Hospital Value-Based Purchasing – Ready or Not, Here It Comes

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Hospital Value-Based Purchasing
• Section 3001 of PPACA
• Hospitals can receive “value-based” incentive payments from Medicare
• Must meet performance standards set by CMS
• Funded by 1% cut in DRG payments

Does Not Apply To
• Critical Access Hospitals
• Hospitals subject to payment reductions under Hospital IQR program
• Hospitals cited for deficiencies during performance period that pose immediate jeopardy to health and safety
• Hospitals without minimum number of cases, measures or surveys

Minimum Numbers Required to Participate
• At least 10 cases …
• For at least 4 applicable measures during performance period, plus
• At least 100 HCAHPS surveys

How Many Hospitals Won’t Participate (CMS Estimate)
• 1 to 99 beds ...................... 213
• 100 to 199 beds ............... 47
• 200 to 299 beds ............... 11
• 300 to 399 beds ............... 8
• 400 to 499 beds ............... 2
• 500+ beds ....................... 0

Purpose of HVBP Program
• Revamping how care is provided
• Rewarding better value, outcomes and innovation instead of volume
CMS Goals for Use of Measures
- Outcome and Patient experience measures
- Focused core set for each provider category
- Minimize burden on information collection
- Aligned with best practices

Scoring Methodology
- Based on overall achievement vs. national benchmarks and improvement over past performance
- Measures not given equal weight
- Reliable, straightforward and stable methodologies to allow meaningful distinctions

VBP Process Measures for 2013
- Acute Myocardial Infarction
- Heart Failure
- Pneumonia
- Surgery
- Infections
- Patient experience of care

Acute Myocardial Infarction Measures
- Fibrinolytic therapy within 30 minutes of hospital arrival
- Primary PCI within 90 minutes of hospital arrival

Heart Failure Measures
Discharge Instructions:
- Activity level
- Diet
- Discharge medications
- Follow-up appointment
- Weight monitoring
- What to do if symptoms worsen

Pneumonia Measures
- Blood cultures in ED before initial antibiotic
- Initial antibiotic selection for CAP for immunocompetent patient
**Healthcare Associated Infection Measures**
- Prophylactic antibiotic w/in 1 hour of surgical incision
- Prophylactic antibiotic selection for surgery patients
- Prophylactic antibiotic discontinued w/in 24 hours of surgery end time
- Cardiac surgery patients w/controlled 6 AM serum glucose

**Surgery Measures**
- Surgery patients on beta blocker who receive beta blocker during peri-operative period
- Surgery patients with venous thromboembolism prophylaxis ordered
- Surgery patients who receive appropriate venous thromboembolism prophylaxis between 24 hours before and after surgery

**Patient Experience of Care Measures (HCAHPS)**
- Communication with doctors and nurses
- Responsiveness of staff
- Pain Management
- Communications about medicine
- Cleanliness and quietness
- Discharge information
- Overall rating of hospital

**How You Will Be Scored**
- Clinical processes – 70% / HCAHPS -- 30%
- Baseline: 7/1/2009 to 6/30/2010
- Performance period: 7/1/2011 to 3/31/2012
- “Achievement” score: how you do against the aggregate baseline
- “Improvement” score: how you do against your own baseline

**How Much $ Can You Get Back?**
- Zero sum game
- You won’t know until after the fact!
- “Linear exchange function”
- Depends on how much money is in pool and how well all hospitals in the pool do
- Incentive payment, if any, will be add-on to FY 2013 base DRG rate

**VBP Outcome Measures for 2014**
- Mortality
- Patient Safety
- Hospital acquired conditions
Mortality Measures for 2014
- Acute myocardial infarction – 30 days
- Heart Failure – 30 days
- Pneumonia – 30 days

AHRQ Patient Safety Measures for 2014
- Complication/patient safety for selected indicators
- Mortality for selected medical conditions

Hospital Acquired Conditions Measures for 2014
- Foreign object retained after surgery
- Air embolism
- Blood incompatibility
- Stage III and IV Pressure Ulcers
- Falls and trauma
- Vascular catheter infections
- Catheter associated UTI
- Poor glycemic control

Other Performance Incentives
- Hospital IQR program continues
- Penalties for hospital-acquired infections
- Payment reductions for readmissions
- Productivity incentives

What You Can Do About It?
- Determine amount at risk
- Track performance right now
- Appoint task force to monitor
- Make board, employees and medical staff aware of program
- Consider incentive compensation tied to HVBP performance

How to Align Physician Interests
- Employee Bonus
- Medical Directorship
- Contracts with Groups
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Criteria
• Quality
• Patient satisfaction

Possible Benchmarks
• HCAHPS Measures
• Hospital Value-Based Purchasing Measures

HVBP Performance Measures
• Quality measures
• HCAHPS
• Efficiency measures (e.g., Medicare spending per beneficiary)

Issues that need to be resolved:
• Stark Law – proposed exception for incentive payment and shared savings program
• OIG Advisory Opinions on gainsharing

For More Information
See EPI Website Materials
• PPACA section 3001
• Final Regulations May 6, 2011
• CMS “Open Door” Forum July 27, 2011