PREMIER

Premier Academy

2025 Calibration Update

July 10, 2025

Presented by:

Michael Duan

Principal Data Scientist

John Martin

Vice President, Data Science

Tasha Lackey

Senior Product Director, Quality Enterprise

Location of Presentation

Today's presentation and archives of previous presentations are available in the User Community

To locate today's presentation:

Go to https://pincai.premierinc.com/

Login using your Premier User ID and Password

Click on the **Quality Enterprise QualityAdvisor User Community** tile

Click on the **Premier Academy** page in the Page Tree

Today's Agenda

Today's Presenters

Michael Duan
Principal Data Scientist

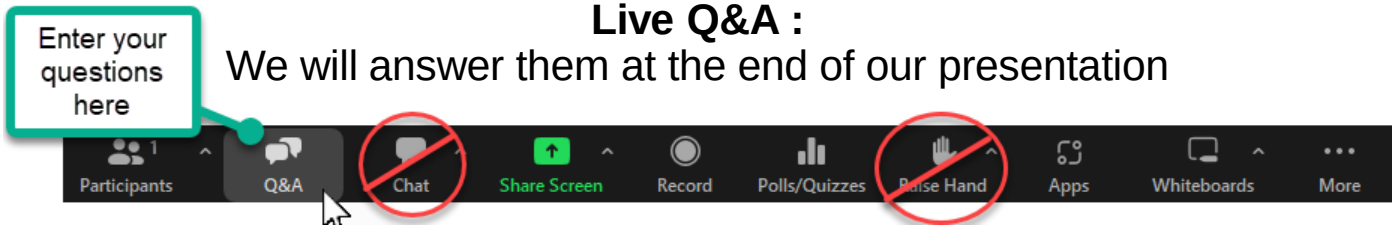
John Martin
Vice President, Data Science

Tasha Lackey
Senior Product Director, Quality Enterprise

Jessica Safko
Senior Director, Member Engagement

Agenda Items	Presenter
Welcome and Opening Remarks	Tasha Lackey
Review of the 2025 Calibration Details	Michael Duan
Calibration Analysis	Tasha Lackey
Announcements and Q&A	Jessica Safko

Live Q&A :
We will answer them at the end of our presentation



PREMIER

2025 Annual Calibrations Update

Launching July 28, 2025

Calibration Release Overview | July 28 Release

- **2025 IP/OP Annual Calibration (CS and 3M)**
  - Annual 3M (inpatient) and CareScience Analytics (inpatient, outpatient, and ICU) risk-adjustment calibration updates
    - No significant CareScience Analytics (CSA/CS) model enhancements
  - New HWR PRA v4.0 2024 outcome to the CareScience Analytics 2025 inpatient risk model.
  - Updated CareScience Analytics ICU outcomes.
  - Newest CSA (2025) model year updates to the Risk Calculator and new tab which reflects the new HWR 4.0 2024 readmission outcome and retire the oldest version (HWR 4.0 2022) from the Risk Calculator
  - Updated DVF Adjusted Outcome Analyses for 3M and CS - Facility and Peer to account for the annual 2025 risk adjustment calibration updates
  - Updated version of the "Disease Strata by Outcome - Facility CareScience" Standard Analysis in QualityAdvisor based on CSA 2025.
  - 'Flip' the APR DRG values to release the latest version of APR DRGs (version 42) and align the data to the normative values included with this year's calibrations.
  - Flag outlier patients based on the new updated timeframe of CY2023.

Calibration Release Overview | July 28 Release

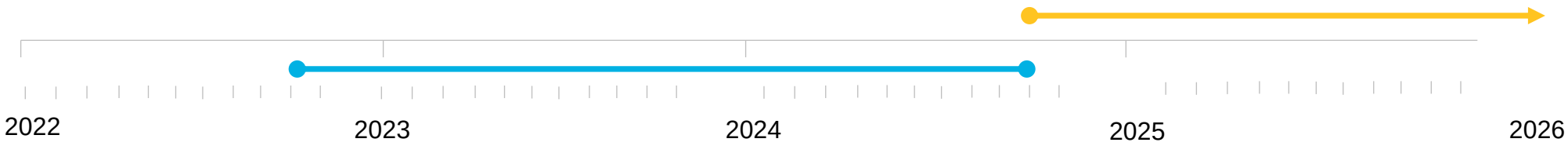
- **HWR 2024/Planned Readmission Methodology**
  - Latest CMS Hospital-Wide Readmission (HWR) measure/methodology and Planned Readmission Algorithm (PRA) added to QualityAdvisor's risk-adjusted reporting (2024 Hospital-Wide Readmission Measure - Version 13.0, PRA - Version 4.0 2024).
  - Remove the oldest version of the CMS Hospital-Wide Readmission (HWR) measure/methodology and Planned Readmission Algorithm (PRA) from QualityAdvisor reporting (2022 HWR measure - Version 11.0, PRA - Version 4.0 2022).
- **Archiving Oct 1, 2019 - Sept 30, 2020, to align with CMS FY 2020**
- **Update the Facility Profiling Metrics with the most recent data available**

Additional Hospital Wide Readmission (HWR PRA v4.0 2024) Updates

UPDATED LOGIC FOR SYSTEM LEVEL READMISSIONS ONLY:

- Currently, our system level readmission logic does not exclude same-day transfers between hospitals of the same health system unless they meet certain exclusion criteria (e.g., discharge status). Per the Yale specifications in section 2.2.1 under "Patients Transferred between Hospitals":
  - The measure considers multiple hospitalizations that result from hospital-to-hospital transfers as a single acute episode of care.
  - Admissions to a hospital within one day of discharge from another hospital are considered transfers regardless of whether the first institution indicates intent to transfer the patient in the discharge disposition code or whether the second inpatient admission is for the same condition.
  - For patients transferred from one short-term acute care hospital to another, only the last admission in the series of transfers is eligible for inclusion in the cohort. The previous admissions are not included.
- With this year's implementation, we will align with CMS/Yale in regard to transfers between hospitals to the same health system and how those are handled in the OBSRDM service. This update will be applied to both HWR PRA v4.0 2023 and HWR PRA v4.0 2024 **at the system level only. There will be no change to entity level rules.**

2025 Annual Calibration – Data Source and Effective Date



2025 Calibration is based on

QualityAdvisor data ranging from Oct. 2022 to Sep. 2024

2025 Calibration is applied to

Oct. 1, 2024, discharges forward. *This time frame applies to all outcomes for both CareScience and 3M APR-DRG method*

Note: Major COVID waves have completely phased out.

APR-DRG Grouper Update Version 42

New APR-DRGs

1. 299 Multiple level combined anterior and posterior spinal fusion except cervical
2. 300 Single level combined anterior and posterior spinal fusion except cervical
3. 448 Other kidney, urinary tract and related percutaneous procedures
4. 485 Prostatectomy procedures
5. 520 Other GYN procedures for malignancy
6. 428 Genetic disorders Medical
7. 761 Schizoaffective disorders Medical
8. 762 Obsessive compulsive disorders

Deleted APR-DRGs

1. 510 Pelvic evisceration, radical hysterectomy and other radical gynecological procedures
2. 480 Major male pelvic procedures Medical
3. 754 Depression except major depressive disorder

APR-DRG Grouper Update Version 42

Revised APR-DRG titles

1. 167 Other cardiothoracic and thoracic vascular procedures
2. 178 External heart assist devices
3. 181 Lower extremity vascular procedures
4. 312 Skin graft for musculoskeletal and connective tissue diagnoses
5. 447 Other kidney, urinary tract and related nonpercutaneous procedures
6. 750 Schizophrenia and other severe psychotic disorders
7. 751 Depressive disorders
8. 752 Personality disorders
9. 755 Adjustment disorders
10. 756 Acute anxiety and stress syndromes
11. 757 Organic mental health conditions and disturbances
12. 758 Disorders of impulse control & development
13. 760 Other mental health conditions and disorder

CCSR Version 2025 Update

New CCSR DX Categories

1. FAC026 Personal history of nicotine dependence
2. FAC027 Personal history of malignant neoplasm
3. FAC028 Family history of disease
4. FAC029 Genetic susceptibility to disease
5. FAC030 Personal history of other disease

Deleted CCSR DX Category

1. FAC021 Personal/family history of disease

Inpatient Data Vintage Factor (DVF) Summary

		Expected 2024	Expected 2025	DVF
Mortality	CareScience Analytics	2.54%	2.30%	1.107
	3M APR-DRG	2.58%	2.35%	1.099
Length-of-Stay	CareScience Analytics (GeoMean)	3.215	3.183	1.010
	3M APR-DRG (ArithMean)	4.8	4.7	1.019
Costs	CareScience Analytics (GeoMean)	$ 9,097	$ 8,739	1.041
	3M APR-DRG (ArithMean)	$ 14,747	$14,501	1.017
Readmission (HWR v4)	CareScience Analytics	9.4%	9.7%	0.975
Readmission (APR)	3M APR-DRG	9.6%	9.8%	0.979
Complication	CareScience Analytics	10.5%	10.3%	1.018

Data Summary | Impact

- The COVID waves have phased out of the 2025 calibration data.
  - That has resulted in lower mortality rates
  - There will be a significant downward shift of the expected mortality rate in general.

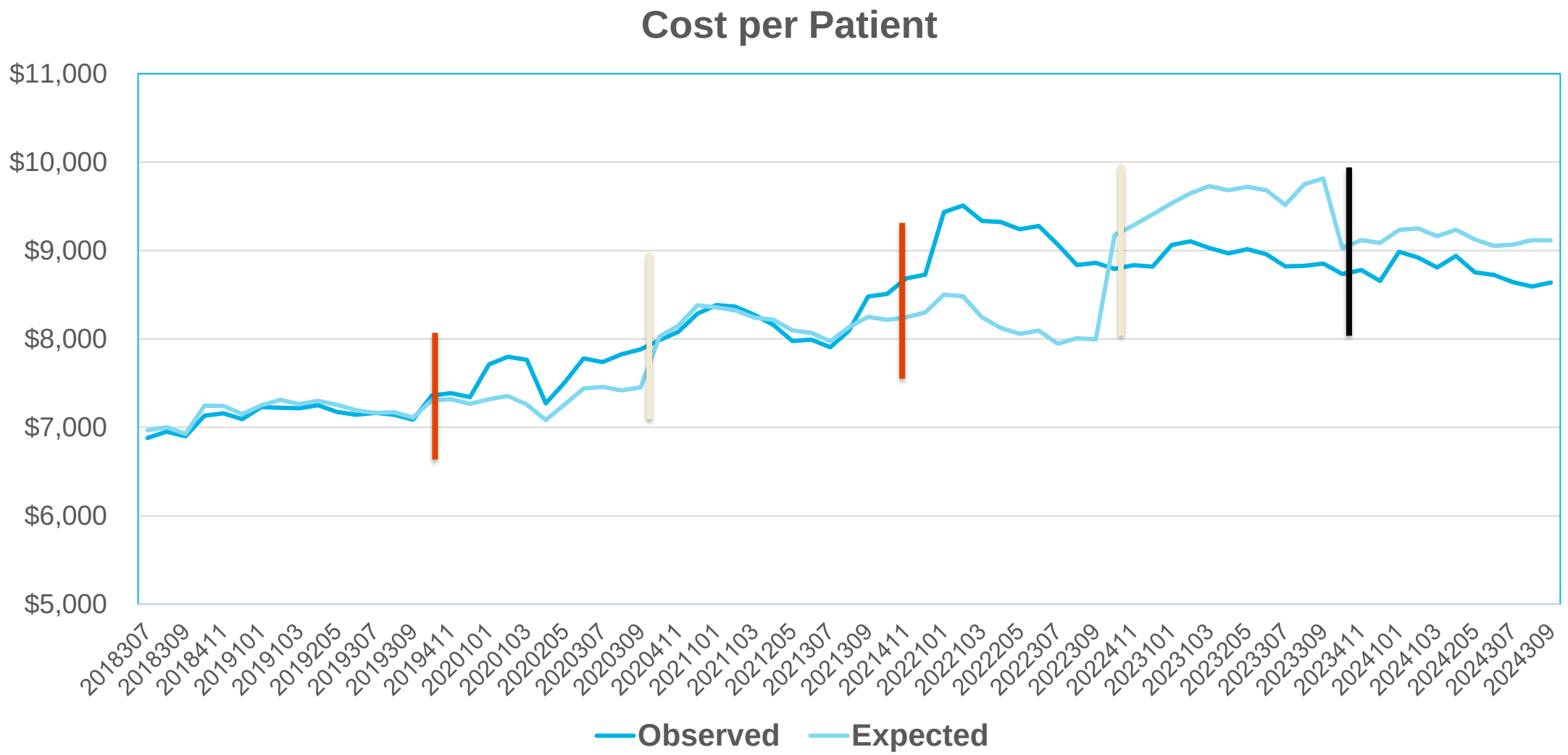
- The Pandemic-related costs have phased out. Inflation has also fallen back in the most recent periods.
  - This resulted in the CareScience cost model being sensitive to such changes. The expected cost in 2025 calibration will be significantly lower than the 2024 calibration.

- The Length of Stay and Complications are minimally affected by calibration effect.

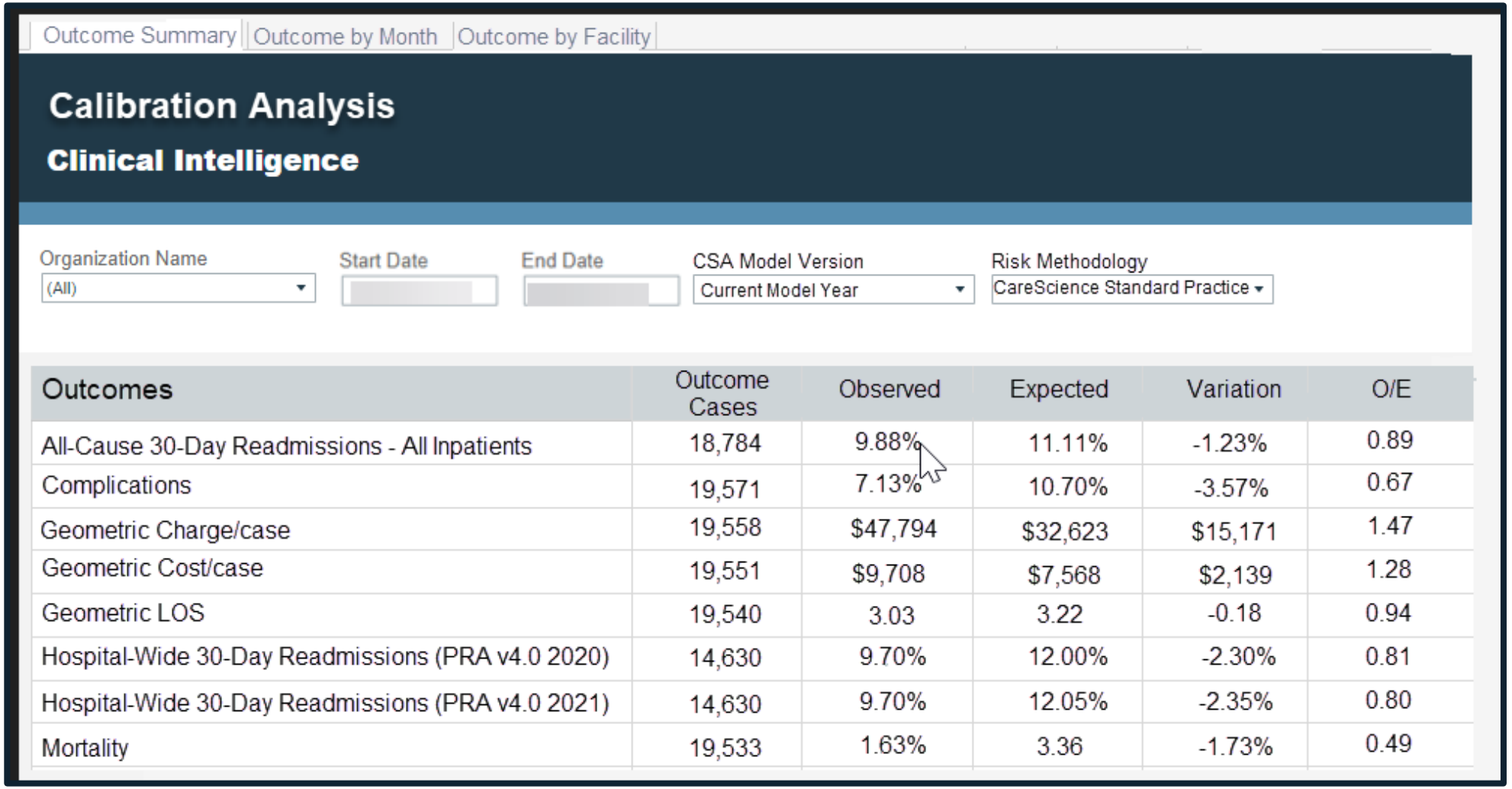
- The expected readmission rates tend to go up in the 2025 calibration. This pattern does not necessarily indicate worse performance in the readmission measure. Rather, a potential indicator that patients are more willing to go back to the hospital post pandemic.

Note: Individual hospitals have different patient mixes, and the 2025 calibration could have different effects on different hospitals.

Observed Outcome's Impact on Calibration Cycle



Quality Analytic | Current and Previous Model Years available



Outcomes	Outcome Cases	Observed	Expected	Variation	O/E
All-Cause 30-Day Readmissions - All Inpatients	18,784	9.88%	11.11%	-1.23%	0.89
Complications	19,571	7.13%	10.70%	-3.57%	0.67
Geometric Charge/case	19,558	$47,794	$32,623	$15,171	1.47
Geometric Cost/case	19,551	$9,708	$7,568	$2,139	1.28
Geometric LOS	19,540	3.03	3.22	-0.18	0.94
Hospital-Wide 30-Day Readmissions (PRA v4.0 2020)	14,630	9.70%	12.00%	-2.30%	0.81
Hospital-Wide 30-Day Readmissions (PRA v4.0 2021)	14,630	9.70%	12.05%	-2.35%	0.80
Mortality	19,533	1.63%	3.36	-1.73%	0.49

As a reminder, the previous model year, and current model year will be available

ICU Data Vintage Factor (DVF) Summary

		Expected 2024	Expected 2025	DVF
ICU Patient Mortality	CareScience Analytics	11.7%	10.9%	1.080
ICU Patient Length-of-Stay	CareScience Analytics (GeoMean)	5.5	5.4	1.015
Mortality in ICU	CareScience Analytics	8.6%	7.9%	1.078
Return to ICU	CareScience Analytics	7.4%	7.2%	1.024
Return to ICU 48 Hrs	CareScience Analytics	1.9%	1.8%	1.033
Length-of-Stay in ICU	CareScience Analytics (GeoMean)	2.3	2.2	1.015
Ventilator Days	CareScience Analytics (GeoMean)	3.0	3.0	1.014

Outpatient Risk Adjusted Outcomes

•There are no significant model updates this year.
•The 2025 CareScience Analytics Outpatient risk model will continue to utilize CCSR groupings.

CareScience Outpatient Outcomes include:

- Same Day Surgery Returns to ED (within 1 day)
- Same Day Surgery Returns to ED (within 3 days)
- Same Day Surgery Returns to ED (within 7 days)
- Same Day Surgery Returns to ED (within 30 days)
- Observation Returns to ED (within 1 day)
- Observation Returns to ED (within 3 days)
- Observation Returns to ED (within 7 days)
- Observation Returns to ED (within 30 days)
- ED Returns to ED (within 1 day)
- ED Returns to ED (within 3 days)
- ED Returns to ED (within 7 days)
- ED Returns to ED (within 30 days)
- ED Returns and Admitted as Acute Inpatient (within 4-7 days)
- ED Returns and Admitted as Acute Inpatient (within 30 days)

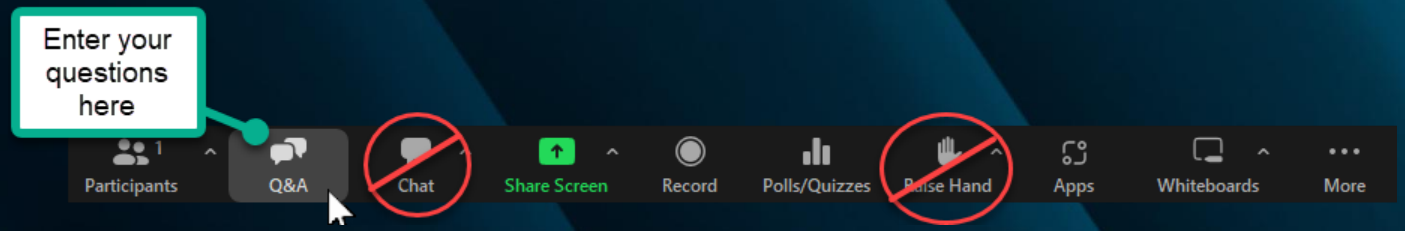
Outpatient Data Vintage Factor (DVF) Summary

	Expected 2024	Expected 2025	DVF
Return to ED within 1 Day	1.11%	1.15%	0.972
Return to ED within 3 Days	2.74%	2.83%	0.968
Return to ED within 7 Days	4.67%	4.79%	0.975
Return to ED within 30 Days	9.80%	10.01%	0.978
Return as IP within 4-7 Days (Initial ED Patients)	0.40%	0.40%	1.001
Return as IP within 30 Days (Initial ED Patients)	1.24%	1.22%	1.012

PREMIER

Q&A

Submit your questions through the “Questions” feature of your webinar menu



PREMIER

Thank you for joining today's meeting

For Quality Enterprise Risk Adjustment questions:

John Martin, VP Data Science
Michael Duan, Principal Data Scientist
Tasha Lackey, Senior Product Director, Quality Enterprise