Value Based Purchasing

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Core Measures Meeting
January 25, 2012
Objectives

• Discuss value-based purchasing program (VBP)
• Define terminology related to VBP
• Interpret information on new Stratis Health VBP worksheets
What is the Hospital Value-based Purchasing Program?
What is it?

• Value-based purchasing is an incentive program, in this case, for PPS hospitals where 1% Medicare DRG payments are withheld to fund the program and given back to hospitals based on their performance on specified measures.
Background

• The concept of value-based health care purchasing is that buyers should hold providers of health care accountable for both cost and quality of care.
VBP Purpose Statement

- CMS views value-based purchasing as an important driver in revamping how care and services are paid for, moving increasingly toward rewarding better value, outcomes, and innovations instead of volume
Where did it come from?
It started with Pay for Reporting
History of CMS measures

Required CMS Measures for Inpatient Program

Number of Measures

CMS Fiscal Year

National Distribution of Full APU Hospitals (FY 2009)
National Distribution of Reduced APU and Non-Participating Hospitals (FY 2009)
National Distribution of Critical Access Hospitals (CAHs) and Maryland (MD) Hospitals (FY 2009)
Was an association found between improvement of quality measures and participation in the Hospital IQR Program?

- Yes. There was a **significant association** between participation in the Hospital IQR Program and healthcare quality improvement as measured by CMS quality measures.

- This association was significant, even after considering and controlling for other factors that also improved quality measures.
CMS’ ultimate goal is to shift the curve
Support for VBP
P4P – Pay for Performance

• President’s Budget - FYs 2006-09
• Congressional Interest
• MedPAC Reports to Congress
• IOM Reports
• Medicare
• Private Sector - Private health plans & Employer coalitions
VBP Demos and Pilots

- Premier Hospital Quality Incentive Demonstration
- Physician Group Practice Demonstration
- Medicare Care Management Performance Demonstration
- Nursing Home Value-Based Purchasing Demonstration
- Home Health Pay-for-Performance Demonstration
- ESRD Bundled Payment Demonstration
- ESRD Disease Management Demonstration
- Medicare Health Support Pilots
- Care Management for High-Cost Beneficiaries Demonstration
- Medicare Healthcare Quality Demonstration
- Gainsharing Demonstrations
- Electronic Health Records (EHR) Demonstration
- Medical Home Demonstration
VBP Initiatives

• Hospital Pay for Reporting: Inpatient & Outpatient
• Hospital VBP Plan & Report to Congress
• Hospital-Acquired Conditions & Present on Admission Indicator
• Physician Quality Reporting Initiative
• Physician Resource Use Confidential Reports
• Home Health Care Pay for Reporting
• Ambulatory Surgical Centers Pay for Reporting
• ESRD Pay for Performance
Introduction: Hospital VBP Program

- Required by Congress under Section 1886(o) of the Social Security Act
- Defined in the Patient Protection and Affordable Care Act
- Quality incentive program built on Hospital IQR measure reporting infrastructure
- Next step in promoting higher quality care for Medicare beneficiaries
- CMS views value-based purchasing as an important driver in revamping how care and services are paid for, moving increasingly toward rewarding better value, outcomes, and innovations instead of volume
- Funded by a 1% withhold from participating hospitals’ Diagnosis-Related Group (DRG) payments
3 Rules in 2011

• Hospital Inpatient VBP Program final rule  
  – April 29, 2011
• Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals  
  – August 18, 2011
• Hospital Outpatient Prospective Payment  
  – November 30, 2011
When does it start?
Timeframe FY 2013

Baseline
July 1, 2009 to March 31, 2010

Performance Period
July 1, 2011 to March 31, 2012

Fiscal Year (FY) 2013
October 1, 2012 to September 30, 2013
What measures are included?
Final FY 2013 Domains and Measures/Dimensions

1. AMI-7a Fibrinolytic Therapy Received Within 30 Minutes of Hospital Arrival
2. AMI-8 Primary PCI Received Within 90 Minutes of Hospital Arrival
3. HF-1 Discharge Instructions
4. PN-3b Blood Cultures Performed in the Emergency Department Prior to Initial Antibiotic Received in Hospital
5. PN-6 Initial Antibiotic Selection for CAP Immunocompetent Patient
6. SCIP-Inf-1 Prophylactic Antibiotic Received Within One Hour Prior to Surgical Incision
7. SCIP-Inf-2 Prophylactic Antibiotic Selection for Surgical Patients
8. SCIP-Inf-3 Prophylactic Antibiotics Discontinued Within 24 Hours After Surgery End Time
9. Cardiac Surgery Patients with Controlled 6AM Postoperative Serum Glucose
10. SCIP-Card-2 Surgery Patients on a Beta Blocker Prior to Arrival that Received a Beta Blocker During the Perioperative Period
11. SCIP-VTE-1 Surgery Patients with Recommended Venous Thromboembolism Prophylaxis Ordered
12. SCIP-VTE-2 Surgery Patients Who Received Appropriate Venous Thromboembolism Prophylaxis Within 24 Hours Prior to Surgery to 24 Hours After Surgery

Clinical Process of Care Domain (70%)

Patient Experience of Care Domain (30%)

1. Nurse Communication
2. Doctor Communication
3. Hospital Staff Responsiveness
4. Pain Management
5. Medicine Communication
6. Hospital Cleanliness & Quietness
7. Discharge Information
8. Overall Hospital Rating
How does it work?
Value-based Purchasing Program

- Hospital publically reports IQR measures
- Each measure scored 0-10
- Measures are grouped into domains and scored
- Total Performance Score is calculated based on weighting of domains
- The incentive payment is calculated on TPS
- Hospital improves performance
Why do I care?
Goals for CMS VBP Initiatives

• Improve clinical quality
• Address problems of underuse, overuse, misuse of services
• Encourage patient-centered care
• Reduce adverse events and improve patient safety
• Avoid unnecessary costs in the delivery of care
• Make performance results transparent to and useable by consumers
Provide Value
How do I know how if my hospital is eligible?
Eligibility criteria

• Hospital needs to be paid through the PPS – prospective payment system so CAH, Children’s hospitals, VA hospitals are excluded
Eligibility criteria

• Process of care domain
  – Need to have at least 10 cases for a measure
  – Need to have 4 or more measures

• Experience of care domain
  – Need to have at least 100 HCAPHS surveys in performance period
Who is Eligible for the Hospital VBP Program? (3 of 3)

- Hospitals receive a Clinical Process of Care Domain score if they have at least 10 cases for each of at least 4 applicable measures during the Performance Period.

- Hospitals with at least 100 completed Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) surveys during the Performance Period receive a Patient Experience of Care Domain score.
How do I know how well my hospital performs?
Hospital performance

• Use the Stratis Health worksheets for an estimate
• Watch for CMS report that will provide an estimate
• Calculation for incentive payment will be determined
Hospital performance

• Estimated amount of the hospital’s incentive payment will be shared through the QualityNet account 60 days prior to October 1, 2012.
• Hospital will receive exact amount November 1, 2012.
Stratis Health VBP worksheet
Report Changes

- CMS has developed reports that are similar to the Stratis Health profile reports so….
- We decided to stop the profile reports and instead produce Value-based Purchasing worksheets.
- The ACM (appropriate care measure) will be shared via separate report to QualityNet once data use agreements are signed.
Transition to CMS report use

Hospital Quality Alliance: Improving Care through Information

- Core measures
- Mortality
- Readmission
- AHRQ indicators
- HCAHPS
- Quarterly

- Produced for both CAH and PPS hospitals even though incentive doesn’t apply to CAH
How do I interpret the information?
Clinical Process of Care Domain
Performance Standards based on National Measure Rates

This scale represents the percent of eligible patients who received the applicable treatment.

= Threshold (50th percentile)

= Benchmark (mean of the top decile)
How Will Hospitals Be Evaluated?

Improvement vs. Achievement

Achievement:
My hospital’s current performance compared to all hospitals’ Baseline Period Performance

Improvement:
My hospital’s current performance compared to my Baseline Period Performance

Time
Clinical Process of Care Domain
Example: AML-7a – Fibrinolytic Therapy
(Slide 5 of 8)

Baseline Performance

Threshold

Achievement Range

Improvement Range

Baseline Rate

Benchmark

= Baseline Period Rate

= Benchmark (mean of the top decile)

The improvement range “is a scale between the hospital’s prior performance rate on the measure during the baseline period and the benchmark.”
Patient Experience of Care Domain
Achievement Range for the 8 HCAHPS Dimensions

- Nurse Comm.
- Threshold
- Benchmark
- Doctor Comm.
- Staff Resp.
- Pain Mgmt.
- Medicine Comm.
- Clean & Quiet
- Discharge Info.
- Overall Rating

Threshold (50th percentile)
Benchmark (mean of the top decile)
How Will Hospitals Be Evaluated?

Total Performance Score

Clinical Process Domain Score + Patient Experience Domain Score = Total Performance Score

70% + 30% = 100%

The Patient Experience Domain comprises the HCAHPS Base Points and the Consistency Points.

Total Possible Domain Score

HCAHPS Base Score + Consistency

\[
\begin{align*}
\text{HCAHPS Base Score} & = 8 \times 10 = 80 \\
\text{Consistency} & = 20
\end{align*}
\]

80 + 20 = 100
How are HCAHPS Consistency Points calculated?

- If all dimension rates are greater than or equal to the Achievement Thresholds:
  - 20 Consistency Points

- If any individual dimension rate is less than or equal to the worst-performing hospital dimension rate from the Baseline Period:
  - 0 Consistency Points

- If the lowest dimension rate is greater than the worst-performing hospital’s rate but less than the Achievement Threshold:
  - 0-20 Consistency Points awarded based on consistency formulas
Clinical Process Domain Score

Pt Experience Domain Score

Total Performance Score

Earned points = attainment (compare to benchmark) or improvement (must be above threshold) whichever is greater for each measures added together

Consistency points = Performance score – Floor score
Threshold score – Floor score
How can I improve my score?
## Dramatic Improvement

<table>
<thead>
<tr>
<th></th>
<th>TPS</th>
<th>TPS</th>
<th>RIR</th>
<th>Absolute Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr 2010 – Dec 2010</td>
<td>23.14%</td>
<td>65.30%</td>
<td>182%</td>
<td>42.16</td>
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<tr>
<td>Jan 2011 – Oct 2011</td>
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Release of VBP Worksheet, V1
Heart Failure

Heart failure is the most common hospital admission diagnosis in patients age 65 or older, accounting for more than 700,000 hospitalizations among Medicare beneficiaries every year. It is associated with severe functional impairments and high rates of mortality and morbidity.

Substantial scientific evidence indicates that the following Process of Care measures represent the best-practices for the treatment of heart failure. Higher scores are better.

*from Hospital Compare

<table>
<thead>
<tr>
<th>Measure Abbreviation</th>
<th>Name</th>
<th>Description*</th>
<th>Description for patient*</th>
<th>Common failure modes</th>
<th>Best-practices</th>
</tr>
</thead>
</table>
| HF-1                 | Discharge instructions | Heart failure patients discharged home with written instructions or educational material given to patient or care giver at discharge or during the hospital stay addressing the following: activity level, diet, discharge medications, follow-up appointment, weight monitoring, and what to do if symptoms worsen. | The staff at the hospital should provide you with information to help you manage your heart failure symptoms when you are discharged. | Pt dx not clearly articulated coded before they discharged so not identified as HF patient  
Must meet ALL instruction criteria so might miss just one and fail measure  
Documentation says pt was given pamphlet and the detail of patient education topics that are covered by the pamphlet are not captured in the record, so can’t give credit for meeting the measure  
Discharge med reconciliation is not complete (common error is what MD orders on discharge summary does not match discharge summary mods)  
Nurses know that pt with frequent admissions have received pt education so reluctant to forget to give it. | Pt education pamphlet topic areas are preprinted on the discharge sheet and can be checked.  
MD clearly documents in discharge documentation whether the pt had HF  
MDs and Nurses clearly understand coding for HF so try to anticipate before discharge.  
Coding is concurrent  
HF pt are identified on admission and there is a “sticker” identifying them on chart  
Nurse has discharge checklist to make sure all clinical standards are met. |
HCAHPS Tables on HCAHPS On-Line

Overview
HCAHPS On-Line, the official HCAHPS Web site, houses a series of tables that summarize current and historic HCAHPS results. These HCAHPS Tables, available exclusively on HCAHPS On-Line, are based on the HCAHPS data participating hospitals submit to CMS. Before being publicly reported, data are adjusted for the effects of patient-mix and mode of survey administration. More information regarding patient-mix and survey mode adjustment can be found by clicking here.
The CAHPS Improvement Guide

Read about the information you can find in this guide and the organizations responsible for its development.

Why Improve Patient Experience?
Learn how improving patient experience may lead to positive clinical and business outcomes.

Are You Ready To Improve?
Learn about the behaviors of organizations that are successful in providing positive experiences with care.

Analysis of CAHPS Results
Explore strategies for identifying the best opportunities for improvement.

Quality Improvement Steps
Learn how to implement interventions to achieve specific performance goals.

Browse Interventions
Find strategies for improving specific aspects of patients' experience with care.

Resources
Resources based on different sections of the site and addressed by intervention types.
Defect analysis
Defect analysis

- Track every “defect” where a patient measure was not met – concurrent review helps
- Look at most common failures
- Conduct a root cause analysis
- Implement improvement strategies
Things that spread

• Gossip
• Disease
• Peanut Butter
• Germs
• Hate
• Fire
• Fashion
• Joy
• You Tube Videos
• Justice
Case Studies

Learn from other hospitals about successful strategies to create safe, reliable health care processes and deliver high-quality care to patients. You can browse the case studies by topic, using the menu below.

Selected Topic: Surgical Care Improvement

KETTERING AND SYCAMORE MEDICAL CENTERS

Committing Resources to Surgical Quality

Two hospitals in the Kettering Health Network–Kettering Medical Center and Sycamore Medical Center–scored among the top 3 percent of U.S. hospitals on five surgical measures collected and reported by Centers for Medicare and Medicaid Services. The hospitals have made nurses key to their improvement strategy. In addition, they have focused on national quality initiatives, such as achieving Nursing Magnet status and the Malcolm Baldrige National Quality Award. The biggest change at the two hospitals in recent years was the introduction of concurrent quality monitoring and feedback to providers and managers. The use of real-time data has inspired competition and greater accountability among physicians and nurses, resulting in near-perfect compliance with recommended surgical processes.

— View Case Study

REID HOSPITAL AND HEALTH CARE SERVICES

Dedicated Surgical Care Improvement Team Guides Changes at Reid Hospital and Health Care Services

Reid Hospital and Health Care Services is a high performer on process-of-care, or core measures. The measures, developed by the Hospital Quality Alliance HQA, relate to achievement of recommended care in four clinical areas: heart attack, heart failure, pneumonia, and surgical care. This case study focuses on Reid’s achievement in providing recommended care to surgical patients in order to reduce the risk of a hospital-acquired infection.

— View Case Study

RIDGEVIEW MEDICAL CENTER

Service Line Structure Lays Groundwork for Surgical Care Improvement

Leaders at Ridgeview attribute achievements in surgical care to the hospital’s organizational culture and service line structure. Referred to as The Ridgeview Way, the hospital’s systems, structures, and processes are designed to provide evidence-based care and enhance patient experiences. The hospital also collaborates with quality improvement organizations at the state and national levels. For a small, independent organization such as Ridgeview, these partnerships provide valuable access to quality improvement resources and opportunities to work with peers.

— View Case Study
Patient Rounding
To ensure EXCELLENT CARE, we round
Hourly - 6 a.m. to 10 p.m.
Every two hours - 10 p.m. to 6 a.m.

How is your pain?

Are you comfortable?

Do you need to use the restroom?

Do you need your phone, call light, trash can or water pitcher brought closer?

Patient Rounding
assesses the 4 Ps:
Pain • Personal Needs
Position • Possessions
Quality Reporting & Improvement

Inpatient Process Measures and HCAHPS Survey Dimensions

December 2011
What’s the future hold?
Fiscal Year (FY) 2014

• Withhold will increase from 1% reduction to the base operating DRG payment amount for each discharge to 1.25%

• Added
  – 3 mortality measures (minimum of 10 cases)
  – SCIP- Inf 9: Postoperative Urinary Catheter Removal on Postoperative Day 1 or 2
FY 2014 Domain Weighting

- Clinical Process of Care: 45%
- Patient Experience of care: 30%
- Outcome Domain: 25%
Timeframe

Clinical Process of Care and Patient Experience of Care Measures

Baseline
April 1, 2010 to December 31, 2010

Performance Period
April 1, 2012 to December 31, 2012

Fiscal Year (FY)
2014
October 1, 2013 to September 30, 2014

Outcome Mortality

Baseline
July 1, 2009 to June 30, 2010

Performance Period
July 1, 2011 to June 30, 2012

Fiscal Year (FY)
2014
October 1, 2013 to September 30, 2014
Other measures to improve

• Hospital Acquired Conditions (HAC)
• Hospital spending per beneficiary
• Readmissions
Expansion Coming Soon!

- Three Care Transition items
- Two new patient information items
  - Emergency room admission
  - Overall mental or emotional health

Voluntary beginning with July 2012 discharges
Questions?

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www.stratishealth.org
Stratis Health is a nonprofit organization that leads collaboration and innovation in health care quality and safety, and serves as a trusted expert in facilitating improvement for people and communities.