

# The Impact of Health Care Reform on Hospitals

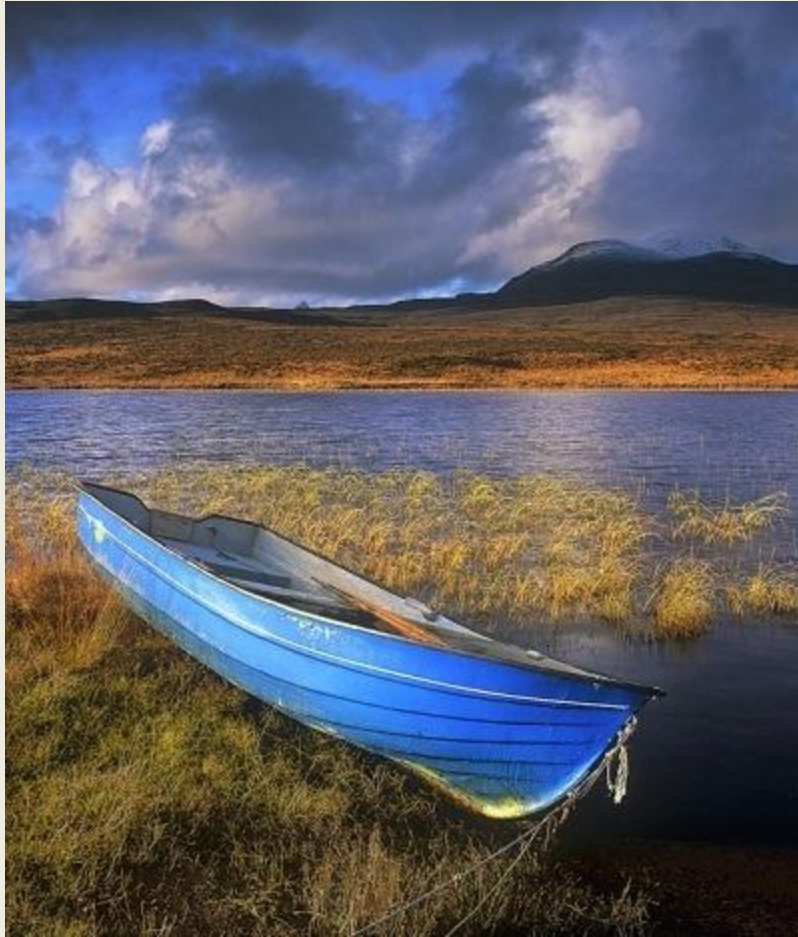


## **RISING TO THE OCCASION TO IMPROVE CARE**

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# Agenda and Objectives



- Provide an overview of current health reform plans and key targets of value-based purchasing.
- Discuss care and cost issues related to hospital readmissions and future changes in CMS payment policies.
- Examine current and future policies regarding Healthcare Associated Infections (HAI).
- Review patient satisfaction (HCAHPS) as new measure of hospital performance.
- Outline key strategies that can assist infection preventionists, pharmacists and others in successfully aligning with new demands around value-based purchasing and health reform policies.

# The Patient Protection and Affordable Care Act (H.R. 3590)

## Improve Coordination of Care

- Bundled payment pilots (Target ⇒ transitions in care)
- Cost sharing for successful programs
- PCMH (patient centered medical home)
- Accountable Care Organizations (ACOs)

## Promote and support primary care

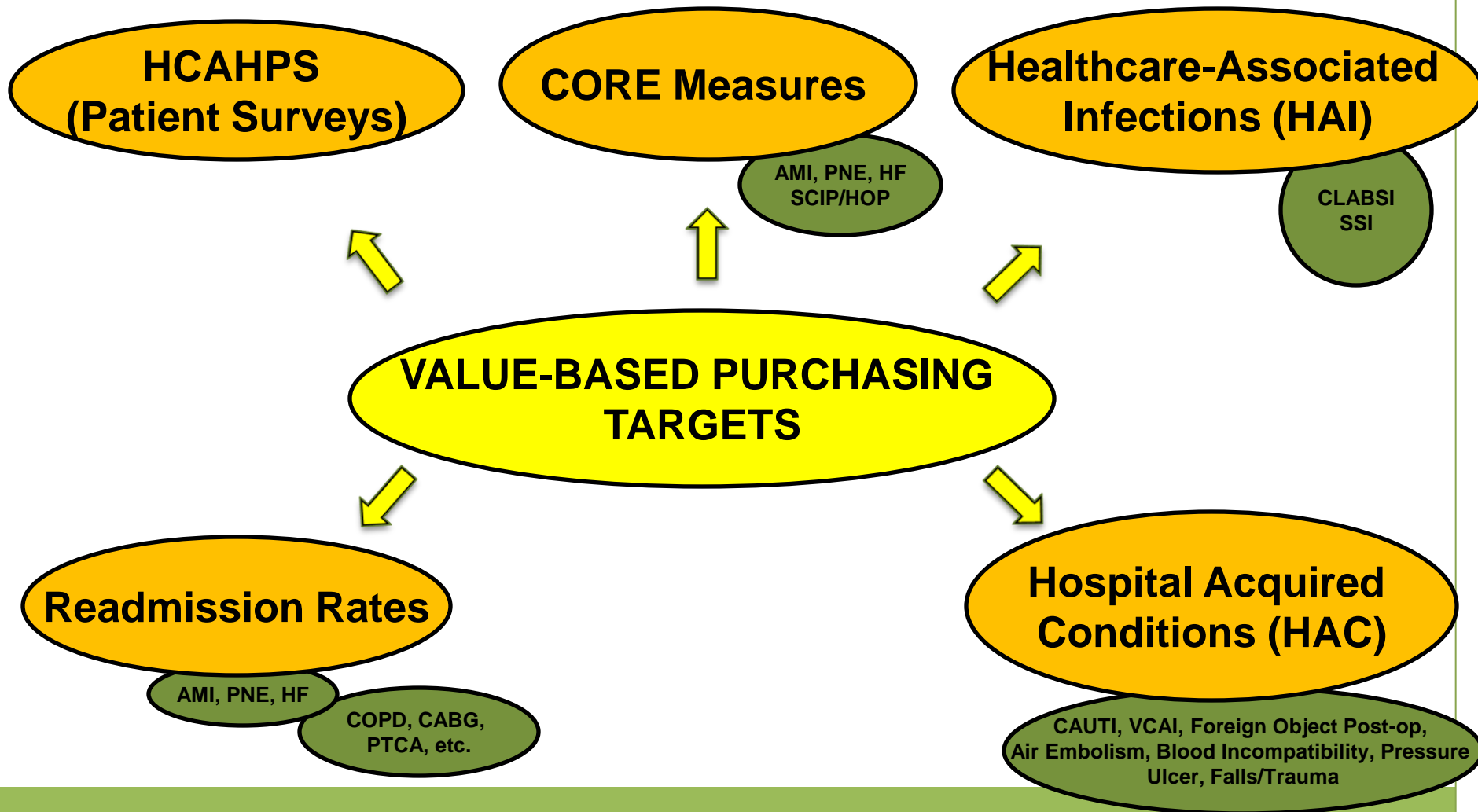
- Increased payments & funding incentives, research

## Improve Quality and Performance

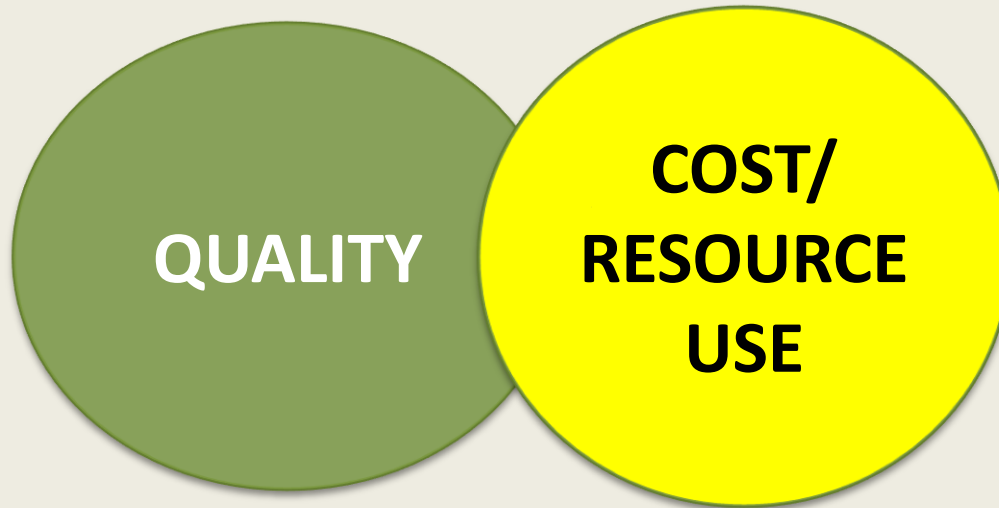
- Rewarding Good Care: Hosp. VBP programs (2012), SNFs, HHAs and ASCs (plans due 2011)
- Patient satisfaction
- Reduce avoidable hospital readmissions
- Reduce HAC (Hospital Acquired Conditions)

# HR 3590

## The Patient Protection and Affordable Care Act



# Value-based Purchasing (VBP)



The concept of value-based health care purchasing...

“Buyers should hold providers of health care accountable for both cost and quality of care”

Meyer, Rybowski, and Eichler, 1997

# Pay-for-Performance (P4P)

- P4P is a type of value-based purchasing that provides an incentive-based reimbursement system.
- Financial incentives reward providers for the achievement of a range of payer objectives.
- Financial incentives should not be universally taken to mean “larger payment.”



# The CMS Roadmap to P4P

## Up to 8% of CMS payment “at risk” by 2017

	FY09	FY10	FY11
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<b>Hospital Readmission Rates</b>			
<b>Hospital-Acquired Conditions (HACs)</b>	<ul style="list-style-type: none"> <li>CMS selected 10 categories of HACs to no longer receive higher incremental reimbursement if not present on admission (POA)<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>No HACs added to IPPS in FY10</li> </ul>	
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<b>TOTAL CMS Payment at Risk*</b>	2%	2%	2%

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<b>TOTAL CMS Payment at Risk*</b>	2%	2%	2%	2%	4%

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# The CMS Roadmap to P4P

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How will health care reform impact your practice?



How can you prepare for VBP?

# **VBP CLINICAL QUALITY & PROCESS MEASURES**

# CMS Value-Based Purchasing Plan

- Impacts only IPPS (Inpatient Prospective Payment System) and Acute Care hospitals
- Program begins in FY2012 with data collection & performance reporting
- In FY2013 adjusted payments start at 1% “payment risk”
- Most VBP measures will migrate from the current Hosp. Inpatient Quality Data Reporting Program to the VBP program.
- HI-QDRP data posted on “Hospital Compare” site

VBP programs shifts measures from “pay for reporting” to “pay for performance”

# VBP Process of Care Measures: CMS CORE Measures

## Acute Myocardial Infarction (AMI)

12 Measures (8 Rx impact)

ASA @ arrival	★ LDL-Cholesterol Assessment
ASA @ discharge (outpt use)	★ Lipid-lowering therapy @ discharge
ACEI or ARB for LVSD	Fibrinolytic therapy within 30 min arrival
Smoking Cessation	Mortality (inpatient)

## Heart Failure (HF)

4 Measures (3 Rx impact)

ACEI or ARB for LVSD	Discharge instructions (medication list, managing symptoms)
Smoking Cessation	

# VBP Process of Care Measures: CMS CORE Measures

## Pneumonia (PNE)

7 CMS Measures (5 Rx impact, 4 IP impact)

Timing of Receipt of Initial Antibiotic	Pneumococcal Vaccination
Antibiotic Selection (for CAP)	Influenza Vaccination (seasonal)
Smoking Cessation	

## Surgical Care Improvement Project (SCIP)

10 Measures (7 Rx impact, 3 IP impact)

Proph. Antibiotic w/in 1 hour incision	Maintenance of Beta-blocker Therapy During Perioperative Period
Prophylactic Antibiotic Selection	Surgery Patients with Recommended VTE Prophylaxis Ordered
Proph. Antibiotic DC within 24 Hours	Surgery Patients w/ Appropriate VTE Prophylaxis Within 24 Hours Prior To & 24 Hours After Surgery
Cardiac Surg Patients Controlled 6am Post-operative Glucose Level	

# VBP Outcomes Measures: CMS

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## 30-Day Risk-Standardized Mortality Rates

Acute Myocardial Infarction (AMI) 30-Day Mortality Rate

Heart Failure (HF) 30-Day Mortality Rate

Pneumonia (PN) 30-Day Mortality Rate

# CMS VBP: Reporting Performance

## Rating Performance

- Attainment
- Improvement
- Single Composite Score

## Program Funding

- Reduction in Payment
- 1% in 2013 growing to 2% reductions
- Money goes into pool for redistribution

## Repayment

- Payment based on performance
- 2 payment models proposed

# VBP Model HR 3590

## Norman Regional Hospital Value-Based Purchasing

### Payment Impact Estimate - Curvilinear Payment Function

Scoring Period: July 2008 - June 2009

Assumes No Distribution of Excess Pool Dollars

## (Curvilinear Scenario)

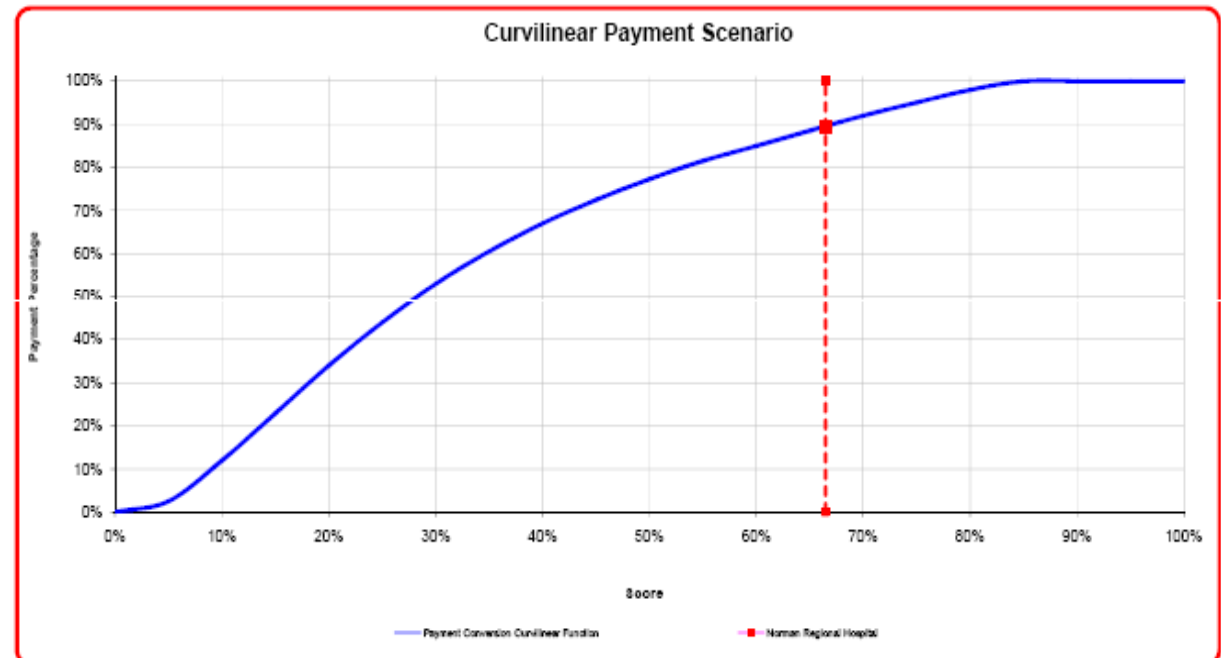
Note: this only includes Core Measures + HCAHPS

(HAls data not included)

NRHS at risk: 1 to 2 % or \$550,000 to \$1,007,000

**Potential loss based on linear model = \$57,729 to \$105,696**

Norman Regional Hospital		Oklahoma State						
Process Measures Score: 85%	Dollars Contributed to VBP Expected Payment from VBP Excess Pool Dollars	Process Measures Score: 77%	1% Carve-Out	1.25% Carve-Out	1.5% Carve-Out	1.75% Carve-Out	FFY 2016 Carve-Out	FFY 2017 2% Carve-Out
HCAHPS Score: 23%		HCAHPS Score: 23%	\$14,762,000	\$19,043,000	\$19,043,000	\$22,905,000	\$4,000	\$1,007,000
Overall VBP Score: 66%		Overall VBP Score: 61%	\$12,677,042	\$16,353,402	\$16,353,402	\$19,669,940	\$4,363	\$901,304
Payment Percentage: 90%		Payment Percentage: 86%	(\$2,084,958)	(\$2,689,598)	(\$2,689,598)	(\$3,235,060)	(\$9,637)	(\$105,696)



# How is your hospital currently performing on VBP measures?

1. Connect with stakeholders at your site to obtain current performance data and plans for improvement
  - QI, PI, Administration
2. Determine where there are gaps or deficiencies in care?
3. What types of services or interventions have you or could you implement to impact these quality measures?
4. How might you market/communicate your role?

# READMISSIONS



# Why focus on readmissions?

## 2007 MedPAC Report to Congress

- 17.6% of Medicare hospitalizations in 2005 were readmitted within 30 days, accounting for \$15B in Medicare spending.
- 13% of the 30-day readmissions were preventable or 76% of all readmissions!
- These preventable readmissions accounted for \$13B in Medicare spending.

# Top US Hospital Readmission Rates by Condition (30-days)

Medical Conditions	30-day Readmission Rate	% of all Readmissions
Heart Failure	26.9%	7.6%
Pneumonia	20.1%	6.3%
COPD	22.6%	4.0%
Psychoses	24.6%	3.5%
GI related problems	19.2%	3.1%

Pneumonia  
23%  
secondary  
cause

Surgical Conditions	30-day Readmission Rate	% of all Readmissions
Cardiac Stent	14.5%	1.6%
Major Hip or Knee Surgery	9.9%	1.5%
Vascular Surgery	23.9%	1.4%
Major Bowel Surgery	16.6%	1.0%
Other Hip or Femur Surgery	17.9%	0.9%

SSI 6.4%  
secondary  
cause

# CMS Plan...

## Hospital Readmissions Payment Policy

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- Effective Oct. 1, 2012
- Reduces Medicare inpatient payments for hospitals with higher than expected risk-adjusted readmission rates for certain conditions.
- Medicare payment reductions are capped at
  - 1% in FFY 2013
  - 2% in FFY 2014
  - 3% in FFY 2015
- Payments would be reduced by the lower of a hospital-specific readmissions adjustment factor or a pre-determined floor.
- Reduced Medicare payments for every discharge.

# Targeted MS-DRGs and Timelines

## Year 1: FY2012

- Heart failure
- Myocardial infarction
- Pneumonia

## Year 3: FY2014

- COPD
- CABG
- PTCA & other vascular procedures

## Year 4: FY2015

- Expand to other conditions (TBD)

# VBP Model

## HR 3590

### Sect 3008

## Medicare Readmissions Analysis

Estimated Impact of Proposed Payment Policy

### EXAMPLE

	Heart Attack	Heart Failure	Pneumonia
Number of Patients	196	531	800
Number of Readmissions (risk-adjusted)	36	131	142
Risk-Adjusted Readmission Rate	18.4%	24.6%	17.7%
U.S. 30-day Readmission Rate	19.9%	24.5%	18.2%
Statistical Relationship to U.S. Average	No different than U.S. National Rate	No different than U.S. National Rate	No different than U.S. National Rate
Predicted/Expected Ratio	0.92	1.00	0.97
Predicted/Expected Ratio - 1	0.00	0.00	0.00
Medicare Payments	\$752,400	\$1,541,800	\$2,124,000
Estimated Excess Payment	\$0	\$6,300	\$0

	Hospital Impact
Total Estimated Excess Payments	\$6,300
Total Medicare DRG Payments	\$62,131,100
Uncapped Payment Adjustment Factor	0.01%
Capped Payment Adjustment Factor	0.01%
Estimated Impact	(\$6,300)

\$\$\$ at Risk:

1% or \$621,311

2% or \$1.25 million

3% or \$ 1.9 million

#### Notes:

CMS does not provide statistical relationships for indicators with fewer than 25 cases, these are noted with the following message: "Number of Cases Too Small".

CMS calculates statistical confidence intervals for each hospital's readmission rate. If the hospital's readmission rate is within the U.S. average +/- the confidence interval, the rate is considered to be no different than the U.S. national rate.

The 1.0% cap is based on the U.S. Senate's Patient Protection and Affordable Care Act, as amended on December 19, 2009.

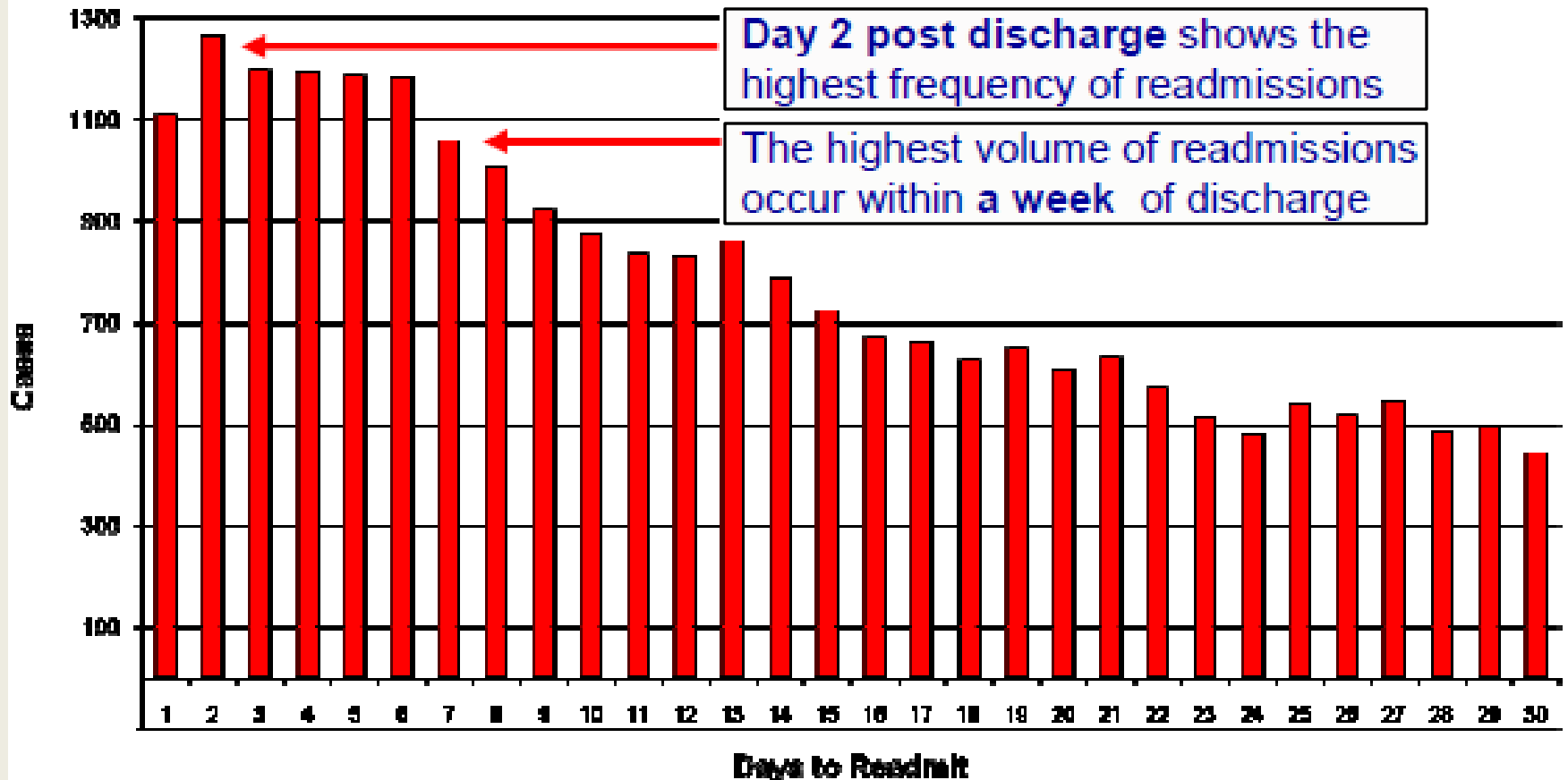
#### Data Sources:

Hospital and national readmission rates from CMS Hospital Compare, July 9 release. Data reflects aggregate data for three years: July 1, 2005 through June 30, 2008.

DRG payments from the 2008 Medicare Claims Database (MedPAR). Data reflects claims for the October 1, 2007 through September 30, 2008 rate year.

# When they come back...

N = 137,364



# IHI STAAR Initiative (STate Action on Avoidable Rehospitalizations)

## “VITAL FEW” TARGETS

### I. Perform Enhanced Admission Assessment for Post-Hospital Needs

- Include family caregivers and community providers as full partners in completing standardized assessments, planning discharge, and predicting home-going needs.
- **Reconcile medications upon admission.**
- Initiate a standard plan of care based on the results of the assessment.

### II. Provide Effective Teaching and Enhanced Learning

- Identify all learners on admission.
- Customize the patient education process for patients, family caregivers, and providers in community settings.
- Use “Teach Back” daily in the hospital and during follow-up phone calls to assess the patient’s and family caregivers’ understanding of discharge instructions and ability to perform self-care.

### III. Conduct Real-Time Patient and Family-Centered Handoff Communication

- **Reconcile medications at discharge.**
- Provide customized, real-time critical information to the next care provider(s).

### IV. Ensure Post-Hospital Care Follow-Up

- **High-risk patients:** Prior to discharge, **schedule a face-to-face follow-up visit** (home care visit, care coordination visit, or physician office visit) to occur within 48 hours after discharge.
- **Moderate-risk patients:** Prior to discharge, schedule a **follow-up phone call within 48 hours** and schedule a physician office visit within five days.

# Pharmacy's Role in Preventing Readmissions

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- Medication history and reconciliation at admission
- Early identification of medication related problems
- Prevention and detection of ADEs
- Identification of medication adherence issues
- Interventions to improve medication adherence
- Provision of medication education and patient medication management tools
- Identifying errors of omission for evidenced-based use of medications for chronic conditions
- Coordination of transitions in care upon discharge
- Post-discharge follow-up to assure appropriate medication use

# Infection Preventionist's Role in Preventing Readmissions: Focus on Pneumonia

Identify patients at risk for pneumonia at time of admission:

- Decreased mobility ⇒ **Surgery**
- Neurological impairment ⇒ **Hx of CVA**
- Guarded breathing ⇒ **Severe abdominal pain, chest tube**
- GI Issues ⇒ **Enteral feeding (ie, J-Tube, NGT), NPO**
- Ineffective Secretion Management ⇒ **Hx of aspiration; on any soft diet to prevent aspiration. Hx of COPD or pneumonia.**

# Implement “Bundle” Interventions for Prevention of Non-VAP

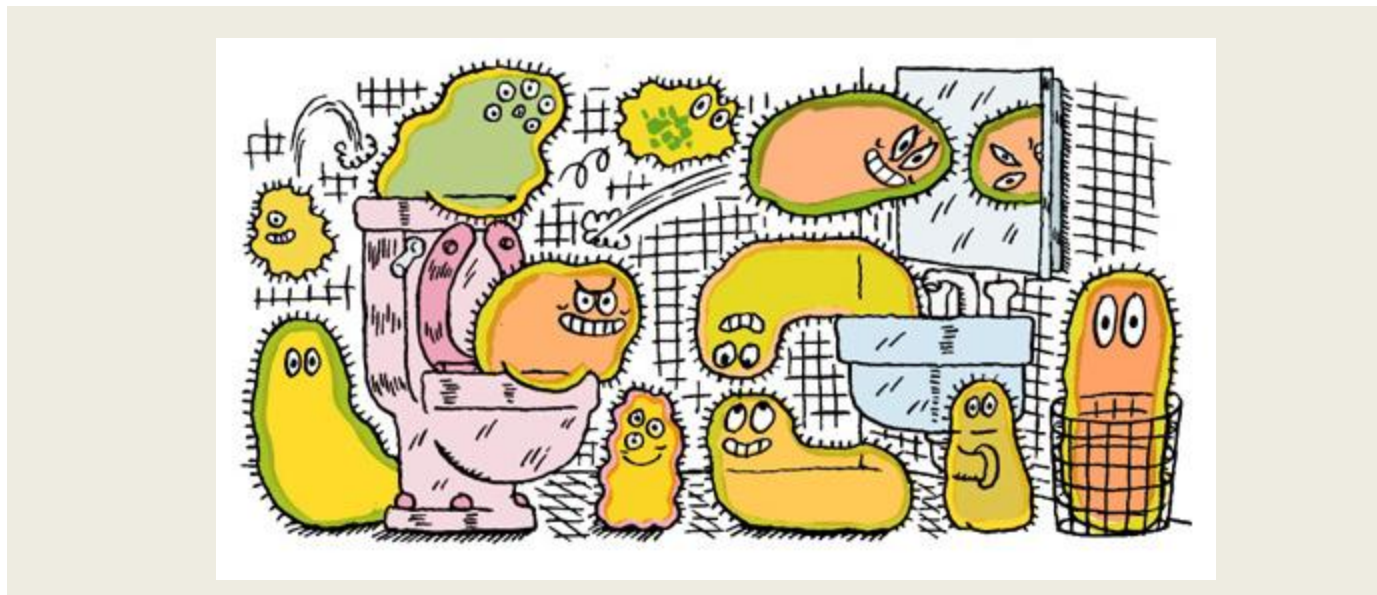
- Incentive spirometry
- Deep breath and cough
- Turn and reposition
- Out of bed with every meal
- Head of bed elevated 30 degrees
- Oral care (consider chlorhexidine)

**Measure compliance with interventions!**



**Consider Adding these “Bundle” Interventions for CA pneumonia**

# HEALTHCARE ASSOCIATED INFECTIONS



# Importance of Preventing Infections: 75% of HAIs in the Acute Care Setting

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- Catheter-associated urinary tract infections (34%)
  - Surgical site infections (17%)
  - Central line-associated bloodstream infections (14%)
  - Ventilator-associated pneumonia (13%)
- ★ In addition, infections associated with *Clostridium difficile* and MRSA also contribute significantly to the overall problem.

# Value Based Purchasing Follows HHS Action Plan on HAI

- CMS will incorporate the HHS Action Plan measures for infection prevention and outcomes into the Hospital Value-Based Purchasing (VBP) Plan methodology.
- CDC will provide data on measures to CMS via the NHSN
- Goals of HHS Action Plan
  - Improve regulatory oversight of hospitals and CMS oversight of the hospital accreditation program
  - Increase **quality, transparency, and accountability** through CMS Hospital Compare measures.

# HHS Action Plan on HAI

## 5 Year Goals

HAI or Initiative	National 5-Year Prevention Target
CLABSI	At least 50% reduction in central line-associated bloodstream infections in ICU and ward-located inpatients
CLIP Adherence Percentage	100% adherence with central line insertion practices
CAUTI	Reduce the CAUTI Standardized Infection Ratio (SIR) <sup>1</sup> by at least 25% from baseline in ICU and other locations
C diff 1	At least 30% reduction in hospitalizations with C. difficile per 1000 patient discharges
C diff 2	Reduce the facility-wide healthcare facility-onset C. difficile LABID event SIR by at least 30% from baseline

<sup>1</sup>A standardized infection ratio (SIR) can be used as an indirect standardization method for summarizing HAI experience across any number of stratified groups of data.

# HHS Action Plan on HAI: 5-Year Goals

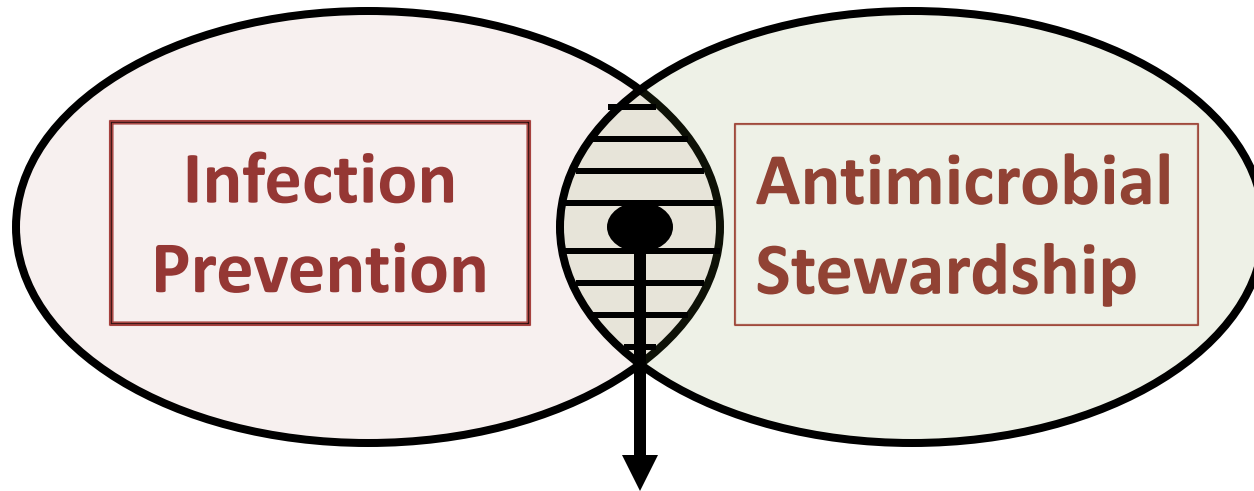
HAI or Initiative	National 5-Year Prevention Target
MRSA 1	At least a 50% reduction in incidence of healthcare-associated invasive MRSA infections
SSI	Reduce the admission and readmission SSI Standardized Infection Ratio (SIR) by at least 25% from baseline
SCIP	At least 95% adherence to process measures to prevent surgical site infections

# CMS/CDC Timelines for HAI

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- Central-Line Assoc. Blood Stream Infections (CLABSI)
  - CMS mandated reporting to NHSN starts January 2011!
  - Focus on insertion procedure and checklist
- Surgical Site Infections (SSI) will initiate in 2012

# Infection Prevention & Pharmacy Partnership



## HAI and MDRO Reduction

1. Optimal infection control to prevent HAIs
2. Optimal antimicrobial use to treat infections

# PATIENT SATISFICATION



# HCAHPS (Hospital Consumer Assessment of Healthcare Providers & Systems)

- Survey asks discharged patients 27 questions about recent hospital stay.
- Eight key topics:

- Cleanliness of environment
- Pain management
- Communication about medicines
- Discharge information

- Communication with doctors
- Communication with nurses
- Responsiveness of hospital staff
- Quietness of environment

- Administered to a random sample of adult patients across medical conditions between 48 hours and six weeks after discharge; the survey is not restricted to Medicare beneficiaries.

# Why focus on patient satisfaction?

## Quality

- Patient-centeredness is associated with hospitals that have safer, more effective care.
- Example: The percentage of patients who would definitely not recommend the hospital is positively correlated to statewide hospital readmission rates ( $r=.30$ ).

## Market competitiveness

- HCAHPS scores are public, and along with word-of-mouth recommendations, they are known to attract more patients, providers, and payers, all leading to a stronger revenue picture for hospitals.

*“When patients and their families feel respected, informed, and cared for in a timely way, it is reflected in the hospital’s Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) score.”*

Medicare.gov

Manage Your Health

Medicare Basics

Resource Locator

Help & Support

? Help | For Consumers | For Professionals

Medicare.gov Hospital Compare Home

# Hospital Compare

Where do you want to find a hospital?

## Search Information

Location - ZIP Code or City, State

e.g. 10009 or New York, NY

Search type [?]

- General
- Medical Conditions
- Surgical Procedures

Find Hospitals >



## Hospital Spotlight

### Are You a Hospital Inpatient or Outpatient?

Hospital Compare now includes information that will help consumers compare the quality of information available in hospital outpatient departments.

For more information about the differences between inpatients and outpatients, read our fact sheet, **Are You a Hospital Inpatient or Outpatient?**

## Additional Information

- ◆ View a list of Hospital Compare Contacts
- ◆ Download the Hospital Compare Database (Data Last Updated: October 7, 2010)

For each participating hospital, ten HCAHPS measures are publicly reported on the *Hospital Compare website*, [www.hospitalcompare.hhs.gov](http://www.hospitalcompare.hhs.gov).

# Sample of HCAHPS Questions

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1. How often was your pain well controlled?
2. How often did the hospital staff do everything they could to help you with your pain?
3. How often did the hospital staff tell you what your medication was for?
4. How often did the hospital staff describe possible side effects in a way you could understand?
5. Did you receive information in writing about what symptoms or health problems to look out for?



## Survey of Customers about Their Hotel Experiences Graphs

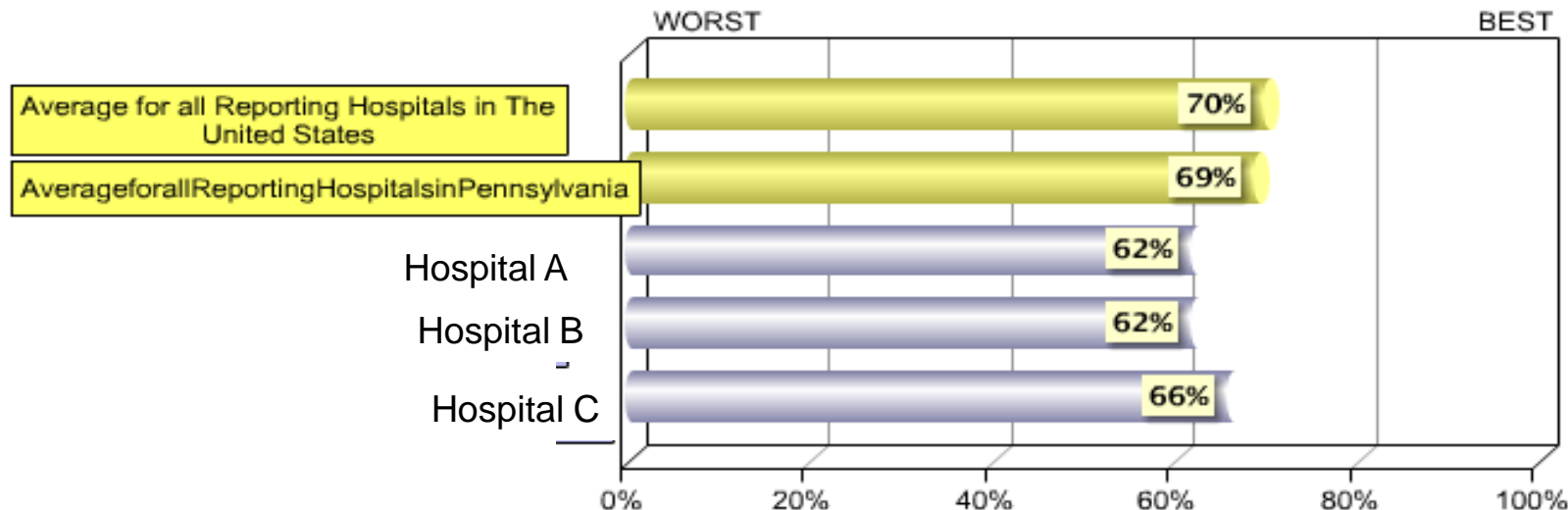
How often were the patients' rooms and bathrooms kept clean?

These results are from patients who had overnight hospital stays from January 2009 through December 2009.

Patients reported how often their hospital room and bathroom were kept clean.

Bars below tell the percent of patients who reported that their room and bathroom were "always" clean.

### How often were the patients' rooms and bathrooms kept clean?



# Infection Prevention Ideas:

## Decrease Level of Environmental Contamination

- Instituting feedback for Environmental Services with a black-light marker improved cleaning technique and reduced the frequency of MRSA and VRE contamination.
- Study also included increasing the volume of disinfectant applied to environmental surfaces and providing education for Environmental Services staff.
- Quantify, analyze, and report black-light marker “hits” after cleaning completed. (Data speaks louder than anecdotal observations)

# Pharmacists...

## Ideas for Improving HCAHPS

- “Meducation”: new medication instructions, target high-risk drugs or patients
- Medication Reconciliation: Assure patient gets med list, clarify discrepancies
- Pain management: identify difficult to manage patients
- Ensure pharmacists are interacting with patients
  - Develop pharmacy info flyer for all patients that explains value of pharmacists and services provided. Market your value!

# WRAPPING UP

# Global CMS VBP Initiatives Across the Continuum of Care

Now



- Hospital Pay for Reporting: Inpatient & Outpatient RHQDAPU & HOP QDRP

Next



- Hospital VBP Plan & Report to Congress
- Hospital-Acquired Conditions
- Efficiency measures: Cost per beneficiary

Future



- Physician Pay-for-Reporting: Effective Jan. 1, 2015
- Home Health Care Pay for Reporting
- Ambulatory Surgical Centers Pay for Reporting
- ESRD Pay for Performance

# Health Care Reform Reference Sites

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- **Health Care Reform HR 3590 (Final version)**
  - <http://www.govtrack.us/congress/bill.xpd?bill=h111-3590>
- **CMS Pay-for-Performance Initiatives**  
<http://www.cms.hhs.gov/apps/media/press/release.asp?counter=1343>
- **CMS HI-QDRP measures and related information**
  - <https://www.cms.gov/HospitalQualityInits/>
- **Hospital Compares Website**
  - [www.hospitalcompare.hhs.gov](http://www.hospitalcompare.hhs.gov)
- **Hospital Value Index: Rankings for over 4,500 hospitals**  
<http://hospitalvalueindex.com/>

# Readmissions / Health Care Reform Information Sources

- Current tool kits from
  - IHI (STAAR Initiative)
    - <http://www.ihl.org/IHI/Programs/StrategicInitiatives/STateActiononAvoidableRehospitalizationsSTAAR.htm>
  - CMS resources: Community Care Transitions Program (CCTP)
    - Demonstration project stages
    - [http://www.cfmc.org/caretransitions/files/rem\\_ja10-care\\_transitions.pdf](http://www.cfmc.org/caretransitions/files/rem_ja10-care_transitions.pdf)
- Published data regarding care improvements for discharge transitions
  - (*Arch Intern Med.* 2006;166:565-571)
  - (*Arch Intern Med.* 2006;166:1822-8)

# Questions and Discussion

