

# CHIRP SFY 2027

## Quality Metrics and Requirements Public Hearing

Aug 20, 2025



### Key Takeaways | [Agenda](#) | [CHIRP SFY27 Requirements](#)

- Continuity with SFY 2026:
  - No major changes; larger shifts expected in SFY 2028–2030.
  - Process and outcome measures remain the same, as well as P4P structure, scoring, and achievement targets.
  - Quality strategy goals remain: promote optimal health, prevent harm, manage chronic/complex conditions, use data-driven decision-making.
- Key Changes for SFY 2027:
  - Removal of structure measures: HIE participation, NMDOH - Food Insecurity Screening, AIM collaborative participation, written procedures for non-psychiatric patients, trauma-informed training care.
  - Component 3 benchmarks were adjusted to reflect updated data.
  - Reporting timeline:
    - October: Providers submit Intent to Report certification.
    - March: Providers report all measures (baseline = CY 2025, performance = CY 2026).
    - Scorecard for SFY 2026 to be published in August 2027.
- Component 3 Measures:
  - Urban hospitals: Food insecurity screening, flu immunization, safe use of opioids/concurrent prescribing, C-section (or CAUTI), all-cause readmission, post-op sepsis.
  - Children's hospitals: Food insecurity screening, flu immunization, depression screening, CLABSI, pediatric readmission, Follow up for ED visit for mental illness.
- Public Comments:
  - C3-173 - Plan All-Cause Readmission: Misalignment with CMS HRRP. Observation stays should not count as index admissions or readmission

events. Including them increases complexity and risk pool differences. Requested alignment with CMS inpatient-only approach.

- The proposed readmission rate baseline of 12.0 per 100 discharges is unrealistic for safety-net hospitals. Data shows statistically significant differences by hospital size and type, with all Texas safety-net hospitals seeing increased readmissions from 2024 → 2025. Requested segmentation of data by hospital size/type and reconsideration of benchmarks.
- Public Comment period closes on September 7, 2025.

## Overview of Proposed SFY 2027 Changes

[Kim Tucker](#), Medicaid and CHIP Delivery System Quality and Innovation, HHSC

- Changes are on the current plan, but may shift due to recent federal legislation.
  - HHSC is awaiting further guidance from CMS.
  - Providers and MCOs will be updated on programmatic changes.
- No major changes are proposed for SFY 2027, but more changes are planned for SFY 2028-2030.
- Things remaining the same as SFY 2026:
  - Program must still advance quality goals:
  - Process and outcome measures are the same.
  - Component 3 pay for performance (P4P) structure, scoring methodology, and achievement targets are the same.
- Quality strategy goals:
  - Promote optimal health for Texans.
  - Keep patients free from harm.
  - Promote effective practices for people with chronic, complex, and serious conditions.
  - Use high quality health information to make data driven decisions.
- Proposed changes for SFY 2027:
  - Use the same measure specifications as SFY 2026.

- Removal of certain structure measures.
- Changing the October reporting period.
- Updates to the Component 3 benchmarks.

## Component 3 Measures

- Use SFY 2026 measure specifications for SFY 2027 to reduce administrative burden.
  - The goal is to use the same specifications for multiple years, not annual updates.
  - Significant changes from measure stewards will be considered along with stakeholder feedback.
  - Stakeholders can provide feedback on not updating measure specifications annually.
- Structure measures were removed for SFY 2027 to reduce administrative burden and focus on process and outcome measures. This included removal of the following measures:
  - C1 105 Health Information Exchange (HIE) participation.
  - C1 163 NMDOH Screening and Follow up Plan Best Practices for Hospitals that are reporting C3 170 Food insecurity screening and follow up plan.
  - C2 128 AIM collaborative participation.
  - C2 142 Written transition procedures for non psychiatric patients.
  - C2 165 Trauma informed care training.

## Component 3 Annual Reporting Timeline

[Betty Marcos](#), Medicaid and CHIP Delivery System Quality and Innovation, HHSC

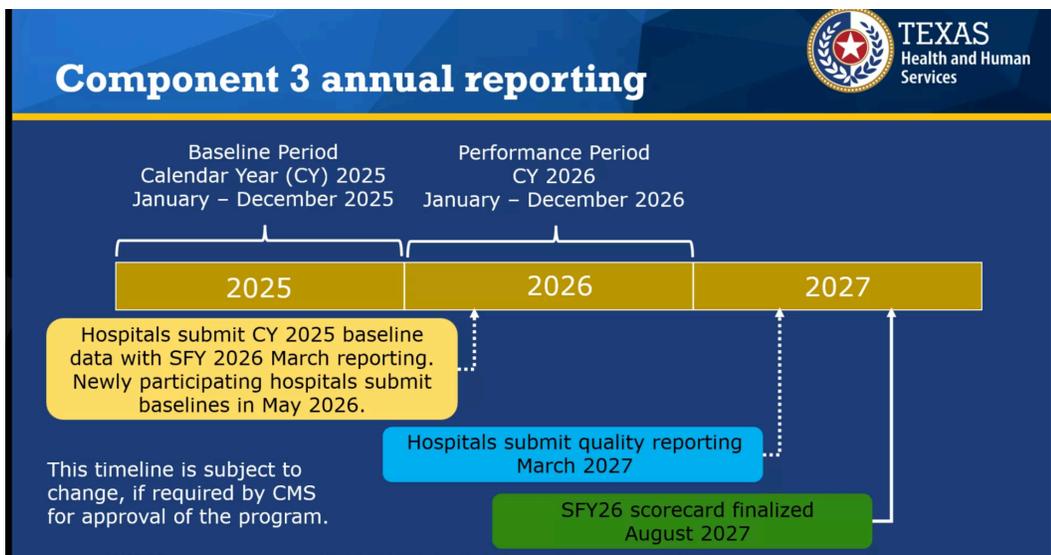
- All measures proposed for SFY 2027 are continuing from SFY 2026 and will use the same measure specifications used in SFY 2026.
- There are six measures that urban and children's hospitals must report for Component 3.
  - All six are Pay for Performance measures with three (3) being process measures and three (3) outcome measures.

<b>Component 3 P4P measures</b>		 <b>TEXAS</b> Health and Human Services	
		<b>Urban Hospitals</b>	<b>Children's Hospitals</b>
Process Measures	{	Food Insecurity Screening and Follow-Up Plan	Food Insecurity Screening and Follow-Up Plan
	{	IMM-2 Influenza Immunization	IMM-2 Influenza Immunization
	{	Safe Use of Opioids – Concurrent Prescribing	Screening for Depression and Follow-Up Plan
Outcome Measures	{	PC-02 Cesarean Birth <b>OR</b> Catheter-Associated Urinary Tract Infection (CAUTI)	Pediatric Central Line Associated Bloodstream Infection (CLABSI)
	{	Plan All-Cause Readmission	Pediatric All-Condition Readmission
	{	PSI 13 Postoperative Sepsis	Follow-Up After ED Visit for Mental Illness: Ages 6-17

- Urban hospitals will continue to report the following process and outcome measures:
  - Food Insecurity Screening and Follow-up Plan
  - IMM-2 Influenza Immunization
  - Safe Use of Opioids - Concurrent Prescribing
  - PC-02 Cesarean Birth or if the hospital does not have a large enough population for that measure, they'll report Catheter-Associated Urinary Tract Infection(CAUTI)
  - Plan All Cause Readmission
  - PSI 13 Post Operative Sepsis measures
- Children's hospitals will continue to report:
  - Food Insecurity Screening and Follow-up Plan
  - IMM-2 Influenza Immunization
  - Screening for Depression and Follow-Up Plan
  - Pediatric Central Line Associated Bloodstream Infection (CLABSI)
  - Pediatric All-Condition Readmission
  - Follow up after ED visit for Mental Illness for ages 6 to 17.

Component 3 measures with updated benchmarks		<b>TEXAS</b> Health and Human Services		
ID	Measure	SFY 2026 Benchmark	SFY 2027 Benchmark	Goal Calculation
C3-164	Postoperative Sepsis Rate (PSI 13)	4.87 per 1000 discharges (National Medicaid Avg 2023)	4.18 per 1000 discharges (National Medicaid Avg 2024)	Average Benchmark
C3-173	Plan All-Cause Readmission (PCR-AD)	12.40 per 100 discharges (State Medicaid Avg 2022)	12.0 per 100 discharges (State Medicaid Avg 2023)	Average Benchmark
C3-175	Pediatric All-Condition Readmission	5.99 per 100 discharges (children's hospitals CY 2022 average)	TBD per 100 discharges (pending final children's hospitals CY 2024 average)	Average Benchmark
C3-176	Follow-Up After ED Visit for Mental Illness	56.57% (STAR 2022)	56.31% (STAR 2023)	Average Benchmark

- It was noted that the benchmark for C3-173 Plan All Cause Readmission in the proposed Measure Specifications file is incorrect. It is 12.0 per 100 discharges.
  - The posted SFY 2027 requirements document is correct.
- The benchmark for C3-175 Pediatric All Condition readmission will be finalized after SFY 2026 baseline corrections and will be included in the specifications file that will be posted in October.



- October reporting period (subject to change pending CMS approval):
  - SFY 2026: Providers report structure measures.

- SFY 2027: Providers submit an Intent to Report certification form.
  - Hospitals confirm understanding of reporting requirements and measures to be reported in March.
  - Ensures providers are aware of requirements and using correct measure specifications.
- March reporting period:
  - SFY 2026: Providers report only process and outcome measures.
  - SFY 2027: Providers report all measures (structure, process, and outcome).
- The baseline period will be CY 2025.
  - Hospitals that are participating in SFY 2026 component three will submit their calendar year 2025 baseline data to HHSC in March of 2026.
  - Hospitals that are newly enrolling in CHIRP component 3 for SFY 2027 will submit their baseline data in March of 2026.
- The performance period for SFY 2027 will be CY 2026.
  - Hospitals will report those 12 months of data in March of 2027.
  - The scorecard for SFY 2026 would then be published in August of 2027.

## Public Comment

### Japorsha Como, Harris Health

- Commenting on CHIRP C3-173 Plan All Cause Readmissions metric: The inclusion criteria does not align with other readmissions programs. For example, the CMS Hospital Readmissions Reduction Program (HRRP) does not include observation stays as index admissions. Observation stays don't count as a readmission event either in that program.
  - For CHIRP C3- 173 metric, it is counterintuitive to exclude non-inpatient stays but still include observation stays. This difference captures a broader risk pool that was not previously considered as per the traditional definition of inpatient. It ultimately makes data capture and reporting more complex as separate processes have to be built to track multiple readmissions programs

as well as different operational approaches to monitor the readmission risk for observation patients versus inpatients.

- Asks that the state consider aligning the PCR metric with the other national CMS readmission measures in considering index hospital stays to only the inpatient hospital stays and not observation stays.

### Terry Savage - JPS Health Network

- Commenting on segmenting the data by hospital size: The proposed rate for readmission at the baseline has dropped to 12.6% for SFY 2027. There is a statistically significant difference in readmission rate based on hospital size and type.
  - All safety net hospitals in Texas have seen an increase in their readmission rate from 2024 to 2025.
  - It is unrealistic to lower the overall target, considering the challenges safety net hospitals face with vulnerable populations.
- Request to reconsider segmenting readmission data to account for differences in hospital size and patient population.
  - Smaller hospitals don't have the same challenges as larger safety net hospitals.
  - Asks for additional analysis of readmission rates based on hospital size and type.
- The proposed goal is extremely aggressive.
- Request to reconsider the number and how hospitals are segmented going forward to ensure realistic expectations.

### Questions directed to HHSC:

- Megan(?) asked if HHSC considered reducing the improvement over self (IOS) gap closure goal due to the P4P component maturing?

- Linda (HHSC) stated that they are not planning to reduce the IOS goal because there is an option for maintenance of baseline under the partial points achievement.
  - If participants are maintaining all their measures, they would get full points and full P4P payment.
  - Participants can include this as a public comment through the survey.

### EQRO Measure Question

- Anthony asked about the EQRO Follow-up after an ED Visit for Mental Illness measure:
  - As reporting is being moved to March of every year, when will participants be guaranteed receipt of data for the C3 measure from the EQRO?  
Traditionally, this data has not been delivered on a set schedule and this is needed prior to data reporting for validation and feedback.
- Andrea (HHSC) stated they received the reports from the EQRO on a schedule, typically September, December and May. They can look in the future for SFY 2027 to see if there's any wiggle room to move that up and can provide a set schedule for that.

### Action

[Public comment](#) will remain open until September 7, 2025.