or outpatient claim that has the highest priority is associated with the potential trigger. The inpatient or outpatient claims that are lower in the hierarchy are treated like any other claims during a potential trigger, not like an associated inpatient or outpatient claim.

– An associated inpatient claim and one of the episode-specific ICD-9 or ICD-10 procedure codes that are listed in the configuration file under "Trigger Procedure" in the input field *Header Surgical Procedure Code* has highest priority.

– An associated inpatient claim without an episode-specific procedure code has second priority.

- An associated outpatient claim and one of the episode-specific CPT procedure codes that are listed in the configuration file under "Trigger Procedure" in the input field *Detail Procedure Code* of one of its claim detail lines has third priority.
- An associated outpatient claim without an episode-specific procedure code has fourth priority.

Throughout the hierarchy the following rules apply:

- At each step of the hierarchy, if two or more associated inpatient claims meet the required criteria, the inpatient claim with the earliest *Header From Date Of Service* is chosen. If two or more associated inpatient claims meet the required criteria and have the same *Header From Date Of Service*, the inpatient claim belonging to the hospitalization with the latest *Header To Date Of Service* is chosen. If the *Header To Date Of Service* is the same, the inpatient claim with the lower *Internal Control Number* is chosen.

- At each step of the hierarchy, if two or more associated outpatient claims meet the required criteria, the outpatient claim with the earliest minimum *Header From Date Of Service* is chosen. If two or more associated outpatient claims meet the required criteria and have the same minimum *Header From Date Of Service*, the claim with the greater duration is chosen. See section 6 for the definition of duration. If the duration is the same, the outpatient claim with the lower *Internal Control Number* is chosen.

The start date of a potential trigger is the earlier of the *Detail From Date Of Service* of the professional trigger claim detail line or the *Header From Date Of Service/Detail From Date Of Service* of the associated inpatient/outpatient claim. If the professional trigger claim detail line is associated with an inpatient claim, use the *Header From Date of Service*. If the professional trigger claim detail line is associated with an outpatient claim, use the *Detail From Date of Service*. The end date of a potential trigger is the later of the *Detail To Date Of Service* of the professional trigger claim detail line or the *Header To Date Of Service/Detail To Date of Service* of the associated inpatient/outpatient claim. If the professional trigger claim detail line is associated with an inpatient claim, use the *Header To Date of Service.* If the professional trigger claim detail line is associated with an outpatient claim, use the *Detail To Date of Service*.

A specific rule applies for potential triggers where the associated inpatient claim is part of a hospitalization consisting of two or more inpatient claims. See section 6 for the definition of hospitalization. If an associated inpatient claim is part of a

hospitalization consisting of two or more inpatient claims, the potential trigger starts on the earlier of the *Detail From Date Of Service* of the professional trigger claim detail line or the *Header From Date Of Service* of the hospitalization that the associated inpatient claim is a part of. The potential trigger ends on the later of the *Detail To Date Of Service* of the professional trigger claim detail line or the *Header To Date Of Service* of the hospitalization of which the associated inpatient claim is a part.

- **For episodes triggered by a facility claim:**

  A potential trigger is defined as a facility trigger claim. A facility trigger claim can be either an inpatient claim or an outpatient claim that meets the conditions below. Inpatient and outpatient claims are identified based on the input field *Claim Type* as defined in section 6.

  The facility trigger claim must meet one of the following conditions:

  – The claim has, in the primary diagnosis field, an episode-specific trigger diagnosis code in the input field *Header Diagnosis Code* and does not have an interim billing, reserved/missing, or transfer discharge status in the input field *Patient Discharge Status*. The configuration file lists the episode-specific trigger diagnosis codes under "Trigger Diagnosis", the interim billing discharge status codes under "Hospitalization – Interim Billing", the reserved/missing discharge status codes under "Hospitalization – Reserved", and the transfer discharge status codes under "Hospitalization – Transfer".

  – The claim has an episode-specific contingent trigger diagnosis code in the primary diagnosis field, as well as an episode-specific trigger diagnosis code in any of the secondary diagnosis fields and does not have an interim billing, reserved/missing, or transfer discharge status in the input field *Patient Discharge Status*. The configuration file lists the contingent trigger diagnosis codes under "Contingent Trigger Diagnosis", the trigger diagnosis codes under "Trigger Diagnosis", the interim billing discharge status codes under "Hospitalization – Interim Billing", the reserved/missing discharge status codes under "Hospitalization – Reserved", and the transfer discharge status codes under "Hospitalization – Transfer".

  In addition, an outpatient claim must also meet the following condition to be a facility trigger claim:

  – The claim has an episode-specific trigger revenue code in the input field *Revenue Code* and does not have an interim billing, reserved/missing, or transfer discharge status in the input field *Patient Discharge Status*. The configuration file lists the

trigger revenue codes under "Trigger Revenue", the interim billing discharge status codes under "Hospitalization – Interim Billing", the reserved/missing discharge status codes under "Hospitalization – Reserved", and the transfer discharge status codes under "Hospitalization – Transfer".

The start date of a potential trigger is the *Header From Date Of Service* of the facility trigger claim (if the trigger claim is an inpatient claim) or the earliest *Detail From Date Of Service* of the facility trigger detail lines (if the trigger claim is an outpatient claim). The end date of a potential trigger is the *Header To Date Of Service* of the facility trigger claim (if the trigger claim is an inpatient claim) or the latest *Detail To Date Of Service* of the facility trigger detail lines (if the trigger claim is an outpatient claim).

A specific rule applies for potential triggers where the inpatient claim is part of a hospitalization consisting of two or more inpatient claims. See section 6 for the definition of hospitalization. If an inpatient claim is part of a hospitalization consisting of two or more inpatient claims, the potential trigger starts on the *Header From Date Of Service* of the hospitalization of which the trigger inpatient claim is a part. The potential trigger ends on the *Header To Date Of Service* of the hospitalization of which the inpatient trigger claim is a part.

### 4.1.2 Identify episode triggers based on clean period

For a potential trigger (potential professional trigger claim or potential facility trigger claim) to become an episode trigger, its start date cannot fall into the clean period of another potential trigger for the same patient. A chronological approach is taken, and the first potential trigger of a given patient is identified as the earliest (i.e., the furthest in the past) episode trigger. The clean period starts the day after the potential trigger end date and extends for the entirety of the post trigger window plus the number of days equal to the maximum time window allowed for the pre-trigger window (i.e., if fixed, the fixed length, if flexible, the maximum possible number of days). For example:

- If an episode has a flexible pre-trigger window that may be as long as 90 days, and a post-trigger window of 30 days, the clean period for this episode will be 120 days.
- However, if an episode has a fixed pre-trigger window of 30 days, and a post-trigger window of 30 days, the clean period for this episode will be 60 days.

The chronological process continues, and the next potential trigger for that patient that falls after the clean period (i.e., the furthest in the past but after the clean period) constitutes the second trigger.

This process of setting episode windows continues for each patient until the last episode window that ends during the input data date range is defined. The lengths of the pre-trigger and post-trigger windows are listed as parameters in the configuration file under "03 – Determine The Episode Duration".

If two or more potential triggers of the same patient overlap, i.e., the start date of one potential trigger falls between the start date and the end date (inclusive) of one or more other potential triggers of the same patient, then only one of the overlapping potential triggers is chosen as an episode trigger. The following hierarchy is applied to identify the one potential trigger out of two or more overlapping potential triggers that is assigned as episode trigger:

- **For episodes triggered by a professional claim and an associated facility claim:**
  - The potential trigger with the earliest start date has highest priority.
  - If there is a tie, the potential trigger with the latest end date is selected.
  - If there is still a tie, the potential trigger with the earliest *Detail From Date Of Service* for the professional trigger claim detail line with the episode-specific procedure is selected.
  - If there is still a tie, the potential trigger with the lowest *Internal Control Number* on the professional trigger claim with the episode-specific procedure is selected.
- **For episodes triggered by a facility claim:**
  - A potential trigger with an inpatient facility trigger claim has highest priority and takes precedence over an outpatient facility trigger claim.
  - If two or more potential triggers with inpatient facility trigger claims overlap, the potential trigger with the earliest start date has highest priority. If there is a tie, the potential trigger with the latest end date is selected. If there is still a tie, the potential trigger with the lowest *Internal Control Number* on the inpatient trigger claim is chosen.
  - If two or more potential triggers with outpatient facility trigger claims overlap, the potential trigger with the earliest start date has highest priority. If there is a tie, the potential trigger with the latest end date is selected. If there is still a tie, the potential trigger with the lowest *Internal Control Number* on the outpatient trigger claim is chosen.

Apply clean period logic after the associated facility is assigned but before any episode-specific logic regarding the associated facility. For example, for the percutaneous coronary intervention (PCI) episodes, apply clean period logic before identifying an

episode as acute or non-acute. This means that acute and non-acute potential triggers can disqualify each other as part of the clean period logic. See section 2.3.1 for guidance on the clean period.

### 4.1.3 Setting output fields

- **For episodes triggered by a professional claim and an associated facility claim:**

  The output field *Professional Trigger Claim ID* is set to the input field *Internal Control Number* of the professional claim that identifies the episode trigger. The output field *Associated Facility Claim ID* is the input field *Internal Control Number* of the associated facility claim that identifies the episode trigger. The output field *Associated Facility Claim Type* is the input field *Claim Type*, as defined in section 6, of that associated facility claim.

- **For episodes triggered by a facility claim:**

  The output field *Facility Trigger Claim ID* is set to the input field *Internal Control Number* of the episode trigger. The output field *Facility Trigger Claim Type* is the input field *Claim Type*, as defined in section 6, of the episode trigger.

For both episodes triggered by either a professional claim and an associated facility claim or a facility claim, the output field *Member ID* is set to the input field *Member ID* of the episode trigger. The output field *Member Name* is set to the input field *Member Name* from the Member Extract. The output field *Member Age* is set using the definition for Member Age provided in section 6.

Not all output fields are created for all episodes, e.g., the output field *Associated Facility Claim* is not set for episodes triggered by a facility claim.

## 4.2 ATTRIBUTE EPISODES TO PROVIDERS

The second design dimension in building an episode is to attribute each episode to a Principal Accountable Provider (also referred to as PAP or Quarterback).

**Episode output field created**: *PAP ID, PAP Name, Rendering Provider ID, Rendering Provider Name*

**PAP output fields created**: *PAP ID, PAP Name*

- **For episodes attributed to providers based on the triggering claim:**

The PAP may be a clinician or a facility:

- **Clinician PAP:** If the PAP is the clinician who performed the procedure or made the triggering diagnosis, the output field *PAP ID* is set using the input field *Contracting Entity* of the Provider Extract associated to the *Billing Provider ID* on the *Trigger Professional Claim ID*.
- **Facility PAP:** If the PAP is the facility where the procedure was performed or where the triggering diagnosis was made, the output field *PAP ID* is set using the input field *Contracting Entity* of the Provider Extract associated to the *Billing Provider ID* on the *Trigger Facility Claim ID*.

The output field *Rendering Provider ID* is set differently depending on whether there is a clinician or facility PAP. If the PAP is a facility, it also differs based on being outpatient or inpatient.

- **Clinician PAP:** If the PAP is a clinician, the output field *Rendering Provider ID* is set using the input field *Detail Rendering Provider ID* of the professional trigger claim detail line that is used to set the *Trigger Professional Claim ID*. The output field *Rendering Provider Name* is added from the Provider Extract using the input field *Provider Name.* The output field *PAP Name* is added from the Provider Extract using the input field *Contracting Entity Name.*
- **Outpatient Facility PAP:** If the PAP is an outpatient facility, the output field *Rendering Provider ID* is set using the input field *Detail Rendering Provider ID* of the facility trigger claim that is used to set the *Trigger Facility Claim ID*. The output field *Rendering Provider Name* is added from the Provider Extract using the input field *Provider Name*. The output field *PAP Name* is added from the Provider Extract using the input field *Contracting Entity Name*.
- **Inpatient Facility PAP:** If the PAP is an inpatient facility, the output field *Rending Provider ID* is set using the input field *Attending Provider NPI* of the facility trigger claim that is used to set the *Trigger Facility Claim ID*. The output field *Rendering Provider Name* is added from the Provider Extract using the input field *Provider Name*. The output field *PAP Name* is added from the Provider Extract using the input field *Contracting Entity Name.*

- **For episodes attributed based on plurality of visits:**

The PAP may be a clinician or a facility with the highest number of visits included in episode spend. The definition of visit is provided in section 6:

- **Clinician PAP:** If the PAP is the clinician with the highest number of visits, the output field *PAP ID* is set using the input field *Contracting Entity* of the Provider Extract associated to the *Billing Provider ID* with the highest number of visits included in the episode spend.
- **Facility PAP:** If the PAP is the facility with the highest number of visits, the output field *PAP ID* is set using the input field *Contracting Entity* of the Provider Extract associated to the *Billing Provider ID* with the highest number of visits included in the episode spend.

The output field *Rendering Provider ID* is set differently depending on whether there is a clinician or facility PAP. If the PAP is a facility, it also differs based on being outpatient or inpatient.

- **Clinician PAP:** If the PAP is a clinician, the output field *Rendering Provider ID* is set using the input field *Detail Rendering Provider ID* with the highest number of visits included in episode spend. The output field *Rendering Provider Name* is added from the Provider Extract using the input field *Provider Name.* The output field *PAP Name* is added from the Provider Extract using the input field *Contracting Entity Name.*
- **Outpatient Facility PAP:** If the PAP is an outpatient facility, the output field *Rendering Provider ID* is set using the input field *Detail Rendering Provider ID* with the highest number of visits included in episode spend. The output field *Rendering Provider Name* is added from the Provider Extract using the input field *Provider Name*. The output field *PAP Name* is added from the Provider Extract using the input field *Contracting Entity Name*.
- **Inpatient Facility PAP:** If the PAP is an inpatient facility, the output field *Rending Provider ID* is set using the input field *Attending Provider NPI* with the highest number of visits included in episode spend. The output field *Rendering Provider Name* is added from the Provider Extract using the input field *Provider Name*. The output field *PAP Name* is added from the Provider Extract using the input field *Contracting Entity Name.*

If two or more contracting entities are tied based on the number of visits, the following hierarchy is applied:

- Among contracting entities that are tied, the *Contracting Entity* with the highest amount of spend across included claims is the PAP.
- Among contracting entities that are still tied, the *Contracting Entity* with the visit that starts closest to the *Episode End Date* is the PAP. The visit must be included in episode spend.

- Among contracting entities that are still tied, the PAP is the provider with the lowest *Contracting Entity*.

### 4.3 DETERMINE THE EPISODE DURATION

The third design dimension of building an episode is to define the duration of the episode.

**Episode output fields created**: *Pre-Trigger Window Start Date, Pre-Trigger Window End Date, Trigger Window Start Date*, *Trigger Window End Date, Post-Trigger Window Start Date, Post-Trigger Window End Date, Episode Start Date, Episode End Date*

The following time windows are of relevance in determining the episode duration:

- **Pre-trigger window:** As specified in section 5.3, the pre-trigger window may be flexible or fixed:
  - **Flexible pre-trigger window:** For episodes with a flexible pre-trigger window, the duration of the pre-trigger window is dependent on when the patient had his/her first interaction with the PAP within a specified number of days (x days) prior to the trigger.

If there are no professional claims with a *Header From Date of Service* between the $x^{th}$ day prior (inclusive) and one (1) day before the *Trigger Window Start Date,* where the input field *Contracting Entity* of the associated *Billing Provider ID* on the claim is the same as the episode output field *PAP ID*, then the *Pre-Trigger Window Start Date* is left blank and the *Pre-Trigger Window End Date* is left blank, hence there is no pre-trigger window. See sections 4.2 and 5.2 for determining the output field *PAP ID*.

If there is only one professional claim with a *Header From Date of Service* between the $x^{th}$ day prior (inclusive) and one (1) day before the *Trigger Window Start Date,* where the input field *Contracting Entity* associated to the *Billing Provider ID* on the claim is the same as the episode output field *PAP ID,* then the *Pre-Trigger Window Start Date* is set to the *Header From Date of Service* of that claim.

If there are two or more professional claims with a *Header From Date of Service* between the $x^{th}$ day prior (inclusive) and one (1) day before the *Trigger Window Start Date,* where the input field *Contracting Entity* associated to the *Billing Provider ID* on the claim is the

same as the episode output field *PAP ID,* then the *Pre-Trigger Window Start Date* is set to the earliest *Header From Date of Service* of those claims.

The maximum length of the flexible pre-trigger window (x days) is given as a parameter in the configuration file under "03 – Determine The Episode Duration"

- **Fixed pre-trigger window:** For episodes with a fixed pre-trigger window, the duration of the pre-trigger window is fixed at a specified number of days prior (inclusive) to one (1) day before the *Trigger Window Start Date.* The specific number of days is given as a parameter in the configuration file under "03 – Determine The Episode Duration". The output field *Pre-Trigger Window End Date* is set to one (1) day before the *Trigger Window Start Date*. The *Pre-Trigger Window Start Date* is also the *Episode Start Date.*

- **Trigger window**: The output fields *Trigger Window Start Date* and *Trigger Window End Date* are set using the episode trigger start and end dates, which are defined in section 4.1.

- **Post-trigger window:** The output field *Post-Trigger Window Start Date* is set to the day after the *Trigger Window End Date*. The output field *Post-trigger Window End Date* is set to the $x^{th}$ day after the *Trigger Window End Date* (for a post-trigger window of x days duration). The value for the post-trigger window duration (x days) is provided as a parameter in the configuration file under "03 – Determine The Episode Duration". The duration for the post-trigger window is provided relative to the *Trigger Window End Date*. The *Post-trigger Window End Date* is also the *Episode End Date.*

  If a hospitalization is ongoing on the $x^{th}$ day of the post-trigger window, the *Post-Trigger Window End Date* is set to the *Header End Date* of the hospitalization. A hospitalization is ongoing on the $x^{th}$ day of the post-trigger window if the hospitalization has a *Header Start Date* during the first x days of the post-trigger window and a *Header End Date* beyond the first x days of the post-trigger window. If more than one hospitalization is ongoing on the $x^{th}$ day of the post-trigger window, the latest *Header End Date* present on one of the hospitalizations sets the *Post-trigger Window End Date*. The extension of the post-trigger window due to a hospitalization may not lead to further extensions, i.e., if the post-trigger window is set based on the *Header To Date Of Service* of a hospitalization and a different hospitalization starts during the extension of the post-trigger window and ends beyond it, the episode is not extended a second time. See section 6 for the definition of hospitalization.

The combined duration of the pre-trigger window, trigger window, and post-trigger window is the episode window. All time windows are inclusive of their first and last date. See section 6 for the definition of duration.

To determine which claims and claim detail lines occur during an episode the following assignment rules are used. In addition, specific rules apply to assign claims and claim detail lines to windows during the episode (the pre-trigger window, trigger window, post-trigger window, and hospitalizations):

- **Assignment to a window before the episode:**
  - Hospitalizations, all inpatient claims within them, and all claim detail lines of the inpatient claims are assigned to a window before the episode (e.g., 365 days to one day before the *Episode Start Date*, 90 days to one day before the *Episode Start Date*) if the *Header From Date Of Service* of the hospitalization occurs during the specified time window before the *Episode Start Date.*
  - Pharmacy claims and all their claim detail lines are assigned to a window before the episode if the *Header From Date Of Service* occurs during the specified time window before the *Episode Start Date*.
  - For the purpose of counting unique claims, outpatient and professional claims are assigned to the window before the episode if all their claim detail lines are assigned to the window before the episode. For the purpose of calculating spend, outpatient and professional claim detail lines are assigned to the window before the episode if the *Detail From Date Of Service* occurs during the specified time window before the *Episode Start Date*.
- **Assignment to the episode window:**
  - Hospitalizations and all inpatient claims within them are assigned to the episode window if the *Header From Date Of Service* occurs during the episode window.
  - Pharmacy claims are assigned to the episode window if both the *Header From Date Of Service* and the *Header To Date Of Service* occur during the episode window.
  - For the purpose of counting unique claims, outpatient, professional, and long-term care claims are assigned to the episode window if at least one of their claim detail lines is assigned to the episode window. For the purpose of calculating spend, outpatient, professional, and long-term care claim detail lines are assigned to the

episode window if both the *Detail From Date Of Service* and the *Detail To Date Of Service* occur during the episode window.

- **Assignment to the pre-trigger window**:
  - Hospitalizations and all inpatient claims within them are assigned to the pre-trigger window if the hospitalization is assigned to the episode window and also has a *Header From Date Of Service* during the pre-trigger window.
  - Pharmacy claims are assigned to the pre-trigger window if they are assigned to the episode window and also have a *Header From Date Of Servic*e during the pre-trigger window.
  - For the purpose of counting unique claims, outpatient, professional, and long-term care claims are assigned to the pre-trigger window if at least one of their claim detail lines is assigned to the pre-trigger window. For the purpose of calculating spend, outpatient, professional, and long-term claim detail lines are assigned to the pre-trigger window if they are assigned to the episode window and also have a *Detail From Date Of Service* during the pre-trigger window.
- **Assignment to the trigger window**:
  - Hospitalizations and all inpatient claims within them are assigned to the trigger window if the *Header From Date Of Service* of the hospitalization occurs during the trigger window.
  - Pharmacy claims are assigned to the trigger window if both the *Header From Date Of Service* and the *Header To Date Of Service* occur during the trigger window.
  - For the purpose of counting unique claims, outpatient and professional, and long-term care claims are assigned to the trigger window if all their claim detail lines are assigned to the trigger window. For the purpose of calculating spend, outpatient, professional, and long-term care claim detail lines are assigned to the trigger window if both the *Detail From Date Of Service* and the *Detail To Date Of Service* occur during the trigger window.
- **Assignment to the post-trigger window**:
  - Hospitalizations and all inpatient claims are assigned to the post-trigger window if the hospitalization is assigned to the episode window and also has a *Header From Date Of Service* during the post-trigger window.

- Pharmacy claims are assigned to the post-trigger window if they are assigned to the episode window and also have a *Header To Date of Service* during the post-trigger window.
- For the purpose of counting unique claims, outpatient, professional, and long-term care claims are assigned to the post-trigger window if at least one of their claim detail lines is assigned to the post-trigger window. For the purpose of calculating spend, outpatient, professional, and long-term care claim detail lines are assigned to the post-trigger window if they are assigned to the episode window and also have a *Detail To Date of Service* during the post-trigger window.

- **Assignment to hospitalizations**:
  - Outpatient and professional claims are assigned to a hospitalization if they are not assigned to the trigger window and all their claim detail lines are assigned to the hospitalization. Outpatient and professional claim detail lines are assigned to a hospitalization if the *Detail From Date Of Service* and the *Detail To Date Of Service* occur during the hospitalization.

## 4.4 IDENTIFY CLAIMS INCLUDED IN EPISODE SPEND

The fourth design dimension of building an episode is to identify which claims and claim detail lines are included in the calculation of episode spend. For short, such claims or claim detail lines are referred to as included claims or included claim detail lines.

**Episode output fields created**: *Count of Included Claims*

Different rules for the inclusion of claims and claim detail lines apply to claims and claim detail lines assigned to different types of services and windows. The breakdown for how to count included claims and claim detail lines by care category is defined in section 6. How different types of services are defined is detailed below. Which type of services are included in the episode, and in which window, are episode specific and detailed in section 5.4. See section 4.3 for how claim and claim detail lines are assigned to different windows during the episode.

**The following rules for types of service apply:**

- **Specific care after discharge**: Hospitalizations, outpatient, professional, and long-term care claims with ICD-9 or ICD-10 diagnosis codes for specific care after discharge in the input field *Header Diagnosis Code*. See the configuration file under "Care After

Discharge" for the list of codes. The code needs to be in the primary diagnosis code field. A special rule applies whenever a hospitalization is included. All professional and outpatient claims assigned to an included hospitalization are included. See section 4.3 for how professional and outpatient claims are assigned to hospitalizations.

- **Specific anesthesia:** Outpatient and professional claim detail lines with CPT/HCPCS procedure codes for specific anesthesia in the input field *Detail Procedure Code*. See the configuration file under "Anesthesia" for the list of codes.
- **Specific evaluation and management encounters:** Outpatient and professional claim detail lines with CPT/HCPCS procedure codes for specific E&M encounters in the input field *Detail Procedure Code*. See the configuration file under "E&M Visits" for the list of codes. If only office encounters with the PAP are included, the input field *Contracting Entity* associated to the *Billing Provider ID* of the claim for the office encounter must match the *PAP ID* for the episode. To determine if this is the case see section 5.4. If only office encounters with a related diagnosis code are included, there must be an episode-specific relevant ICD-9 or ICD-10 diagnosis code in the primary diagnosis code field. See the configuration file under "Relevant Diagnosis" for the list of codes. To determine if this is the case see section 5.4.
- **Specific imaging and testing:** Inpatient claims, and outpatient and professional claim detail lines with ICD-9/ICD-10/CPT/HCPCS procedure codes for specific imaging and testing in the input field *Header Surgical Procedure Code* or *Detail Procedure Code*. See the configuration file under "Imaging and Testing" for the list of codes. The ICD-9 or ICD-10 procedure codes can be in any field.
- **Specific medications:** Pharmacy claims with HIC3 codes for specific medications. Pharmacy claims with HIC3 codes (Hierarchical Ingredient Code Level 3 identifiers provided by First Databank) for specific medications are identified by the presence of a National Drug Code (NDC) in the input field *National Drug Code*. See the configuration file under "Medications" for the list of codes. To identify specific medications, the HIC3 codes must be cross-walked to NDCs. Since NDCs change over time, an updated crosswalk including current and historical NDCs must be used for each reporting period.
- **Specific pathology:** Outpatient and professional claim detail lines with CPT/HCPCS procedure codes for specific pathology in the input field *Detail Procedure Code*. See the configuration file under "Pathology" for the list of codes.
- **Specific surgical and medical procedures:** Inpatient claims, and outpatient and professional claim detail lines with ICD-9/ICD-10/CPT/HCPCS procedure codes for

specific procedures in the input field *Header Surgical Procedure* Code or *Detail Procedure Code*. See the configuration file under "Surgical and Medical Procedures" for the list of codes. The ICD-9 or ICD-10 procedure codes can be in any field.

- **Specific excluded surgical and medical procedures:** Inpatient claims, and outpatient and professional claim detail lines with ICD-9/ICD-10/CPT/HCPCS procedure codes for specific excluded procedures in the input field *Header Surgical Procedure Code* or *Detail Procedure Code*. See the configuration file under "Excluded Surgical and Medical Procedures" for the list of codes. This exclusion of claims or claim detail lines takes precedence over any other inclusion logic.

The output field *Count of Included Claims* is the total number of claims included in the episode. See section 6 for details on counts of claims by care category.

### 4.5 CALCULATE NON-RISK-ADJUSTED EPISODE SPEND

The fifth design dimension of building an episode is to calculate the non-risk-adjusted spend for each episode.

**Episode output fields created**: *Non-risk-adjusted Episode Spend*

**PAP output fields created**: *Average Non-risk-adjusted PAP Spend*, *Average Non-risk-adjusted PAP Spend by <Care Category X>, Average Non-risk-adjusted PAP Spend by <Window X>, Total Non-risk-adjusted PAP Spend*

The *Non-risk-adjusted Episode Spend* is defined as the sum of:

- The *Detail Paid Amount* for included claim detail lines for detail-paid claim types (e.g., outpatient and professional). If a claim detail line is included for two or more reasons (e.g., due to an included procedure), its *Detail Paid Amount* counts only once towards the *Non-risk-adjusted Episode Spend*.
- The *Header Paid Amount* for included claims for header-paid claim types (e.g., inpatient and pharmacy).
- The *Patient Cost Share* for included claims.

The output field *Non-risk-adjusted Episode Spend* is calculated overall, by window during the episode, and by reporting care category. See section 6 for the definition of the reporting care categories.

The fields *Average Non-risk-adjusted PAP Spend* and *Total Non-risk-adjusted PAP Spend* are added to the PAP output table. *Average Non-risk-adjusted PAP Spend* is calculated as the average of the *Non-risk-adjusted Episode Spend* across valid episodes for a given *PAP ID*. *Total Non-risk-adjusted PAP Spend* is calculated as the sum of the *Non-risk-adjusted Episode Spend* across valid episodes for a given PAP. The output field *Average Non-risk-adjusted PAP Spend* is calculated overall and by reporting care category. See sections 4.2 and 5.2 for the identification of *PAP ID*s and section 4.6 and 5.6 for the definition of valid episodes. See section 6 for the definition of the reporting care categories.

## 4.6 IDENTIFY EXCLUDED EPISODES

The sixth design dimension of building an episode is to identify episodes that are excluded from the episode-based payment model.

**Episode output fields created**: *Any Exclusion, Exclusion Inconsistent Enrollment, Exclusion Third-party Liability, Exclusion Dual Eligibility, Exclusion FQHC/RHC, Exclusion No PAP ID, Exclusion Incomplete Episode, Exclusion Different Care Pathway, Exclusion Age, Exclusion Death, Exclusion Left Against Medical Advice, Exclusion High Outlier*

Each *Exclusion <name of exclusion>* output field indicates whether an episode is excluded for a given reason and therefore invalid for the purpose of the episode-based payment model. If an episode is excluded for more than one reason each exclusion is indicated. The output field *Any Exclusion* indicates whether an episode contains any exclusion. Episodes may be excluded for business reasons, clinical reasons, non-clinical patient-specific reasons, or because they are high outliers.

After all exclusions have been applied, a set of valid episodes remains.

### Business exclusions

- **Inconsistent enrollment**: An episode is excluded if the patient was not continuously enrolled in the plan during the episode window. Enrollment is verified using the *Eligibility Start Date* and *Eligibility End Date* from the Member Extract.

  A patient is considered continuously enrolled if the patient's *Eligibility Start Date* for the plan falls before or on (≤) the *Episode Start Date* and the *Eligibility End Date* for the plan falls on or after (≥) the *Episode End Date*. The output field *Member ID* of the episode table is linked to the input field *Member ID* of the Member Extract to identify the enrollment information for each patient.

A patient may have multiple entries for *Eligibility Start Date* and *Eligibility End Date* for full enrollment in the plan and some of the dates may be overlapping. In such cases, continuous, non-overlapping records of a patient's enrollment are created before confirming whether the patient was continuously enrolled during an episode. If a patient has an *Eligibility Start Date* without a corresponding *Eligibility End Date* for the plan, enrollment is considered to be ongoing through the last date of the input data.

If a patient was not continuously enrolled in the plan before or after the episode window, but was continuously enrolled during the episode window, the episode is not excluded.

- **Third-party liability**: An episode is excluded if an inpatient, outpatient, professional, pharmacy, or long-term care claim that is assigned to the episode window is associated with a third-party liability amount. A claim is considered to be associated with a third-party liability amount if either the input field *Header TPL Amount* or any of the input fields *Detail TPL Amount* have a value greater than (>) zero. The claim with a positive TPL amount may or may not be included in the calculation of episode spend.

  If a patient has a claim associated with a third-party liability amount before or after the episode window, but not during the episode window, the episode is not excluded.

- **Dual eligibility**: An episode is excluded if the patient had dual coverage by Medicare and Medicaid during the episode window. See the configuration file under "Business – Dual Eligibility".

  If a patient had dual coverage before or after the episode window, but not during the episode window, the episode is not excluded.

- **Federally Qualified Health Center/Rural Health Clinic:**
  - **For episodes triggered by a professional claim and an associated facility claim:** An episode is excluded if either of the *Professional Trigger Claim ID* or the *Associated Facility Claim ID* is a Federally Qualified Health Center (FQHC) or Rural Health Clinic (RHC). For *Professional Trigger Claim ID*, an episode is excluded if the *Place of Service* has a code listed in the configuration file under "Business – FQHC/RHC". For *Associated Facility Claim ID*, an episode is excluded if the *Type of Bill* has a code listed in the configuration file under "Business – FQHC/RHC".
  - **For episodes triggered by a facility claim:** An episode is excluded if the *Facility Trigger Claim ID* is a Federally Qualified Health Center (FQHC) or Rural Health Clinic (RHC). For *Facility Trigger Claim ID*, an episode is excluded if the *Type of Bill* has a code listed in the configuration file under "Business – FQHC/RHC".

- **No PAP ID:** An episode is excluded if the *PAP ID* cannot be identified.
- **Incomplete episodes**: An episode is excluded if either:
  - The triggering professional claim spend is less than or equal to 0.
  - It is within the bottom 2.5% of all episodes with the lowest *Non-risk-adjusted Episode Spend* (not the *Risk-adjusted Episode Spend*), without taking into account episodes where the triggering professional claim spend is less than or equal to (≤) 0.

**Clinical exclusions**

- **Different care pathway**: An episode is excluded if the patient has a medical code that indicates a different care pathway during a specified time window on any inpatient, outpatient, or professional claim in the input field *Header Diagnosis Code* (any field), *Header Surgical Procedure Code*, or *Detail Procedure Code*. The detailed list of codes and time windows is given in the configuration file under "Clinical – (*condition for exclusion*)".

  The claims and claim detail lines that are searched for different care pathways do not have to be included claims or included claim detail lines. In addition, if a patient lacked continuous eligibility during the year before the episode or during the episode window, codes for different care pathways are checked in the data available.

**Patient exclusions**

- **Age**: An episode is excluded if the member age does not fall into the valid age range or if it is invalid. The valid age range is listed as parameters in the configuration file under "06 – Identify Excluded Episodes". See section 6 for how member age is defined.
- **Death**: An episode is excluded if the patient has a *Patient Discharge Status* of "Expired" on any inpatient or outpatient claim assigned to the episode window. The claim may be an included claim or not. The values of the *Patient Discharge Status* used to identify whether the patient expired are listed in the configuration file under "Patient – Death".
- **Left against medical advice**: An episode is excluded if the patient has a *Patient Discharge Status* of "Left Against Medical Advice or Discontinued Care" on any inpatient or outpatient claim during the episode window. The claim may be an included claim or not. The value of the *Patient Discharge Status* used to identify whether the patient left against medical advice is listed in the configuration file under "Patient – LAMA".

**High-cost outliers**

An episode is excluded if the *Risk-adjusted Episode Spend* (not the *Non-risk-adjusted Episode Spend*) is 3 standard deviations above (>) the mean *Risk-adjusted Episode Spend* of all episodes not otherwise excluded. Because this exclusion uses the risk-adjusted episode spend, it is the only exclusion that takes place after the risk adjustment process.

A hierarchy is used to present the exclusions in the provider report. See section 6 for the hierarchy of exclusions.

## 4.7 PERFORM RISK ADJUSTMENT

The seventh design dimension of building an episode is to risk-adjust the *Non-risk-adjusted Episode Spend* for risk factors that may contribute to higher episode spend given the characteristics of a patient and are outside of the PAP's control.

**Episode output fields created**: *Risk Factor (risk factor number), Episode Risk Score, Risk-adjusted Episode Spend*

**PAP output fields created**: *Average Risk-adjusted PAP Spend*, *Average Risk-adjusted PAP Spend by <Care Category X>, Total Risk-adjusted PAP Spend*

Risk adjustment first requires identification of the risk factors that affect each episode. Once risk factors have been determined, each payer calculates the *Episode Risk Score* and the *Risk-adjusted Episode Spend*. Each *Risk Factor (risk factor number)* output field indicates whether an episode's spend is risk-adjusted for a given risk factor. The relevant codes are identified only on claims with *Header From Date of Service* (for header-paid claims) *or Detail From Date of Service* (for detail-paid claims) falling during the time period specified for the given risk factor in the configuration file. When a risk factor is based on the presence of a diagnosis, the output field *Risk Factor (risk factor number)* indicates if a claim exists with a diagnosis in any diagnosis field for the referenced risk factor in the input field *Header Diagnosis Code.*

The PAP output field *Average Risk-adjusted PAP Spend* is calculated as the average of the Risk-adjusted Episode Spend across valid episodes for each *PAP ID*. The *Total Risk-adjusted PAP Spend* is calculated as the sum of the *Risk-adjusted Episode Spend* across valid episodes for each *PAP ID*.

## 4.8 DETERMINE QUALITY METRICS PERFORMANCE

The eighth design dimension of building an episode is the calculation of the quality metrics and the identification of *PAP ID*s who pass the quality metrics performance requirement. Quality metrics are calculated by each payer on an aggregated basis across all episodes with the same *PAP ID*. Denied claims should be used in the calculation of quality metrics.

**Episode output fields created**: *Quality Metric (quality metric number) Indicator*

**PAP output fields created**: *PAP Quality Metric (quality metric number), Gain Sharing Quality Metric Pass*

The number of *Quality Metric Indicator* episode output fields and *PAP Quality Metric* output fields will match the total number of quality metrics for each episode.

For most quality metrics the following logic applies. If there are any exceptions these will be detailed in section 5.8. The *Quality Metric (n) Indicator* marks episodes that complied with quality metric (n). The *PAP Quality Metric (n)* is expressed as a percentage for each PAP based on the following ratio:

- Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric (n) Indicator*
- Denominator: Number of valid episodes of the *PAP ID*

Section 5.8 will provide detail on what the *Quality Metric (n) Indicators* are for this episode.

There are two types of quality metrics: those tied to gain sharing and those that are informational (i.e., not tied to gain sharing). These may be calculated including valid or total episodes of the *PAP ID*. These details are specified in section 5.8.

The output field *Gain Sharing Quality Metric Pass* is set based on the performance of the *PAP ID* on the quality metrics that are tied to gain sharing. The output field *Gain Sharing Quality Metric Pass* indicates if the percentage of valid episodes of the *PAP ID* that comply with quality metrics tied to gain sharing met the required thresholds for gain sharing. Setting thresholds for the quality metrics is beyond the scope of this DBR, hence thresholds will be set and provided separately.

## 4.9 CALCULATE GAIN/RISK SHARING AMOUNTS

The ninth and final design dimension of building an episode is to calculate the gain or risk sharing amount for each *PAP ID*. Gain and risk sharing are calculated by each payer on an aggregated basis across all of *PAP ID's* episodes covered by that payer.

**PAP output fields created**: *Count Of Total Episodes Per PAP, Count Of Valid Episodes Per PAP, Gain/Risk Sharing Amount*, *PAP Sharing Level*

Gain and risk sharing amounts are calculated based on the episodes of each *PAP ID* that ended during the reporting period. To calculate the gain or risk sharing amount paid to/by each *PAP ID* the following pieces of information are used:

- Commendable threshold, acceptable threshold, and gain sharing limit threshold. Setting these thresholds is beyond the scope of this DBR.
- Number of episodes of each *PAP ID*: The output field *Count Of Total Episodes Per PAP ID* is defined as the number of total episodes of each *PAP ID* during the reporting period. The output field *Count Of Valid Episodes Per PAP ID* is defined as the number of valid episodes of each *PAP ID* during the reporting period. *Count Of Valid Episodes Per PAP ID* is calculated overall and by reporting care category. Episodes are counted separately by each payer.
- Performance of each *PAP ID* on quality metrics tied to gain sharing: Only *PAP ID*s that pass the quality metrics tied to gain sharing are eligible for gain sharing. Setting thresholds for the quality metrics is beyond the scope of this DBR. See section 4.8 for the calculation of the output field *Gain Sharing Quality Metric Pass,* which indicates whether a *PAP ID* passes the quality metrics tied to gain sharing.
- Gain share proportion and risk share proportion*:* The gain share proportion is set at 50% and the risk share proportion is set at 50%.

**Gain sharing payment:** A PAP identified by *PAP ID* receives a gain sharing payment if two criteria are met: (1) it passes the quality metrics tied to gain sharing, and (2) the *Average Risk-adjusted PAP ID Spend* is below (<) the *Commendable Threshold*. Two cases exist:

- If the *Average Risk-adjusted PAP ID Spend* is below (<) the *Commendable Threshold* and at or above (≥) the *Gain Sharing Limit Threshold*, the *Gain/Risk Sharing Amount* is:

  *Gain Sharing Amount =*

((*Commendable Threshold – Average Risk-adjusted PAP ID Spend*) * *Count of Valid Episodes Per PAP ID* * *50%*)

- If the *Average Risk-adjusted PAP ID Spend* is below (<) the *Commendable Threshold* and below (<) the *Gain Sharing Limit Threshold*, the *Gain/Risk Sharing Amount* is:

  *Gain Sharing Amount* =

  ((*Commendable Threshold – Gain Sharing Limit Threshold*) * *Count of Valid Episodes Per PAP ID* * *50%*)

**Risk sharing payment:** A PAP identified by *PAP ID* owes a risk sharing payment if its *Average Risk-adjusted PAP ID Spend* is at or above (≥) the *Acceptable Threshold*. The risk sharing payment applies irrespective of the performance of the *PAP ID* on the quality metrics. The *Risk Sharing Amount* is calculated as:

*Risk Sharing Amount* =

((*Average Risk-adjusted PAP ID Spend – Acceptable Threshold*) * *Count of Valid Episodes Per PAP ID* * *50%*)

To summarize the cost performance of each *PAP ID* in the episode-based payment model, the output field *PAP Sharing Level* is set to

- "1" if *Average Risk-adjusted PAP ID Spend* < *Gain Sharing Limit Threshold*
- "2" if *Average Risk-adjusted PAP ID Spend* < *Commendable Threshold* and also ≥ *Gain Sharing Limit Threshold*
- "3" if *Average Risk-adjusted PAP ID Spend* < *Acceptable Threshold* and also ≥ *Commendable Threshold*
- "4" if *Average Risk-adjusted PAP ID Spend* ≥ *Acceptable Threshold*

# 5 Gestational age 31 weeks or less neonatal episode detailed description

This section provides episode-specific details for building the gestational age 31 weeks or less neonatal episode, and must be used in conjunction with section 4, as section 4 contains general elements of the episode algorithm. Sections 4 and 5 used in conjunction explain the intent of the episode design at a level of granularity that will allow an IT implementation team to create an algorithm that matches the episode design.

## 5.1 IDENTIFY EPISODE TRIGGERS

The gestational age 31 weeks or less neonatal episode is triggered by a facility claim as described in section 4.1, with the following exceptions to section 4.1.1:

- A potential trigger is defined as a facility trigger claim. A facility trigger claim is an inpatient claim that meets the conditions below. Inpatient claims are identified based on the input field *Claim Type* as defined in section 6.
- The facility trigger claim must meet one of the following conditions:
  - The claim has, in any of the diagnosis fields, an episode-specific trigger diagnosis code in the input field *Header Diagnosis Code*, as well as an episode-specific confirming trigger diagnosis code in any of the diagnosis fields. The configuration file lists the trigger diagnosis codes under “Trigger Diagnosis” and the confirming trigger diagnosis codes under “Confirming Trigger Diagnosis”.
- The start date of a potential trigger is the *Header From Date Of Service* of the facility trigger claim. The end date of a potential trigger is the *Header To Date Of Service* of the facility trigger claim.
- A specific rule applies for potential triggers where the inpatient claim is part of a hospitalization consisting of two or more inpatient claims. See section 6 for the definition of hospitalization. If an inpatient claim is part of a hospitalization consisting of two or more inpatient claims, the potential trigger starts on the *Header From Date Of Service* of the hospitalization of which the trigger inpatient claim is a part. The potential trigger ends on the *Header To Date Of Service* of the hospitalization of which the inpatient trigger claim is a part.

This episode identifies episode triggers based on clean period as defined in section 4.1.2 with the following exception:

- For a potential trigger to become an episode trigger, its start date cannot fall into the clean period of another potential trigger for the same patient. A chronological approach is taken, and the first potential trigger of a given patient is identified as the earliest (i.e., the furthest in the past) episode trigger. The clean period starts the day after the potential trigger end date and extends for a fixed period of 365 days.

## 5.2 ATTRIBUTE EPISODES TO PROVIDERS

This episode has a facility PAP and follows the process described in section 4.2.

## 5.3 DETERMINE THE EPISODE DURATION

For this episode there are two windows:

- **Pre-trigger window:** This episode has no pre-trigger window.
- **Trigger window**: Refer to section 4.3 for guidance.
- **Post-trigger window**: Includes both post-trigger window 1 and post-trigger window 2. Post-trigger window 1 begins the day after the *Trigger Window End Date* and extends for 7 days. Post-trigger window 2 begins the day after Post-trigger window 1 ends and extends until 30 days after the *Trigger Window End Date*. Refer to section 4.3 for additional guidance.

## 5.4 IDENTIFY CLAIMS INCLUDED IN EPISODE SPEND

For this episode services are included as defined in section 4.4, with the following specifications:

**Pre-trigger window**

This episode has no pre-trigger window.

**Trigger and post-trigger window 1**

All inpatient, outpatient, professional, and pharmacy claims and claim detail lines assigned to the trigger window and post-trigger window are included.

For this episode, claims and claim detail lines assigned to the post-trigger window are excluded if they are also assigned to one of the following types of services:

- **Specific excluded care:** Inpatient, outpatient, and professional claims with ICD-9 or ICD-10 diagnosis codes for specific excluded care in the input field *Header Diagnosis Code*. See the configuration file under "Excluded Care" for the list of codes. The code may be in the primary or a secondary diagnosis code field. A special rule applies whenever a hospitalization is included. All professional and outpatient claims assigned to an excluded hospitalization are excluded. See section 4.3 for how professional and outpatient claims are assigned to hospitalizations.

**Post-trigger window 2**

For this episode no spend is included in post-trigger window 2.

## 5.5 CALCULATE NON-RISK-ADJUSTED SPEND

This episode follows the process described in section 4.5.

## 5.6 IDENTIFY EXCLUDED EPISODES

This episode follows the process described in section 4.6, with two exceptions:

**Business exclusions**

- The component of the incomplete episodes exclusion regarding professional triggering claims is not applicable.

**Clinical exclusions**

- **Different care pathway – Patients delivered in an emergency room setting**: An episode is excluded if the triggering facility claim has an inpatient claim detail line with an ED revenue code in the input field *Revenue Code*. The triggering facility claim is identified as the claim where the output field *Facility Trigger Claim ID* equals the input field *Internal Control Number*. The configuration file lists the ED revenue codes under "Clinical – ED Delivery".

## 5.7 PERFORM RISK ADJUSTMENT

This episode follows the process described in section 4.7.

## 5.8 DETERMINE QUALITY METRICS PERFORMANCE

This episode has five quality metric that are tied to gain sharing and five informational (i.e., not tied to gain sharing) quality metrics. An overview of how to determine quality metric performance is provided in section 4.8. Additionally, the output field *Gain Sharing Quality Metric Pass* is set based on the logic described in section 4.8.

**Episode output fields created:** *Quality Metric 1 Indicator*, *Quality Metric 2 Indicator*, *Quality Metric 3 Indicator*, *Quality Metric 4 Indicator*, *Quality Metric 5 Indicator*, *Quality Metric 6 Indicator*, *Quality Metric 7 Indicator*, *Quality Metric 8 Indicator*, *Quality Metric 9 Indicator*, *Quality Metric 10 Indicator*, *Quality Metric 11 Indicator*, *Quality Metric 12 Indicator*, *Quality Metric 13 Indicator*

**PAP output fields created:** *PAP Quality Metric 1*, *PAP Quality Metric 2*, *PAP Quality Metric 3*, *PAP Quality Metric 4*, *PAP Quality Metric 5*, *PAP Quality Metric 6*, *PAP Quality Metric 7*, *PAP Quality Metric 8*, *PAP Quality Metric 9*, *PAP Quality Metric 10*, *PAP Quality Metric 11*, *PAP Quality Metric 12*, *PAP Quality Metric 13*, *Gain Sharing Quality Metric Pass*

**Quality metrics tied to gain sharing**

- **Newborn hearing screen (Quality Metric 1 – higher rate indicative of better performance):**
  - *Quality Metric 1 Indicator* marks episodes where the patient is confirmed to have received a hearing screen during the trigger window as identified in the Tennessee Department of Health Newborn Screening Program. As newborn hearing screen is a non-claims-based metric, more information regarding this quality metric indicator will be provided separately.
  - *PAP Quality Metric 1* is expressed as a percentage for each Quarterback based on the following ratio:
    - Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric 1 Indicator*
    - Denominator: Number of valid episodes of the *PAP ID*
- **Critical congenital heart disease screen (Quality Metric 2 – higher rate indicative of better performance):**
  - *Quality Metric 2 Indicator* marks episodes where the patient is confirmed to have received a critical congenital heart disease screen performed during the trigger window as identified in the Tennessee Department of Health Newborn Screening Program. As critical congenital heart disease screen is a non-claims-based metric,

more information regarding this quality metric indicator will be provided separately.

  - *PAP Quality Metric 2* is expressed as a percentage for each Quarterback based on the following ratio:
    - Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric 2 Indicator*
    - Denominator: Number of valid episodes of the *PAP ID*

- **Blood spot screen (Quality Metric 3 – higher rate indicative of better performance):**
  - *Quality Metric 3 Indicator* marks episodes where the patient is confirmed to have received a blood spot screen during the trigger window as identified in the Tennessee Department of Health Newborn Screening Program. As blood spot screen is a non-claims-based metric, more information regarding this quality metric indicator will be provided separately.
  - *PAP Quality Metric 3* is expressed as a percentage for each Quarterback based on the following ratio:
    - Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric 3 Indicator*
    - Denominator: Number of valid episodes of the *PAP ID*

- **Hepatitis B vaccination (Quality Metric 4 – higher rate indicative of better performance):**
  - *Quality Metric 4 Indicator* marks episodes where the patient is confirmed to have received a hepatitis B vaccination during the trigger window as identified in the Tennessee Immunization Information System. As hepatitis B vaccination is a non-claims-based metric, more information regarding this quality metric indicator will be provided separately.
  - *PAP Quality Metric 4* is expressed as a percentage for each Quarterback based on the following ratio:
    - Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric 4 Indicator*
    - Denominator: Number of valid episodes of the *PAP ID*

- **Participation in the Vermont Oxford Network (Quality Metric 5 – higher rate indicative of better performance):**
  - *Quality Metric 5 Indicator* marks episodes where the patient is discharged from a facility during the trigger window confirmed to participate in the Vermont Oxford Network. As participation in the Vermont Oxford Network is a non-claims-based

metric, more information regarding this quality metric indicator will be provided separately.

  - *PAP Quality Metric 5* is expressed as a percentage for each Quarterback based on the following ratio:
    - Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric 5 Indicator*
    - Denominator: Number of valid episodes of the *PAP ID*

**Informational quality metrics** (i.e., included for information only):

- **Pediatric visit within three days of discharge (Quality Metric 6 – higher rate indicative of better performance):**
  - *Quality Metric 6 Indicator* marks episodes that have a professional claim detail line where the difference (in days) between the claim detail line's *Detail From Date of Service* and the *Post-Trigger Window Start Date* is less than or equal to two (≤ 2) days and the claim detail line has a CPT/HCPCS procedure code for a follow-up visit in the input field *Detail Procedure Code*, as listed in the configuration file under "Follow-Up Visits".
  - *PAP Quality Metric 6* is expressed as a percentage for each Quarterback based on the following ratio:
    - Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric 6 Indicator*
    - Denominator: Number of valid episodes of the *PAP ID*
- **Pediatric visit within five days of discharge (Quality Metric 7 – higher rate indicative of better performance):**
  - *Quality Metric 7 Indicator* marks episodes that have a professional claim detail line where the difference (in days) between the claim detail line's *Detail From Date of Service* and the *Post-Trigger Window Start Date* is less than or equal to four (≤ 4) days and the claim detail line has a CPT/HCPCS procedure code for a follow-up visit in the input field *Detail Procedure Code*, as listed in the configuration file under "Follow-Up Visits".
  - *PAP Quality Metric 7* is expressed as a percentage for each Quarterback based on the following ratio:
    - Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric 7 Indicator*
    - Denominator: Number of valid episodes of the *PAP ID*
- **Readmission within seven days of discharge (Quality Metric 8 – lower rate indicative of better performance):**

- *Quality Metric 8 Indicator* marks episodes that have at least one hospitalization with a *Header From Date of Service* or observation care with a *Detail From Date of Service* on the same day as or within six (≤ 6) days of the *Post-trigger Window Start Date*, which is identified by an inpatient claim with any ICD-9 or ICD-10 diagnosis code in the input field *Header Diagnosis Code* apart from excluded care. See the configuration file under "Excluded Care" for the list of codes. The excluded code may appear in the primary or secondary diagnosis field. The definition of hospitalization is provided in section 6. Observation care is identified based on an outpatient claim detail line with an observation care revenue code in the input field *Revenue Code*. The configuration file lists the observation care revenue codes under "Observation Indicator".
- *PAP Quality Metric 8* is expressed as a percentage for each Quarterback based on the following ratio:
  - Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric 8 Indicator*
  - Denominator: Number of valid episodes of the *PAP ID*

- **Readmission within 30 days of discharge (Quality Metric 9 – lower rate indicative of better performance):**
  - *Quality Metric 9 Indicator* marks episodes that have that have at least one hospitalization with a *Header From Date of Service* or observation care with a *Detail From Date of Service* on the same day as or within twenty nine (≤ 29) days of the *Post-trigger Window Start Date*, which is identified by an inpatient claim with any ICD-9 or ICD-10 diagnosis code in the input field *Header Diagnosis Code* apart from excluded care. See the configuration file under "Excluded Care" for the list of codes. The excluded code may appear in the primary or secondary diagnosis field. The definition of hospitalization is provided in section 6. Observation care is identified based on an outpatient claim detail line with an observation care revenue code in the input field *Revenue Code*. The configuration file lists the observation care revenue codes under "Observation Indicator".
  - *PAP Quality Metric 9* is expressed as a percentage for each Quarterback based on the following ratio:
    - Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric 9 Indicator*
    - Denominator: Number of valid episodes of the *PAP ID*

- **ED visit within seven days of discharge (Quality Metric 10 – lower rate indicative of better performance):**

- *Quality Metric 10 Indicator* marks episodes that have at least one ED visit which has a detail line with a *Detail From Date of Service* on the same day as or within six (≤ 6) days of the *Post-trigger Window Start Date*, which is identified by an outpatient claim with any ICD-9 or ICD-10 diagnosis code in the input field *Header Diagnosis Code* apart from excluded care. See the configuration file under "Excluded Care" for the list of codes. The excluded code may be in the primary or a secondary diagnosis code field. ED visits are identified based on an outpatient claim detail line with an ED revenue code in the input field *Revenue Code*. The configuration file lists the ED revenue codes under "ED Indicator".

- *PAP Quality Metric 10* is expressed as a percentage for each Quarterback based on the following ratio:
  - Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric 10 Indicator*
  - Denominator: Number of valid episodes of the *PAP ID*

- **ED visit within 30 days of discharge (Quality Metric 11 – lower rate indicative of better performance):**

  - *Quality Metric 11 Indicator* marks episodes that have at least one ED visit which has a detail line with a *Detail From Date of Service* on the same day as or within twenty nine (≤ 29) days of the *Post-trigger Window Start Date*, which is identified by an outpatient claim with any ICD-9 or ICD-10 diagnosis code in the input field *Header Diagnosis Code* apart from excluded care. See the configuration file under "Excluded Care" for the list of codes. The excluded code may be in the primary or a secondary diagnosis code field. ED visits are identified based on an outpatient claim detail line with an ED revenue code in the input field *Revenue Code*. The configuration file lists the ED revenue codes under "ED Indicator".

  - *PAP Quality Metric 11* is expressed as a percentage for each Quarterback based on the following ratio:
    - Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric 11 Indicator*
    - Denominator: Number of valid episodes of the *PAP ID*

- **Mortality within seven days of discharge (Quality Metric 12 – lower rate indicative of better performance):**

  - *Quality Metric 12 Indicator* marks episodes that have an occurrence of patient mortality as indicated by a claim with a *Header From Date of Service* or a *Detail From*

*Date of Service* during the trigger window or on the same day or within six (≤ 6) days of the *Post-trigger Window Start Date*. Patient mortality is identified by an inpatient or outpatient claim with a *Patient Discharge Status* of "Expired". The claim may be an included claim or not and must have a specified discharge status code, as listed in the configuration file under "Patient - Death".

- *PAP Quality Metric 12* is expressed as a percentage for each Quarterback based on the following ratio:
  - Numerator: Number of total (valid and invalid) episodes of the *PAP ID* with *Quality Metric 12 Indicator*
  - Denominator: Number of total (valid and invalid) episodes of the *PAP ID*

- **Mortality within 30 days of discharge (Quality Metric 13 – lower rate indicative of better performance):**
  - *Quality Metric 13 Indicator* marks episodes that have an occurrence of patient mortality as indicated by a claim with a *Header From Date of Service* or a *Detail From Date of Service* during the trigger window or on the same day or within twenty nine (≤ 29) days of the *Post-trigger Window Start Date*. Patient mortality is identified by an inpatient or outpatient claim with a *Patient Discharge Status* of "Expired". The claim may be an included claim or not and must have a specified discharge status code, as listed in the configuration file under "Patient - Death".
  - *PAP Quality Metric 13* is expressed as a percentage for each Quarterback based on the following ratio:
    - Numerator: Number of total (valid and invalid) episodes of the *PAP ID* with *Quality Metric 13 Indicator*
    - Denominator: Number of total (valid and invalid) episodes of the *PAP ID*

## 5.9 CALCULATE GAIN/RISK SHARING AMOUNTS

This episode follows the process described in section 4.9.

# 6 Glossary

- **Claim types:** Claim type is defined as follows:

| Claim type | Claim form | Type of Bill | HCPCS |
|---|---|---|---|
| Long-term care | UB-04 | 21x, 66x, 89x | |
| Home Health | UB-04 | 32x, 33x, 34x | |
| Inpatient | UB-04 | 11x, 12x, 18x, 41x, 86x | |
| Outpatient | UB-04 | 13x, 14x, 22x, 23x, 71x-77x, 79x, 83x-85x | |
| Transportation[1] | CMS-1500 | | A0000 - A0999, G0240, G0241, P9603, P9604, Q0186, Q3017, Q3020, R0070, R0075, R0076, S0209, S0215, S9381, S9975, S9992, T2001 - T2007, T2049 |
| DME[2] | CMS-1500 | | A4206 - B9999, C1000 - C9899, E0100 - E8002, G0025, J7341 - J7344, K0001 - K0899, P9044, Q0132, Q0160, Q0161, Q0182 - Q0188, Q0480 - Q0506, Q2004, Q3000 - Q3012, Q4001 - Q4051, Q4080, Q4100 - Q4116, Q9945 - Q9954, Q9958 - Q9968, S0155, S0196, S1001 - S1040, S3600, S4989, S5002, S5010 - S5025, S5160 - S5165, S5560 - S5571, S8002, S8003, S8060, S8095 - S8490, S8999, S9001, S9007, S9035, S9055, S9434, S9435, T1500, T1999, T2028, T2029, T2039, T2101, T4521 - T5999, V5336 |
| Professional[3] | CMS-1500 | | |
| Pharmacy | NCPDP | | |

1. The entire claim is defined as transportation if one or more of the detail lines has one of these HCPCS codes.

2. The entire claim is defined as DME if one or more of the detail lines has one of these HCPCS codes.

3. Professional claims are defined as CMS-1500 claims not defined as transportation or DME.

- **Count of claims and claim detail lines by care category:** Based on the claim's care category, the claim count will either be at the claim level or at the claim detail level. Please note that total claim counts for an episode and summation of claim counts for all care categories will differ (summation of claim counts for all care categories is always going to be same or higher than claim counts for an episode) with this method. The breakdown is below.
  - Claim-specific care categories

Inpatient facility

Pharmacy

  - Claim detail line-specific care categories

Emergency department or observation

Outpatient facility

Inpatient professional

Outpatient laboratory

Outpatient radiology

Outpatient professional

Other

- **CPT:** Current Procedural Terminology
- **DBR:** Detailed Business Requirements
- **Duration of time windows:** The duration of a time window (e.g., the episode window, the trigger window), the duration of a claim or claim detail line, and the length of stay for inpatient stays is calculated as the last date minus the first date plus one (1). For example:
  - A trigger window with a *Trigger Window Start Date* of January 1, 2014 and a *Trigger Window End Date* of January 1, 2014 has a duration of one (1) day.

- A trigger window with a *Trigger Window Start Date* of January 1, 2014 and a *Trigger Window End Date* of January 3, 2014 has a duration of three (3) days.
- A claim with a *Header From Date Of Service* of January 1, 2014 and a *Header To Date of Service* of January 2, 2014 has a duration of two (2) days.

- **Episode window:** See sections 4.3 and 5.3.
- **Exclusion hierarchy**

| Hierarchy | Exclusion name | Exclusion used in report |
|---|---|---|
| **1** | Age | Patient below or above age thresholds |
| **2** | Inconsistent enrollment | Patient was not continuously enrolled during episode window |
| **3** | Third-party liability | Patient has third-party liability charges |
| **4** | Dual eligibility | Patient has dual coverage of primary medical services |
| **5** | Left against medical advice | Patient has a discharge status of “left against medical status” |
| **6** | Death | Patient died in the hospital during episode |
| **7** | Incomplete episodes | Episode data was incomplete |
| **8** | FQHC/RHC | Episode trigger occurred in a Federally Qualified Health Center (FQHC) or Rural Health Clinic (RHC) |
| **9** | High outlier | Episode exceeds the high outlier threshold |

| | | |
|---|---|---|
| **10** | Risk factor / comorbidity | Risk factor / comorbidity reference found |

- **HIC3:** Hierarchical Ingredient Code at the third level based on the classification system by First Databank
- **Hospitalization:** A hospitalization is defined as all the inpatient claims a patient incurs while being continuously hospitalized in one or more inpatient facilities. A hospitalization may include more than one inpatient claim because the inpatient facility may file interim inpatient claims and/or because the patient may be transferred between two or more inpatient facilities. A hospitalization consisting of just one inpatient claim starts on the *Header From Date Of Service* and ends on the *Header To Date Of Service* of the inpatient claim. A hospitalization where two or more inpatient claims are linked together starts on the *Header From Date Of Service* of the first inpatient claim and ends on the *Header To Date Of Service* of the last inpatient claim in the hospitalization. Inpatient claims are linked together into one hospitalization consisting of two or more inpatient claims if any of the following conditions apply:
  - Interim billing or reserved/missing discharge status: An inpatient claim with a *Patient Discharge Status* that indicates interim billing (see the configuration file under "Hospitalization – Interim Billing" for the codes used), that is reserved (see the configuration file under "Hospitalization – Reserved" for the codes used), or that is missing is linked with a second inpatient claim into one hospitalization if either of the following conditions apply:
    - There is a second inpatient claim with a *Header From Date Of Service* on the same day as or the day after the *Header To Date Of Service* of the first inpatient claim
    - There is a second inpatient claim with an *Admission Date* on the same day as the *Admission Date* of the first inpatient claim and also a *Header From Date Of Service* on the same day as or within thirty (≤ 30) days after the *Header To Date Of Service* of the first inpatient claim
  - Transfer: An inpatient claim with a *Patient Discharge Status* indicating a transfer (see the configuration file under "Hospitalization – Transfer" for the codes used) is linked with a second inpatient claim into one hospitalization if there is a second inpatient claim with a *Header From Date Of Service* on the same day as or the day after the *Header To Date Of Service* of the first inpatient claim.

- If the second inpatient claim (and potentially third, fourth, etc.) also has a *Patient Discharge Status* indicating interim billing, reserved, missing, or transfer the hospitalization is extended further until an inpatient claim with a discharge status other than interim billing, reserved, missing, or transfer occurs, or until the inpatient claim that follows does not satisfy the required conditions. If any claim has a *Patient Discharge Status* indicating discharge to home (see the configuration file under "Discharge To Home" for the codes used), the hospitalization is terminated.

- **ICD-9:** International Classification of Diseases, Ninth Revision
- **ICD-10:** International Classification of Diseases, Tenth Revision
- **Member Age:** The output field *Member Age* reflects the patient's age in years at the episode trigger. *Member Age* is calculated as the difference in years between the start of the claim that is used to set the *Professional Trigger Claim ID* or *Facility Trigger Claim ID* and the date of birth of the patient. The start of the claim is determined using the input field *Header From Date Of Service* for inpatient claims and the earliest *Detail From Date Of Service* across all claim detail lines for outpatient and professional claims. The date of birth of the patient is identified by linking the *Member ID* of the patient in the episode output table to the *Member ID* of the patient in the Member Extract and looking up the date in the input field *Date of Birth*. *Member Age* is always rounded down to the full year. For example, if a patient is 20 years and 11-months old at the start of the episode, the *Member Age* is set to 20 years. If the *Date of Birth* is missing, greater than (>) 100 years, or less than (<) 0 years, then the output field *Member Age* is treated as invalid.
- **PAP:** Principal Accountable Provider
- **Post-trigger window:** See sections See sections 4.3 and 5.3
- **Pre-trigger window**: See sections See sections 4.3 and 5.3
- **Reporting care categories:** The reporting care categories used, in hierarchical order, are:

| Bill Form | Reporting Care Category | Definition | Additional Comments |
|---|---|---|---|
| **UB-04** | Inpatient facility | Bill Types: 11X, 12X, 18X, 41X, 86X | To include all services provided during an inpatient |

| | | | |
|---|---|---|---|
| | | | facility stay including room and board, recovery room, operating room, and other services. |
| **UB-04** | Emergency Department or Observation | Bill Types: 13X, 14X, 22X, 23X, 73X-77X, 79X, 83X-85X AND (Revenue code 045x, 0760, 0761, 0762, 0769<br>OR CPT 99281-99285, 99291-99293<br>OR Place of service = 23) | To include all services delivered in an Emergency Department or Observation Room setting including facility and professional services. |
| **UB-04** | Outpatient facility | Bill Types: 13X, 14X, 22X, 23X, 73X-77X, 79X, 83X-85X and NOT Emergency Department | To include all services delivered by a facility during an outpatient surgical encounter, including operating and recovery room and other services. |
| **CMS-1500** | Inpatient professional | Place of service = 21 | To include services delivered by a professional provider during an inpatient hospital stay, including patient visits and consultations, surgery, and diagnostic tests. |
| **UB-04/CMS-1500** | Outpatient laboratory | Place of service = 81<br>OR Revenue codes 030x | To include all laboratory services in an inpatient, |

| | | | |
|---|---|---|---|
| | | OR CPT/HCPCS 80048-88399, G0306,G0307, G0431-G0434, G9143, P codes | outpatient, or professional setting. |
| **UB-04/CMS-1500** | Outpatient radiology | Revenue code 035x, 061x, 040x, 032x OR CPT 70010-79999 or HCPCS C8906, C8903, C8907, C8904, C8908, C8905, S8042 | To include all radiology services such as MRI, X-Ray, CT, and PET scan performed in an inpatient, outpatient, or professional setting. |
| **CMS-1500** | Outpatient professional | Any remaining, non-categorized CMS 1500 claims (excluding DME and transportation) | To include uncategorized professional claims such as evaluation and management, health screenings, and specialists visits. |
| **UB-04/CMS-1500** | Other | Any remaining, non-categorized claims | To include DME, transportation, home health, and any remaining uncategorized claims. |
| **NCPDP post adjudication 2.0** | Pharmacy | | To include any pharmacy claims billed under the pharmacy or medical benefit with a valid National Drug Code. |

- **Total episodes:** All episodes, valid plus invalid
- **Trigger window:** See sections See sections 4.3 and 5.3

- **Valid episodes:** See sections 4.6 and 5.6
- **Visit:** A visit is defined as all claim detail lines of professional claims for which the following conditions are met:
  - Same detail line start date
  - Same claim type
  - Same billing provider
  - Same rendering provider

  Claim detail lines that have the same detail line start date, same claim type, a missing billing provider, and a missing rendering provider, are treated as part of the same visit.

  The duration of a visit is defined as the minimum detail line start date to the maximum detail line end date of detail lines that are part of the visit.