

Bonus Pay Pays Off for Improved Quality

Results of the Hospital Quality Incentive Demonstration (HQID) project were released this month, showing an 11.8% increase in overall quality in the past 2 years. The project is a joint venture of the Centers for Medicare and Medicaid (CMS) and the Premier Inc. healthcare alliance. More than 260 hospitals are participating in the pay-for-performance project, which is designed to determine if financial incentives are effective at improving the quality of inpatient hospital care. According to CMS and Premier Inc., patients treated at participating hospitals are living longer and receiving recommended treatments more frequently.

The results, released by CMS in January 2007 list more than 260 hospital participants. The overall quality increase (Table 1) is based on ratings of 30 nationally stan-

dardized and widely accepted care measures provided to patients in 5 clinical areas, including acute myocardial infarction (AMI), heart failure (HF), coronary artery by-

pass graft (CABG), pneumonia, and hip and knee replacement (see Case Study).

CMS Acting Administrator Leslie Norwalk states, "The Premier hospital alliance is showing that even limited additional payments, focused on supporting evidence-based quality measures, can drive across-the-board improvements in quality, fewer complications, and reduced costs."

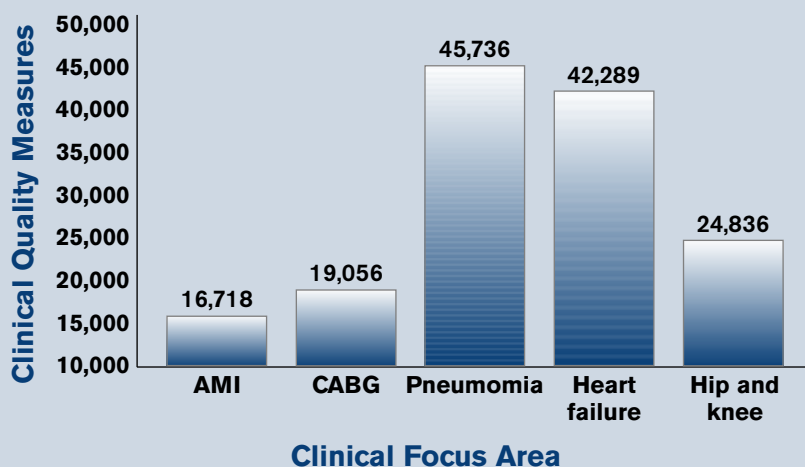
Analysis of mortality rates at participating HQID hospitals demonstrate that improvements in care quality saved 1284 AMI patients. Patients received about 150,000 additional recommended evidence-based clinical quality measures, such as smoking cessation, discharge instructions, and pneumococcal vaccination. CMS has awarded incentive payments of \$8.7 million to 115 high-performing hospitals, representing the top 20% of hospitals in each of the project's 5 clinical areas. Premier Inc. notes that variations between top and bottom performers continue to shrink as clinical quality improves at participating hospitals.

"The main point is that the majority of hospitals in the HQID project, even those on the lower end of the scale, improved their quality of care across the board with respect to reliable use of scientifically based practices," notes Donald M. Berwick, MD, MPP,

Table 1.

CMS/Premier HQID Project Estimated Additional Clinical Quality Measures

October 1, 2003 through September 30, 2005 (Year 1 and Year 2 Final Data)



FRCP, president and CEO at the Institute for Healthcare Improvement (IHI). “Hospitals want to offer high-quality care; sometimes they just need to be pointed in the right direction. The HQID project has offered hospitals a guideline to improve their patient care.

“This study was conducted with a very strong clinical, quality, and cost database from Premier. Such a database helps you to study your own care and identify opportunities for improvement,” Berwick states.

When compared to the rest of the nation’s hospitals, the quality score of HDIQ project hospitals on 18 publicly reported quality indicators is significantly higher—85% to 79%—pointing to the effectiveness of performance incentives at improving quality of care.

Congress has mandated that Medicare develop a plan to implement “value-based purchasing,” which ties payment to quality of care and other outcomes, beginning with fiscal year 2009. The HQID is a test of one value-based purchasing model.

The first project of its kind, HQID was launched in October 2003 by the Premier Inc. healthcare alliance and CMS. The participating hospitals submit data to Premier for validation and analysis, which are then turned over to CMS. The pay-for-performance model used in the project includes financial incentives for the top 20% of hospitals in each of the 5 clinical areas. The top 10% of hospitals receive a 2% incentive payment for patients in the specific clinical area. Hospitals in the second decile receive a 1% incentive payment. Hospitals in the top

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50% of each clinical area receive public recognition on the CMS Web site.

Hackensack University Medical Center (HUMC) in Hackensack, NJ, was a top performer in all 5 areas for the second year in a row, providing high-quality care for 2853 Medicare patients. Their total award across the 5 clinical areas will approximate \$744,000.

“HUMC’s primary focus has always been and continues to be on improving the health of the people we serve,” says John P. Ferguson, president and chief executive officer of HUMC. “Long before public reporting and pay for performance came into existence in healthcare, HUMC made a promise to be a leader in the quality area—

constantly measuring our outcomes and finding new approaches to achieve higher levels of quality patient care. It is especially gratifying for our team to know that our work impacts the way health care is delivered across the country—making good on our original promise.”

Charleston Area Medical Center in Charleston, WV, received the second highest incentive award, \$701,000, for achieving top performance in 4 clinical areas. Charleston Area Medical Center also received the highest single award, \$432,901, in 1 clinical area for providing high-quality care to 883 Medicare patients who had CABG procedures.

“The quality project is about reliably delivering the best evidence-based care to every patient every day,” says Glenn Crotty, Jr., MD, chief operating officer, Charleston Area Medical Center. “The recognition and reward is nice, but the main issue is reliable care to reduce risk of death and reduce readmissions to hospitals so every patient’s health status is better.”

The second largest single award totals \$250,775 for exceptionally high-quality care provided to patients receiving hip and knee re-

Table 2.

CMS/Premier HQID Average Composite Quality Scores (CQS)

Average CQS improved significantly between the inception of the CMS/Premier HQID project and year 2:

- From 87.5% to 94.4% for AMI patients
- From 84.4% to 93.8% for CABG patients
- From 64.5% to 82.4% for HF patients
- From 84.6% to 93.4% for hip and knee replacement patients

HQID Quality Measures

The CMS/Premier quality measures are based on clinical evidence and industry recognized metrics. For example, they include:

- 10 indicators from the starter set of “The National Voluntary Hospital Reporting Initiative: A Public Resource on Hospital Performance” (AHA Initiative)
- 27 indicators from the National Quality Forum (NQF)
- 24 indicators from the CMS 7th Scope of Work
- 15 indicators from JCAHO Core Measures
- 3 indicators proposed by The Leapfrog Group
- 4 indicators from the Agency for Healthcare Research and Quality (AHRQ) patient safety list

Clinical Conditions Measures

Acute Myocardial Infarction (AMI)	<ol style="list-style-type: none"> 1. Aspirin at arrival ^{1,2,3,4,P} 2. Aspirin prescribed at discharge ^{1,2,3,4,P} 3. Angiotensin-converting enzyme inhibitor (ACEI) for left ventricular systolic dysfunction (LVSD) ^{1,2,3,4,P} 4. Smoking cessation advice/counseling ^{1,2,3,P} 5. Beta-blocker prescribed at discharge ^{1,2,3,4,P} 6. Beta-blocker at arrival ^{1,2,3,4,P} 7. Thrombolytic received within 30 minutes of hospital arrival ^{1,2,10,P} 8. Percutaneous coronary intervention (PCI) received within 120 minutes of hospital arrival ^{1,5,10,P} 9. Inpatient mortality rate ^{1,3,6,O}
Coronary Artery Bypass Graft (CABG)	<ol style="list-style-type: none"> 10. Aspirin prescribed at discharge ^{5,P} 11. CABG using internal mammary artery ^{1,5,P} 12. Prophylactic antibiotic received within 1 hour prior to surgical incision^{1,2,10,P} 13. Prophylactic antibiotic selection for surgical patients ^{1,2,10,P} 14. Prophylactic antibiotics discontinued within 24 hours after surgery end time ^{1,2,10,P} 15. Inpatient mortality rate ^{7,O} 16. Postoperative hemorrhage or hematoma ^{8,O} 17. Postoperative physiologic and metabolic derangement ^{8,O}
Heart Failure (HF)	<ol style="list-style-type: none"> 18. Left ventricular function (LVF) assessment ^{1,2,3,4,P} 19. Detailed discharge instructions ^{1,2,3,P} 20. ACEI for LVSD ^{1,2,3,4,P}
Community Acquired Pneumonia (CAP)	<ol style="list-style-type: none"> 21. Smoking cessation advice/counseling ^{1,2,3,P} 22. Percentage of patients who received an oxygenation assessment within 24 hours prior to or after hospital arrival ^{1,2,3,4,P} 23. Initial antibiotic consistent with current recommendations ^{1,2,10,P} 24. Blood culture collected prior to first antibiotic administration ^{1,2,3,P} 25. Influenza screening/vaccination ^{1,2,10,P} 26. Pneumococcal screening/vaccination ^{1,2,3,4,P} 27. Antibiotic timing, percentage of pneumonia patients who received first dose of antibiotics within 4 hours after hospital arrival ^{1,2,4,10,P} 28. Smoking cessation advice/counseling ^{1,2,3,P}
Hip and Knee Replacement ⁹	<ol style="list-style-type: none"> 29. Prophylactic antibiotic received within 1 hour prior to surgical incision^{1,2,9,10,P} 30. Prophylactic antibiotic selection for surgical patients ^{1,2,9,10,P} 31. Prophylactic antibiotics discontinued within 24 hours after surgery end time ^{1,2,9,10,P} 32. Postoperative hemorrhage or hematoma ^{8,9,O} 33. Postoperative physiologic and metabolic derangement ^{8,9,O} 34. Readmissions 30 days postdischarge ^{9,O}

1 National Quality Forum measure
 2 CMS 7th Scope of Work measure
 3 JCAHO Core Measure
 4 The National Voluntary Hospital Reporting Initiative (AHA Initiative)
 5 The Leapfrog Group proposed measure
 6 Risk adjusted using JCAHO methodology

7 Risk adjusted using 3M™ All Patient Refined DRG methodology
 8 AHRQ Patient Safety Indicators and risk adjusted using AHRQ methodology
 9 Medicare beneficiaries only
 10 CMS and/or JCAHO to align with this measure in 2004
 P Process measure
 O Outcomes measure

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The impressive results of the Hospital Quality Incentive Demonstration will probably push the physician quality demonstrations forward.

What You Need to Know

CMS believes that even limited additional payments focused on supporting evidence-based quality measures will drive across-the-board improvements in quality and reduced costs. This will translate directly into similar programs on the physicians' side. Congress has mandated that Medicare develop a plan to implement "value-based purchasing," which ties payment to quality of care and other outcomes.

What You Need to Do

Improving your patients' outcomes can improve the financial status of your practice. Under the 2007 PQRI, reporting specified quality improvement measures can result in a payment bonus. The reporting period is July 1-December 31, 2007. Enrollment is not required for participation. Details available on the CMS website: www.cms.hhs.gov/PQRI

placement procedures at the Bone & Joint Hospital in Oklahoma City, OK, a member of SSM Health Care. "We're extremely proud of our employees and medical staff for achieving this benchmark level of performance for the second consecutive year," says Janet Farhood, executive vice president and COO at Bone & Joint Hospital. "We were already performing at high levels in areas such as surgical infection prevention in joint replacement, but participating in the project drove performance even higher. It proves that real-time monitoring of key processes, coupled with continuous quality improvement and the desire to achieve high-quality performance, truly benefits our patients."

The average composite quality scores (CQS), a combination of clinical quality measures and outcome measures, improved significantly between the inception of the program and Year 2 in all 5 clinical focus areas (Table 2).

In addition, the range of variance among participating hospitals also is closing, as those hospitals in the lower deciles continue to improve their quality scores and close the gap between themselves and the demonstration's top performers.

"Quality is a core value and a leadership priority in the demonstration's top performing hospitals," notes Stephanie Alexander, senior vice president and general manager of Premier Healthcare Informatics. "These hospitals' outstanding clinical performance begins with executive support, a strong culture of quality, and the dedication of the appropriate resources. We're honored to have the opportunity to work with these outstanding organizations as a part of this groundbreaking project."

For complete information about the HQID project and to view those hospitals ranking in the top 50% in each focus area, visit www.qualitydemo.com. **MPM**