

CTI Definition Guide: Key Terms Explained

This guide defines the key terms you need to understand the Care Transformation Initiative (CTI) Program in simple, straightforward language.

Key Term	Definition
Attribution	The process of assigning Medicare patients to a CTI based on claims data, using rules such as ZIP code of residence, specific diagnoses (DRGs), or assigned providers.
Baseline Period	The historical year of claims data (e.g., 2022) used to set cost benchmarks (target prices) for CTI performance comparisons.
Care Transformation Initiative (CTI)	A hospital-designed care program that focuses on improving quality and reducing costs for a specific group of Medicare patients.
CCLF (Claims and Claim Line Feed)	The data file containing Medicare claims information used to attribute patients and track costs for CTIs.
Community-Based Care CTI	A type of CTI focused on coordinating care in the community, often based on ZIP code attribution, including interventions outside the hospital setting.
Cumulative Savings	The total amount of money saved when the actual costs are less than the target price across all attributed patients. This includes all savings, even if they do not meet the Minimum Savings Rate (MSR). Think of this as the “raw” savings figure.
Cumulative Surplus	The portion of cumulative savings that exceeds the Minimum Savings Rate (MSR) and is therefore eligible for payment. If you don’t pass the MSR threshold, you may have savings but no surplus.
CTI Hierarchy	A set of rules used when a patient qualifies for more than one CTI, determining which CTI takes priority for attribution.
Episode	A period of care that starts when a qualifying event occurs (like a hospital discharge) and runs for a defined number of days (e.g., 30, 60, or 90 days).
Episode-Based CTI	A CTI that begins with a care event trigger (like a discharge or ED visit) and measures cost and quality over a specific time window.
Episodes Initiated	This refers to the actual number of episodes that begin based on the CTI definition (e.g., discharges or visits that meet your trigger criteria). It’s important to distinguish this from theoretical eligibility—this count represents real, trackable CTI activity.

Key Term	Definition
Geographic CTI	A panel-based CTI where patients are attributed based on where they live (ZIP code) for a full year of care.
Hospital Outpatient Department (HOPD)	A hospital-run outpatient facility where services such as clinic visits, imaging, and procedures occur. HOPD costs are included in CTI total cost calculations.
Minimum Savings Rate (MSR)	The minimum percentage of cost savings that must be achieved before a hospital becomes eligible for a reconciliation payment. MSR is calculated based on episode volume—the more episodes you have, the lower the MSR tends to be.
Panel-Based CTI	A CTI where patients are assigned at the beginning of the year based on characteristics like location or primary provider, not a specific event.
Performance Year	The fiscal year during which CTI costs and quality are measured (e.g., FY 2026).
Performance Payment (Reconciliation Payment)	The actual payment a hospital earns when its CTI generates a cumulative surplus and meets all quality and eligibility requirements. This is paid after applying the statewide offset.
Savings Threshold	Also known as the MSR—this is the hurdle a hospital must clear in terms of percentage cost savings before it can qualify for a reconciliation payment.
Shared Savings	The portion of savings a hospital gets to keep after exceeding the MSR and accounting for the statewide offset.
Statewide Offset	A financial adjustment where all Maryland hospitals contribute proportionally to fund CTI payments and keep the program budget neutral. All hospitals contribute, whether they participate in CTI.
Target Price	The benchmark cost calculated from baseline data that hospitals aim to beat to achieve savings. Target prices are based on preliminary claims data and may be adjusted slightly during final reconciliation.
Total Cost of Care (TCOC)	All Medicare Part A and Part B costs for an attributed patient during an episode, including inpatient, outpatient (like HOPDs), physician services, and post-acute care.