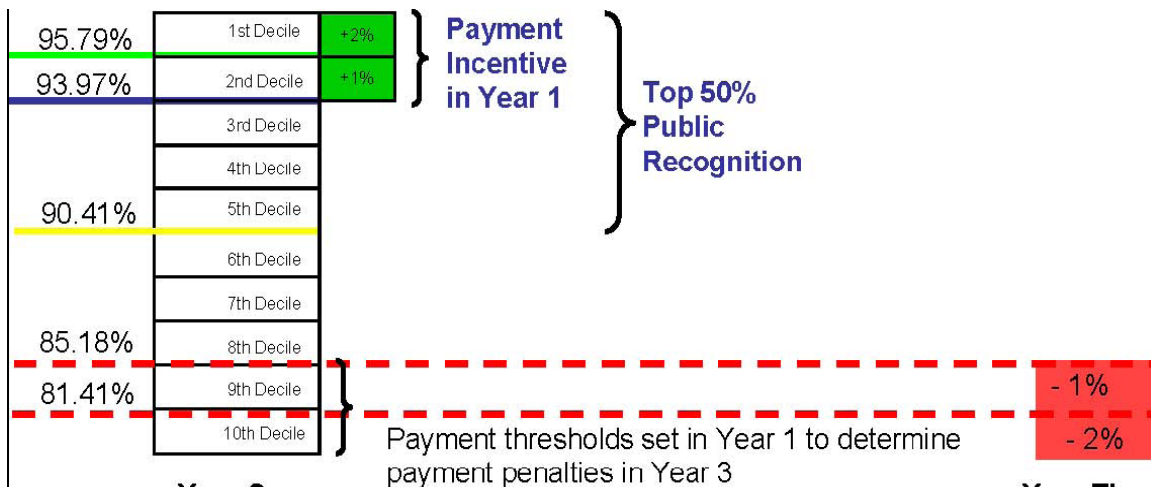


Decile Thresholds:

Example Year 1 AMI Payment Scenario

A decile threshold is the Composite Quality Score (CQS) that defines the lower limit of the particular decile. Note that there is no “upper limit” for decile 1, nor “lower limit” for decile 10. Each decile by definition contains 10% of the hospitals, so approximately the same number of hospitals are in each decile. This example shows the thresholds for Year 1 in the AMI clinical focus area. Note that in the first three years of the project (Year 1, Year 2, and Year 3) hospitals in the 1st decile were awarded a 2% incentive bonus on their Medicare payments for patients in that clinical area. Hospitals in the 2nd decile were awarded a 1% bonus. The thresholds for the 9th and 10th deciles are now established at these values, based on Year 1 data. Any hospital whose CQS in Year 3 falls below the 9 decile threshold (would fall into the 10 decile as defined by Year 1) will receive a 2% penalty on their Medicare payments for patients in this clinical area. Hospitals whose CQS in Year 3 falls between the 8 and 9th decile threshold established in Year 1 will receive a 1% penalty.

Figure 1. Decile Threshold Example, AMI Year 1



Year 1 = October 2003 – September 2004

Year 3 = October 2005 – September 2006

Decile Thresholds (lower CQS for decile)

Following are the lower thresholds for each decile as defined by final Year 1 - 3 data.

Providers must have a score above the threshold to be in that decile.

Example: AMI for Year 3

1st decile providers CQS is above 99.2914%

2nd decile provides CQS is above 98.4064%

| AMI | | HF | | PN | | CABG | | Hip / Knee | |
|------|----------|------|----------|------|----------|------|----------|------------|----------|
| 1st | | 1st | | 1st | | 1st | | 1st | |
| 2nd | 95.7993% | 2nd | 86.1458% | 2nd | 83.5178% | 2nd | 96.2956% | 2nd | 94.7840% |
| 3rd | 93.9746% | 3rd | 81.8452% | 3rd | 80.3158% | 3rd | 94.4749% | 3rd | 93.6343% |
| 4th | 93.0312% | 4th | 78.5714% | 4th | 77.8213% | 4th | 91.9715% | 4th | 92.1137% |
| 5th | 91.7770% | 5th | 75.3580% | 5th | 75.9481% | 5th | 89.0560% | 5th | 90.1044% |
| 6th | 90.4151% | 6th | 69.5991% | 6th | 74.6145% | 6th | 87.9009% | 6th | 88.2607% |
| 7th | 89.2355% | 7th | 65.6250% | 7th | 72.1841% | 7th | 85.5120% | 7th | 86.1856% |
| 8th | 87.6061% | 8th | 62.1512% | 8th | 70.1599% | 8th | 83.8319% | 8th | 83.6126% |
| 9th | 85.1781% | 9th | 57.8947% | 9th | 65.8009% | 9th | 81.4316% | 9th | 81.7377% |
| 10th | 81.4153% | 10th | 52.8193% | 10th | 63.1517% | 10th | 77.0183% | 10th | 78.6855% |

Decile Thresholds Year 2

| AMI | | HF | | PN | | CABG | | Hip / Knee | |
|------|----------|------|----------|------|----------|------|----------|------------|----------|
| 1st | | 1st | | 1st | | 1st | | 1st | |
| 2nd | 97.6564% | 2nd | 93.8063% | 2nd | 90.5395% | 2nd | 98.7850% | 2nd | 98.2031% |
| 3rd | 96.7152% | 3rd | 90.3581% | 3rd | 88.6792% | 3rd | 98.0934% | 3rd | 97.1267% |
| 4th | 96.0115% | 4th | 87.7551% | 4th | 86.4831% | 4th | 97.6542% | 4th | 96.2283% |
| 5th | 94.8882% | 5th | 85.3968% | 5th | 85.4028% | 5th | 96.3105% | 5th | 95.3262% |
| 6th | 93.8202% | 6th | 81.9178% | 6th | 83.5366% | 6th | 94.7883% | 6th | 93.9114% |
| 7th | 92.6893% | 7th | 78.7097% | 7th | 82.3773% | 7th | 93.1537% | 7th | 92.2317% |
| 8th | 91.7722% | 8th | 74.1117% | 8th | 80.8219% | 8th | 91.1406% | 8th | 90.5970% |
| 9th | 89.4631% | 9th | 70.1677% | 9th | 78.5714% | 9th | 86.7501% | 9th | 87.1353% |
| 10th | 85.6730% | 10th | 62.7326% | 10th | 75.8868% | 10th | 82.4677% | 10th | 82.3636% |

Decile Thresholds Year 3

| AMI | | HF | | PN | | CABG | | Hip / Knee | |
|------|----------|------|----------|------|----------|------|----------|------------|----------|
| 1st | | 1st | | 1st | | 1st | | 1st | |
| 2nd | 99.2914% | 2nd | 97.4619% | 2nd | 95.0000% | 2nd | 99.5246% | 2nd | 99.4478% |
| 3rd | 98.4064% | 3rd | 94.0937% | 3rd | 93.4161% | 3rd | 99.1338% | 3rd | 98.8390% |
| 4th | 97.6581% | 4th | 92.4342% | 4th | 92.2667% | 4th | 98.8148% | 4th | 98.3352% |
| 5th | 96.7819% | 5th | 90.3353% | 5th | 90.6217% | 5th | 98.2123% | 5th | 97.6898% |
| 6th | 96.1941% | 6th | 88.6928% | 6th | 89.2544% | 6th | 97.6570% | 6th | 96.8335% |
| 7th | 95.3829% | 7th | 85.8639% | 7th | 88.3420% | 7th | 96.7065% | 7th | 95.9449% |
| 8th | 94.2839% | 8th | 83.8305% | 8th | 87.1636% | 8th | 95.7070% | 8th | 94.6528% |
| 9th | 92.6033% | 9th | 80.2721% | 9th | 85.0141% | 9th | 93.9576% | 9th | 91.6362% |
| 10th | 90.4656% | 10th | 74.0000% | 10th | 82.3456% | 10th | 91.2512% | 10th | 86.4833% |