

Value-Based Purchasing

Using a Quality Improvement Tool to Calculate Performance Score for Fiscal Year 2013

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Agenda

- ▶ Value-Based Purchasing (VBP) Overview
- ▶ Model Worksheet Demonstration
- ▶ Taking Action
- ▶ Next Steps

History of Hospital Quality Data Reporting

2005 – 8SOW
RHQDAPU*

- 10 Inpatient measures

2008 – 9SOW
RHQDAPU/HOP QDRP†

- 27 Inpatient measures
- 7 Outpatient measures

2011 and Beyond –
10SOW HIQRP‡/
HOP QDRP/VBP

- 57 Inpatient measures (includes HCAHPS , Mortality, Readmission, structural measures, etc.)
- 22 Outpatient measures (13 abstracted, 2 structural, 7 claims-based)

*RHQDAPU: Reporting Hospital Quality Data for Annual Payment Update

†HOP QDRP: Hospital Outpatient Quality Data Reporting Program

‡HIQRP: Hospital Inpatient Quality Reporting Program

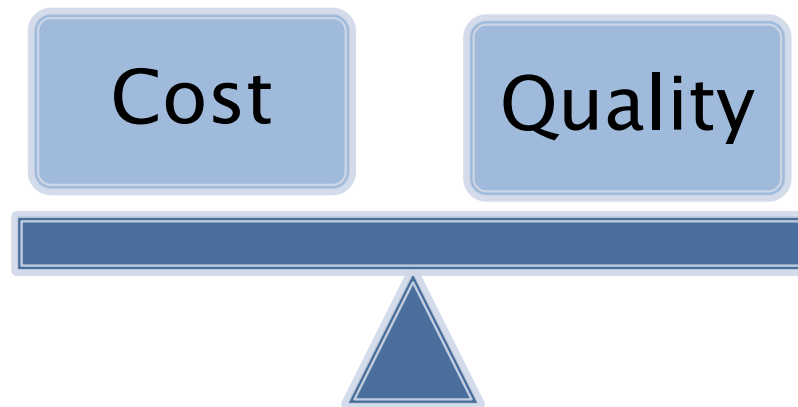
HCAHPS: Hospital Consumer Assessment of Healthcare Providers and Systems

History of Hospital Quality Data Reporting Payments

- ▶ Hospitals not reporting received reduced payments from the Centers for Medicare & Medicaid Services (CMS) during the next fiscal year
 - New Jersey hospitals are fiercely competitive
 - First year New Jersey ranked 49th
 - Second year New Jersey improved to 43rd. Spurred “call to action”
 - Now New Jersey is 3rd in nation overall

The Situation

- ▶ Dwindling Medicare fund
- ▶ Increasing demand, fewer “paying in”
- ▶ CMS needs to control cost, ensure quality
- ▶ Moving to align payment with performance



VBP

- ▶ Historic change in how Medicare pays healthcare providers and facilities
- ▶ Change from “pay-for-reporting” to “pay-for-performance” (P4P)
 - Improve clinical quality and encourage patient-centered care
 - Reduce adverse events and improve patient safety
 - Generate better processes of care, which will also result in better financial outcomes
 - Make performance results transparent to, and useable by, consumers

VBP – Hospitals

- ▶ Payments start with discharges beginning October 1, 2012, for CMS fiscal year (FY) 2013
 - Baseline period: 7/1/09 to 3/31/10
 - Performance period: 7/1/11 to 3/31/12

Financial Effect on Hospitals

- ▶ VBP payments will be funded for FY 2013 by setting aside 1% of each hospital's Medicare Diagnosis-Related Group (DRG) payments and redistributing it as incentive payments
- ▶ Future funding of the incentive payments are as follows:
 - 1.25% in FY 2014
 - 1.5% in FY 2015
 - 1.75% in FY 2016
 - 2% in FY 2017
- ▶ CMS anticipates that hospitals' P4P will range from 0.0236% to 1.817%*

*Source: <http://www.healthindustrywashingtonwatch.com/2011/04/articles/regulatory-developments/cms-finalizes-aca-hospital-valuebased-purchasing-program/>

VBP's Road Map

2005

2007

2009

2013

2014

2017

- ▶ Hospitals begin submitting quality data (RHQDAPU core measures)
- ▶ Failure to meet the requirement is 4% of APU

- ▶ RHQDAPU begins expanding total number of measures

- ▶ HIQRP
- ▶ Failure to meet the requirement is 2% of APU

- ▶ VBP DRG payments reduced by 1% to hospitals
- ▶ VBP allows hospitals to earn this money back through P4P
- ▶ HIQRP continues
- ▶ Failure to meet the requirement is 2% of APU

- ▶ VBP Measure Set expands
- ▶ DRG payments reduced by 1.25%
- ▶ HIQRP continues

- ▶ VBP continues
- ▶ DRG payments reduced by 2%
- ▶ HIQRP continues

VBP – Scoring Process of Care Measures (FY 2013)

- ▶ Acute Myocardial Infarction (AMI):
 - AMI-7a: Fibrinolytic Therapy Received Within 30 Minutes of Hospital Arrival
 - AMI-8a: Primary PCI Received Within 90 Minutes of Hospital Arrival
- ▶ Heart Failure (HF):
 - HF-1: Discharge Instructions

VBP – Scoring Process of Care Measures (FY 2013)

▶ Pneumonia (PN):

- PN-3b: Blood Cultures Performed in the Emergency Department Prior to Initial Antibiotic Received in Hospital
- PN-6: Initial Antibiotic Selection for CAP in Immunocompetent Patient

VBP – Scoring Process of Care Measures (FY 2013)

- ▶ Surgical Care Improvement Project (SCIP)
 - SCIP-Inf-1: Prophylactic Antibiotic Received Within One Hour Prior to Surgical Incision
 - SCIP-Inf-2: Prophylactic Antibiotic Selection for Surgical Patients
 - SCIP-Inf-3: Prophylactic Antibiotics Discontinued Within 24 Hours After Surgery End Time (48 hours if cardiac surgery)

VBP – Scoring Process of Care Measures (FY 2013)

▶ SCIP (cont'd)

- SCIP-Inf-4: Cardiac Surgery Patients with Controlled 6AM Postoperative Serum Glucose
- SCIP-Card-2: Surgery Patients on a Beta Blocker Prior to Arrival That Received a Beta Blocker During the Perioperative Period
- SCIP-VTE-1: Surgery Patients with Recommended Venous Thromboembolism Prophylaxis Ordered
- SCIP-VTE-2: Surgery Patients Who Received Appropriate Venous Thromboembolism Prophylaxis Within 24 Hours Prior to Surgery to 24 Hours After Surgery

VBP Scoring – The Basics: Process of Care Measures

- ▶ Performance period (Q3 2011– Q1 2012)
- ▶ Each measure will be calculated on a point system
 - Achievement points
 - Improvement points
 - Award will be based on the greater of the two
- ▶ Points total a performance score for that “domain”

Patient Experience Measures

HCAHPS* - Survey Dimensions

Communication with Nurses (% "Always")

Communication with Doctors (% "Always")

Responsiveness of Hospital Staff (% "Always")

Pain Management (% "Always")

Communication About Medications (% "Always")

Cleanliness and Quietness (% "Always")

Discharge Information (% "Yes")

Overall Rating of Hospital (% "9 or 10")



Note: Each dimension is an aggregate measure.

*HCAHPS: Hospital Consumer Assessment of Healthcare Providers and Systems

VBP Scoring – The Basics: HCAHPS

- ▶ Points assigned to each of eight dimensions
 - Score will be the greater of the Achievement/
Improvement Scores + Consistency Score
- ▶ Points will create one aggregate performance score

VBP Scoring – Total Scoring

- ▶ Process of Care Measures (70%) + HCAHPS (30%) Score = Total Performance Score (TPS)
- ▶ Value-based Incentive Payment
 - $\text{Payment} = (\text{TPS}) \times (\text{TBD linear exchange function})$
 - CMS to post estimates to hospitals' QualityNet accounts by August 2012
 - CMS to notify hospitals with exact amount on November 1, 2012

Model VBP Worksheet

▶ Presented by:

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Model VBP Worksheet

▶ Purpose

- Help hospitals estimate TPS with more current data than is available to quality improvement organizations (QIOs)
- Engage/re-engage leadership on improving core measures

▶ Frequency

- Release updated version during current or subsequent FY if there is a change/clarification in method



Model VBP Worksheet

- ▶ Value added
 - Idea generated by a hospital
- ▶ Beta tested
 - Four hospitals in Idaho and Washington
 - Rural and urban
- ▶ Well received
 - ~90% Washington acute care IPPS hospitals have requested

Model VBP Worksheet

Revised based on CMS Final Rule issued 4/25/2011



Name of your hospital	Input						National Clinical Data Performance Standard		Output		
	Your Baseline			Your Performance			Benchmark	Threshold	Assessment	Improvement	Points
	Jul 2009 - Mar 2010	Apr 2010 - Dec 2010		Jul 2009 - Mar 2010	Apr 2010 - Dec 2010						
	Num	Den	%	Num	Den	%					
Inpatient Process Measures											
AMI											
AMI-7a: Thrombolytic Agent Received w/in 30' of Hospital Arrival							81.81	83.49			
AMI-3a: PCI received w/in 90' of Hospital Arrival							100.00	81.88			
HF											
HF-1: Discharge Instructions							100.00	80.77			
PNEUMONIA											
PN-3a: Blood Culture Refuse (w/ Antibiotic) Received in Hospital							100.00	86.43			
PN-3: Intra-Arterial Blood Culture for CAP in non-competent Pt							99.68	82.77			
SCIP (Surgical Care)											
SCIP-1: Aox w/in 1 hr Before Incision or w/in 2 hrs if Vancomycin / Clindamycin is Used							89.98	87.35			
SCIP-2: Received Empiric Antibiotic Consistent with Recommendations							100.00	87.68			
SCIP-3: Prophylactic Antibiotic Discontinued w/in 24 hrs of Surgery End Time or 48 hrs for Gastro Surgery							99.88	86.07			
SCIP-4: Controlled Serum Postoperative Glucose - Cardiac Surgery							89.83	84.29			
SCIP-VTE1: Recommended VTE Prophylaxis Ordered During the Admission							100.00	83.00			
SCIP-VTE2: Received VTE Prophylaxis w/in 24 hrs Prior to or After Surgery							99.65	83.07			
SCIP-CARD2: Pre-Admission Beta-Blocker and Perioperative Fentanyl Beta-blocker							100.00	83.00			
Your VBP Process Earned Points						Need at least 4 process measures with denominator > 10					
Your VBP Process Potential Points						Need at least 4 process measures with denominator > 10					
Your VBP Process Domain Score = (Your Earned Points/Your Potential Earned Points)						Need Process Data					
HCAHPS - Survey Dimensions		Your HCAHPS Survey				HCAHPS Performance Standard			Assessment	Improvement	Points
		Baseline # of Surveys	Performed # of Surveys		HCAHPS Performance Standard						
		2100	N	2100	N	Floor (Minimum)	Benchmark	Threshold			
		Jul 2009 - Mar 2010		Apr 2009 - Dec 2010							
Communication with Nurses (% "Always")						38.98	34.70	76.13			
Communication with Doctors (% "Always")						51.51	38.65	79.42			
Responsiveness of Hospital Staff (% "Always")						30.28	77.89	51.62			
Pain Management (% "Always")						34.76	77.60	88.73			
Communication about Medications (% "Always")						29.27	70.42	59.23			
Cleanliness and Quietness (% "Always")						36.38	77.24	82.83			
Discharge Information (% "Yes")						60.47	49.19	81.93			
Overall Rating of Hospital (% "A or B")						29.32	82.52	86.02			
Your VBP HCAHPS Base Earned Points (max 30 points)											
Your VBP HCAHPS Consistency Points (max 20 points)											
Your VBP HCAHPS Domain Score = (Your HCAHPS Earned Points/Your HCAHPS Consistency Score) * 100						Need HCAHPS data					
Your VBP Total Performance Score = (Process Domain)(70%) + (HCAHPS Domain)(30%)						Need Process and HCAHPS data					

Big Picture Overview

- One-page worksheet
- **White fields** static cells
- **Green fields** ("Input") modifiable cells
- **Blue fields** ("Output") automatically update when you modify green cells
- **Darker Blue** is estimated Total Performance Score

Uses

- Target improvement priorities based on current performance
- Enter data during 9-month Performance Period to proactively monitor TPS estimates
- Provide feedback to staff/leadership

Time for a Demo!



Taking Action

- ▶ Opportune time to re-engage leadership to support work on VBP measures
 - Resources
 - Engagement
 - Accountability
- ▶ Determine priority measures
 - Where are you below National threshold?
 - Where is your current performance unsustainable?
- ▶ Develop AIM statements / PDSA (Plan Do Study Act)
- ▶ Monitor and sustain gains



Next Steps for the Model VBP Worksheet

- ▶ Access your Model VBP Worksheet through your QIO
- ▶ *“Enable Macros”*
- ▶ Update “input” fields
- ▶ Engage leadership/staff

Fiscal Year 2013

- ▶ Potential hospital liability:
 - HIQRP Payment Model (2% APU)
 - VBP Payment Model (1% DRG reduction)
 - Readmission Penalty (up to 1% total Medicare payment)

The Future

▶ Road map is clear

■ P4P is here

- Will expand across all providers of care (SNF, LTACH, HHA, Physician Offices, etc.)
- Number of measures will continue to expand
 - Healthcare Acquired Condition (HAC)
 - Healthcare-Associated Infection (HAI)
 - Information Technology – Meaningful Use – Best Practice

Questions?

