

Anatomy & Physiology of CMS Pay for Performance

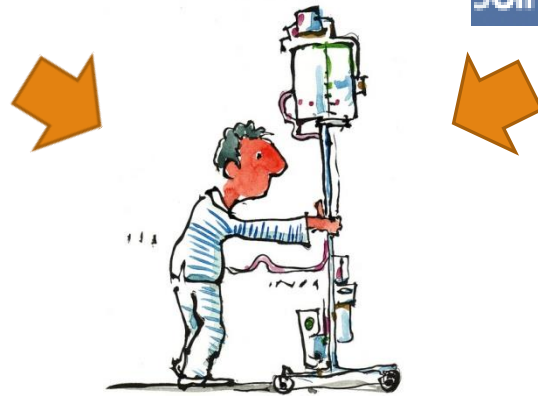
JO ANN BROOKS PHD, RN, FAAN, FCCP

SYSTEM VP SAFETY & QUALITY

OCTOBER 15, 2015

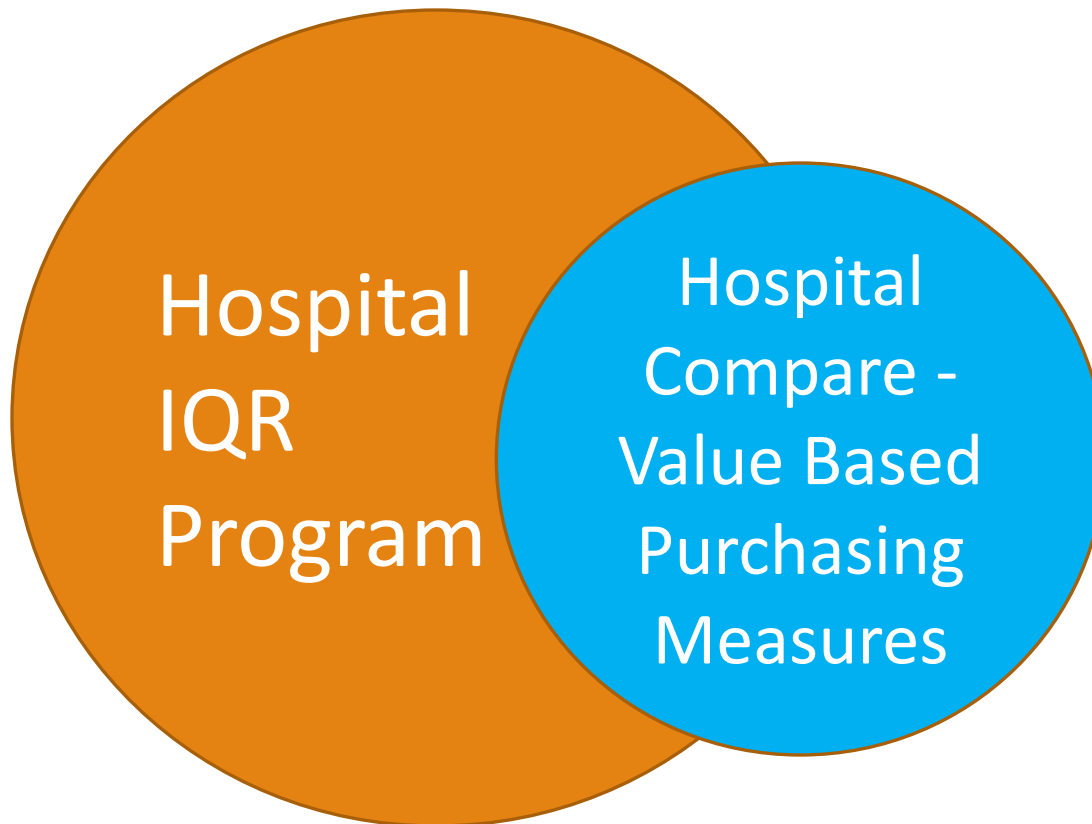
Connecting the Dots....

Value Equation=
QUALITY
COST



Hospital Inpatient Quality Reporting Program

Pay for Reporting → **Pay for Performance**



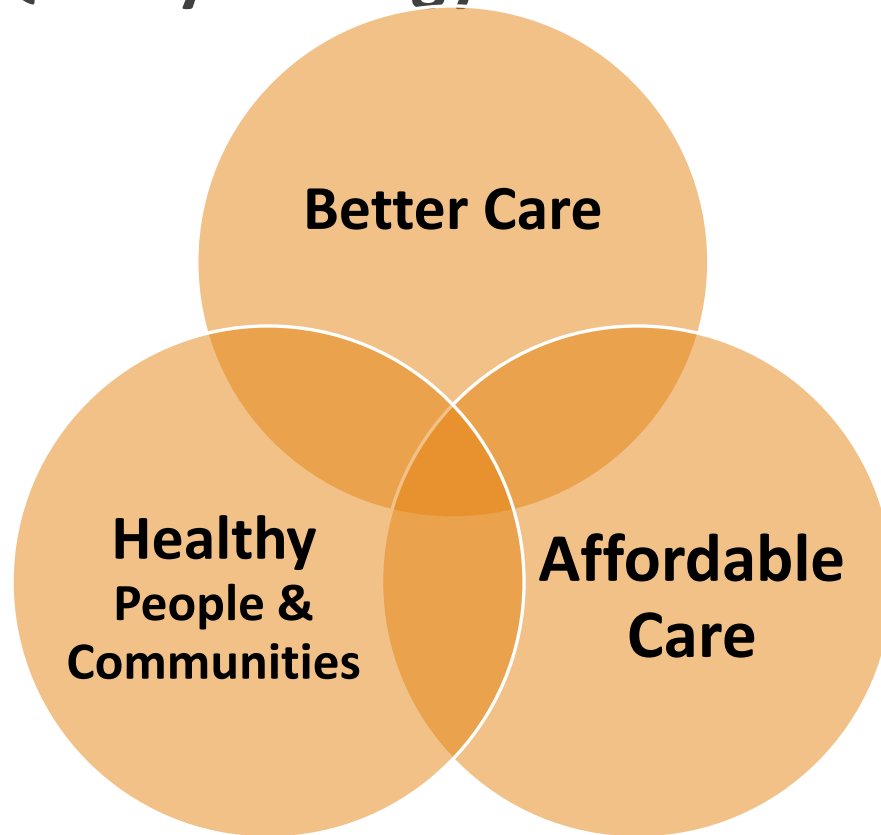
Healthcare Reform Quality Programs



MEDICARE

Affordable Care Act (ACA 2010)

National Quality Strategy



ACA Initiatives to Improve Care

Improve the overall quality & efficiency of health care

- **Hospital Value-Based Purchasing**
- **Hospital Readmissions Reduction Program**
- **Hospital-Acquired Conditions Reduction Program**
- Physician Quality Reporting System
- Physician Value-Based Modifier
- Physician Compare Website

Value Based Purchasing



Value-Based Purchasing

- Started October 1, 2012 (start of federal fiscal year 2013)
- Quality incentive program built on the Hospital Inpatient Quality Reporting (IQR) measure reporting infrastructure
- Both a bonus or penalty program depending on hospital performance
- Impacts base operating DRG payment \$\$\$
- Budget neutral → winners & losers

Terms

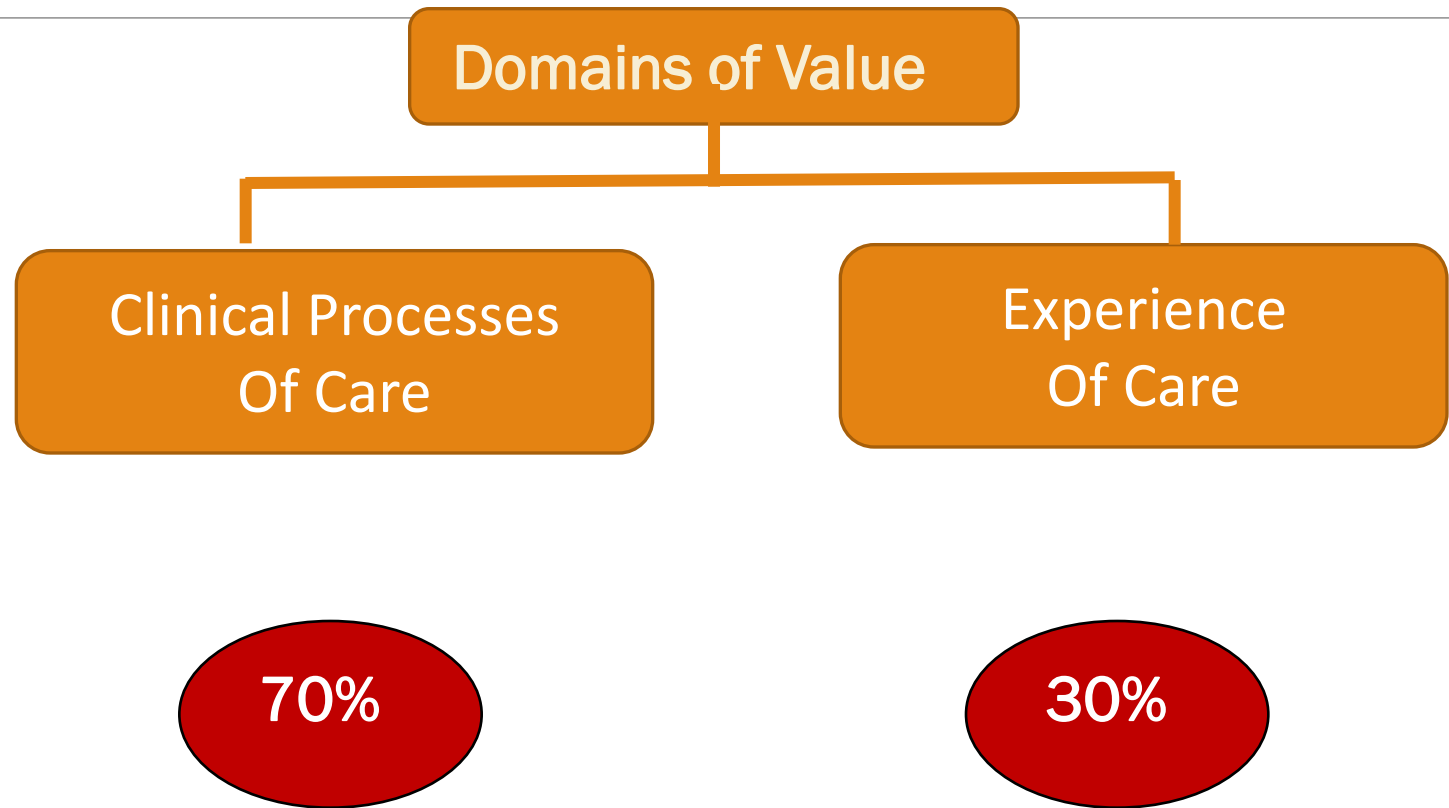
Measures—cannot be selected for VBP until they have been posted on Hospital Compare for one year

Domain—construct or grouping of measures

Domain weighting—each domain is weighted to calculate Total Performance Score

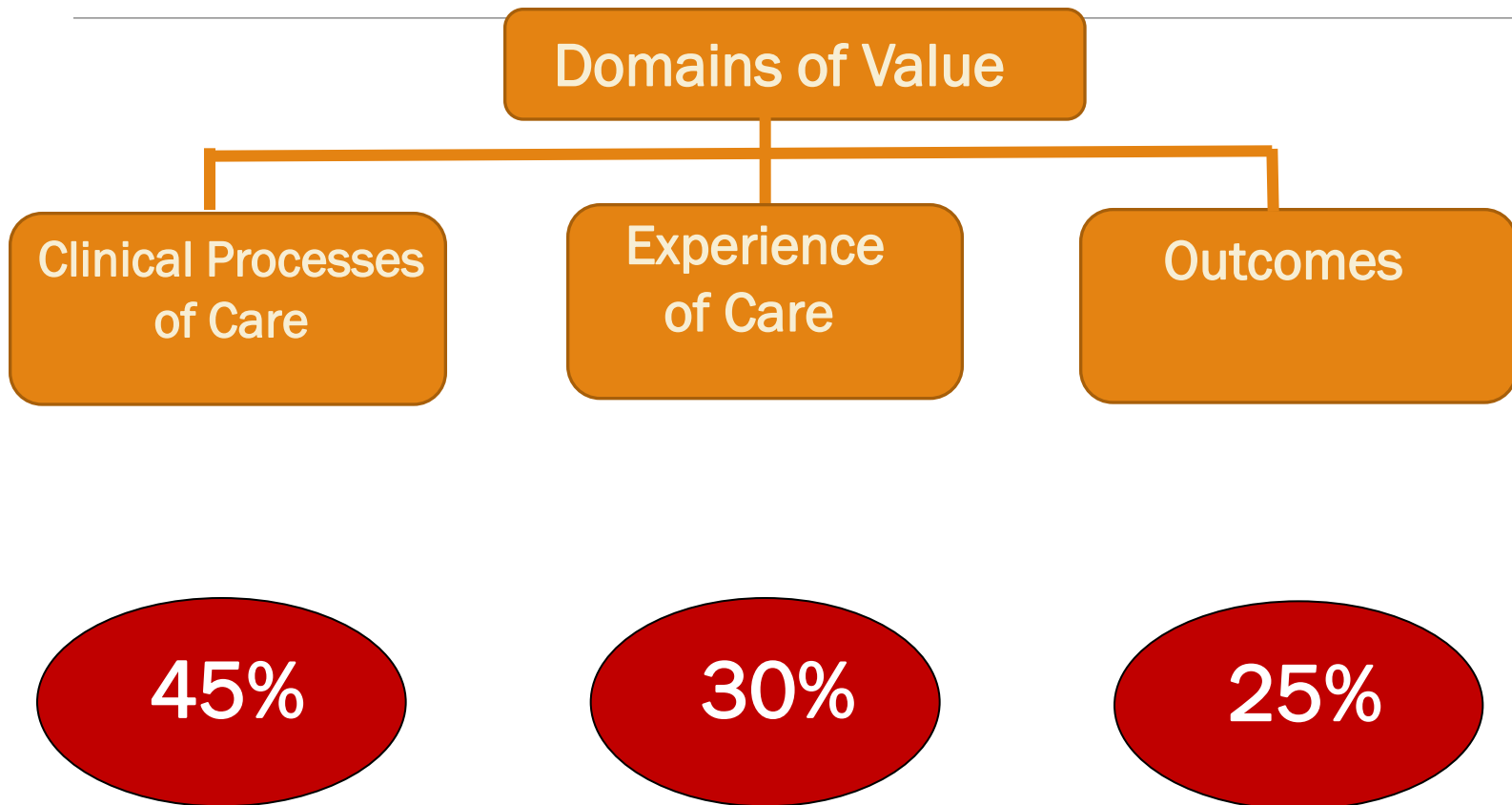
Total Performance Score—assessed on measures that comprise domains

CMS VBP Program 2013



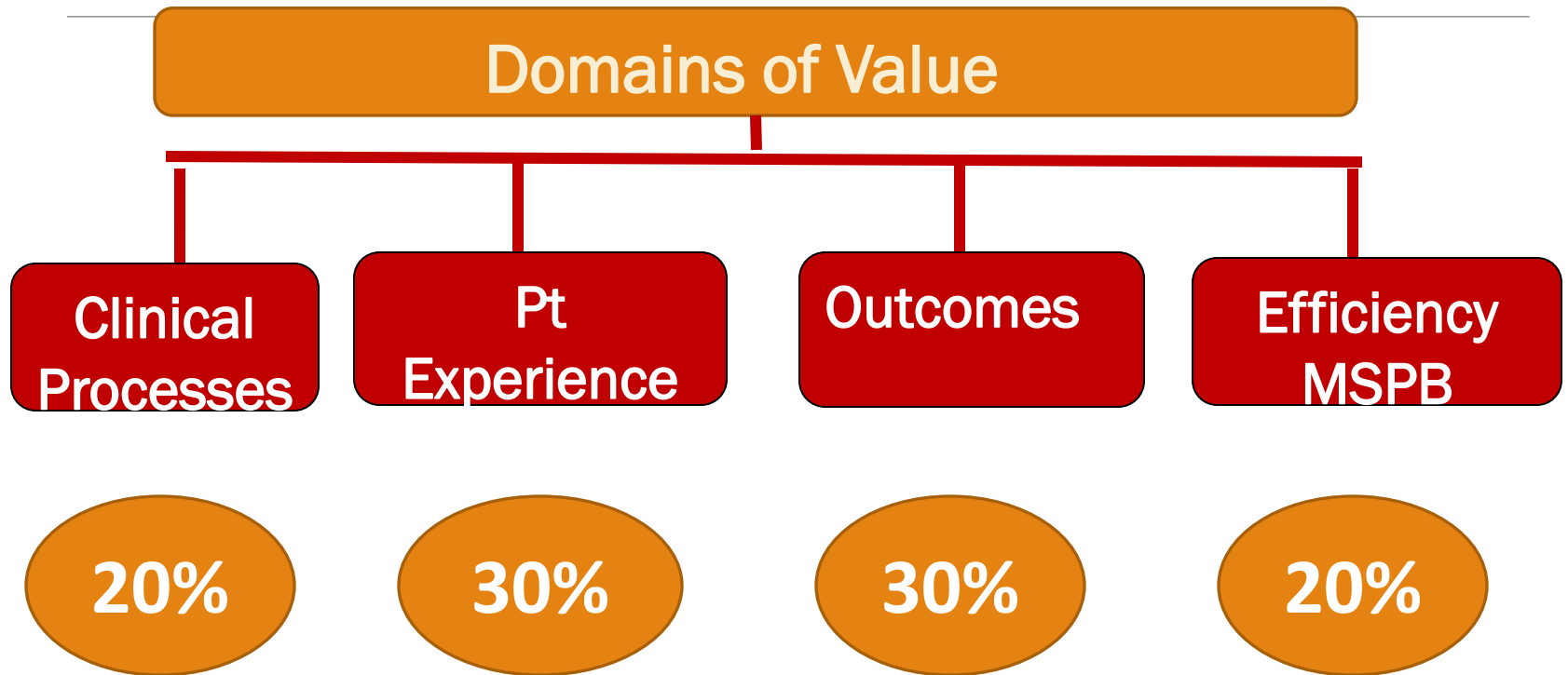
Results impacted Medicare Payment Starting October 1, 2012

CMS VBP Program 2014



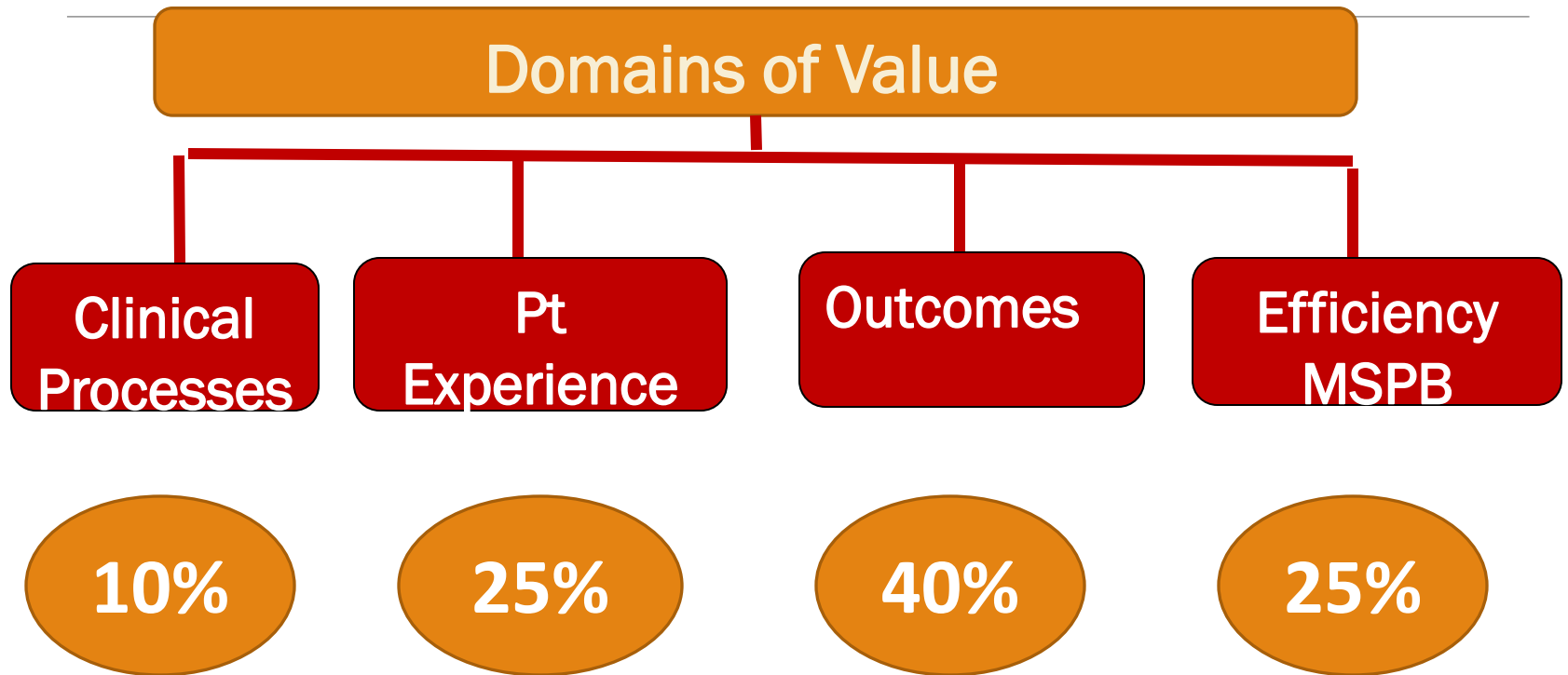
Results impacted Medicare Payment Starting October 1, 2013

CMS VBP Program 2015



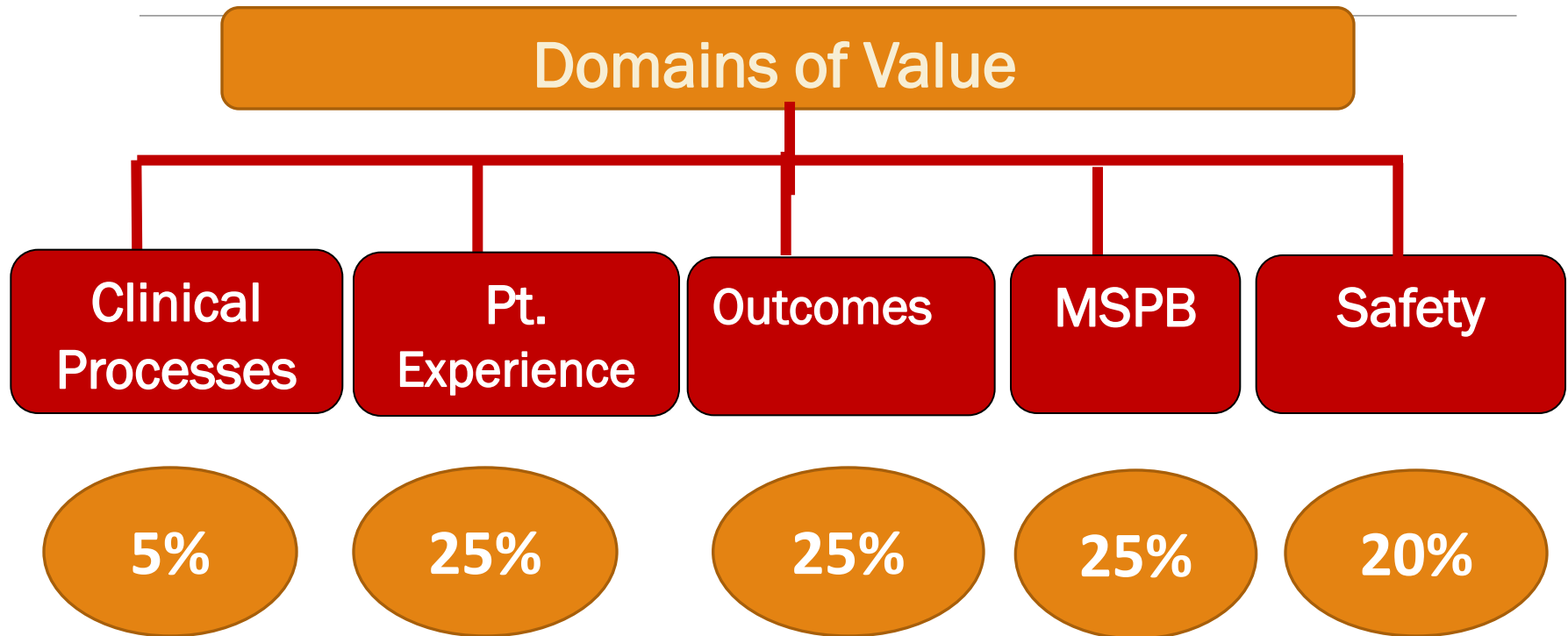
Results impacted Medicare Payment Starting October 1, 2014

CMS VBP Program 2016



Results impact Medicare Payment Starting October 1, 2015

CMS VBP Program 2017



Results impact Medicare Payment Starting October 1, 2016

VBP FY2017

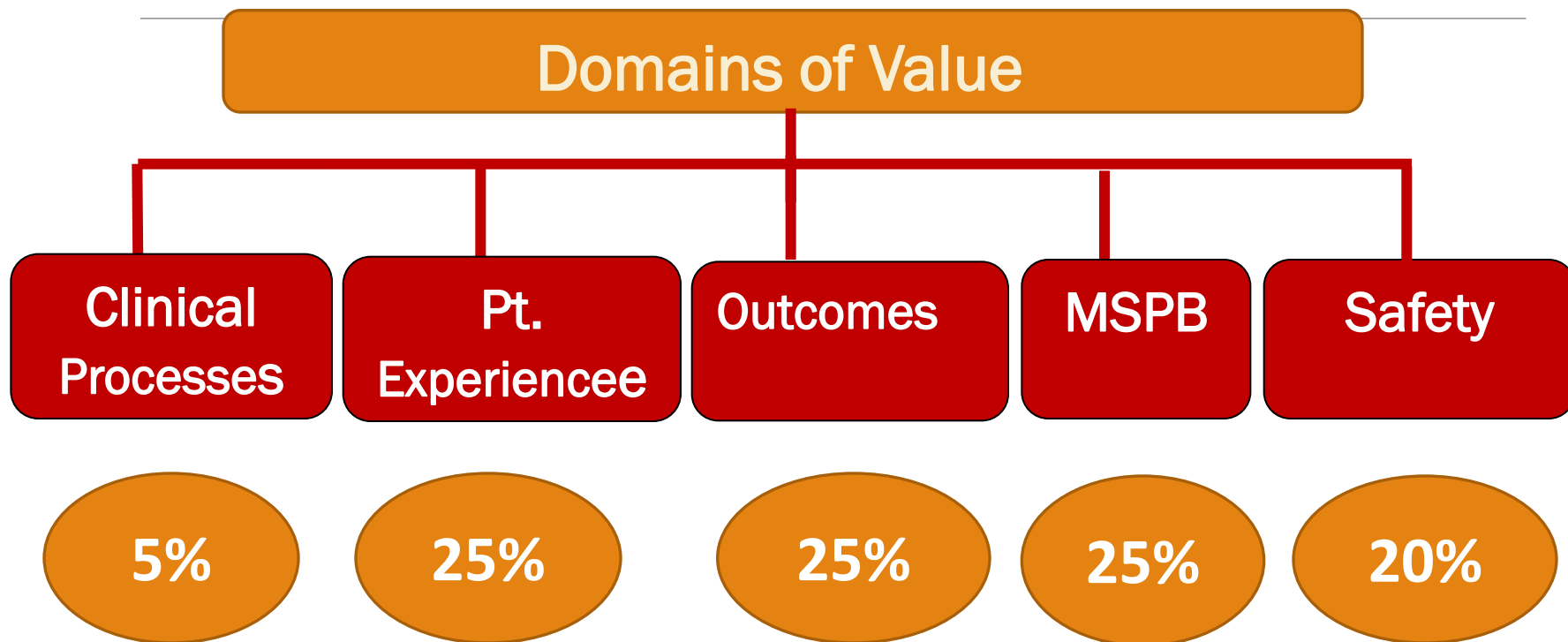
In VBP FY2017 “performance period”

VBP FY2017 will close 12/31/15

Data analyzed through first 6-9 months of 2016;
finalized by October 1, 2016

Penalty or reward that a hospital receives will
take effect October 1, 2016 (start of federal
fiscal year 2017)– why it is called VBP FY2017

CMS VBP Program 2017



Results impact Medicare Payment Starting October 1, 2016

Value Based Purchasing FY2017

Clinical process of care (3 measures)

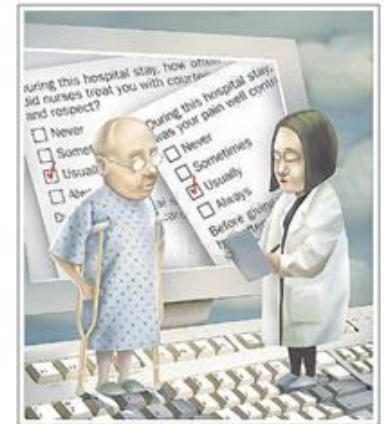
- AMI Fibrinolytic agent within 30 min arrival
- IMM Influenza immunization
- PC-01 Elective delivery prior to 39 completed weeks of gestation



Value Based Purchasing FY2017

Patient Experience

- ✓ Communication with nurses
- ✓ Communication with doctors
- ✓ Responsiveness of hospital staff
- ✓ Pain management
- ✓ Communication about medicines
- ✓ Cleanliness and quietness of environment
- ✓ Discharge information
- ✓ Overall rating



Value Based Purchasing FY2017

Outcomes (3 measures)

- 30 day mortality, AMI
- 30 day mortality, heart failure
- 30 day mortality, pneumonia

Value Based Purchasing FY2017

Safety

- AHRQ PSI-90 composite
- Central line asso. blood stream infection (CLABSI)
- Catheter asso. urinary tract infection (CAUTI)
- Surgical site infection (SSI) colon, abd hysterectomy
- C. difficile
- Methicillin resistant staph aureus (MRSA)

PSI-90 Composite (all rates)

PSI-08	Postop hip fracture
PSI-12	Postop PE/DVT
PSI-03	Pressure ulcer
PSI-07	Central venous CR blood stream infection
PSI-13	Postop sepsis
PSI-16	Iatrogenic pneumothorax
PSI-14	Postop wound dehiscence
PSI-15	Accidental puncture & laceration

Value Based Purchasing FY2017

Efficiency--Medicare spending per beneficiary (MSPB)

- For Medicare beneficiaries who are hospitalized
- Defined as spending 3 days prior, the hospitalization & 30 days post discharge

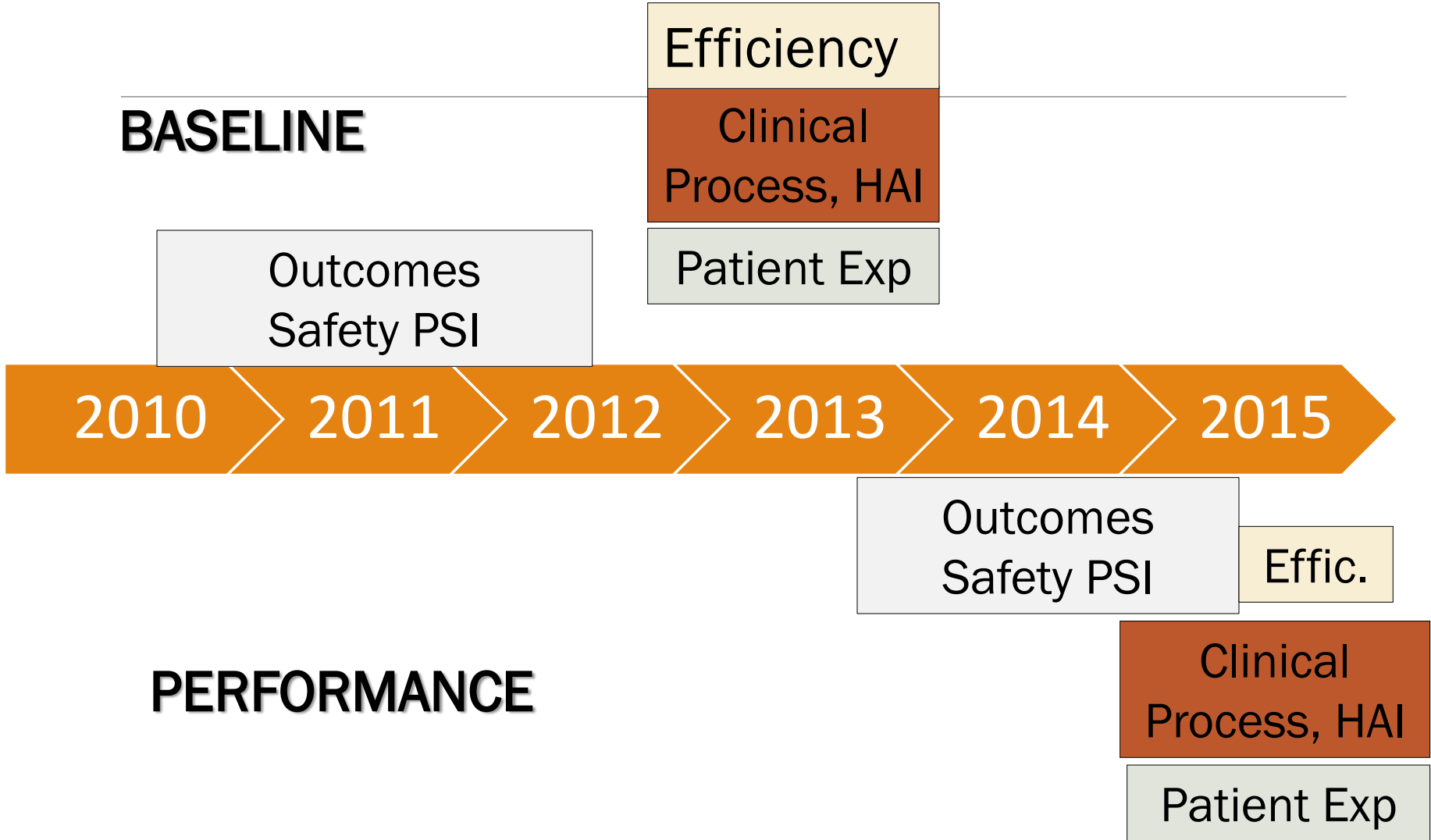


Measures

Each domain has a baseline & performance period

- Performance period determines achievement
- Difference between baseline & performance period determines improvement

FY 2017 VBP—The Clock is Ticking...

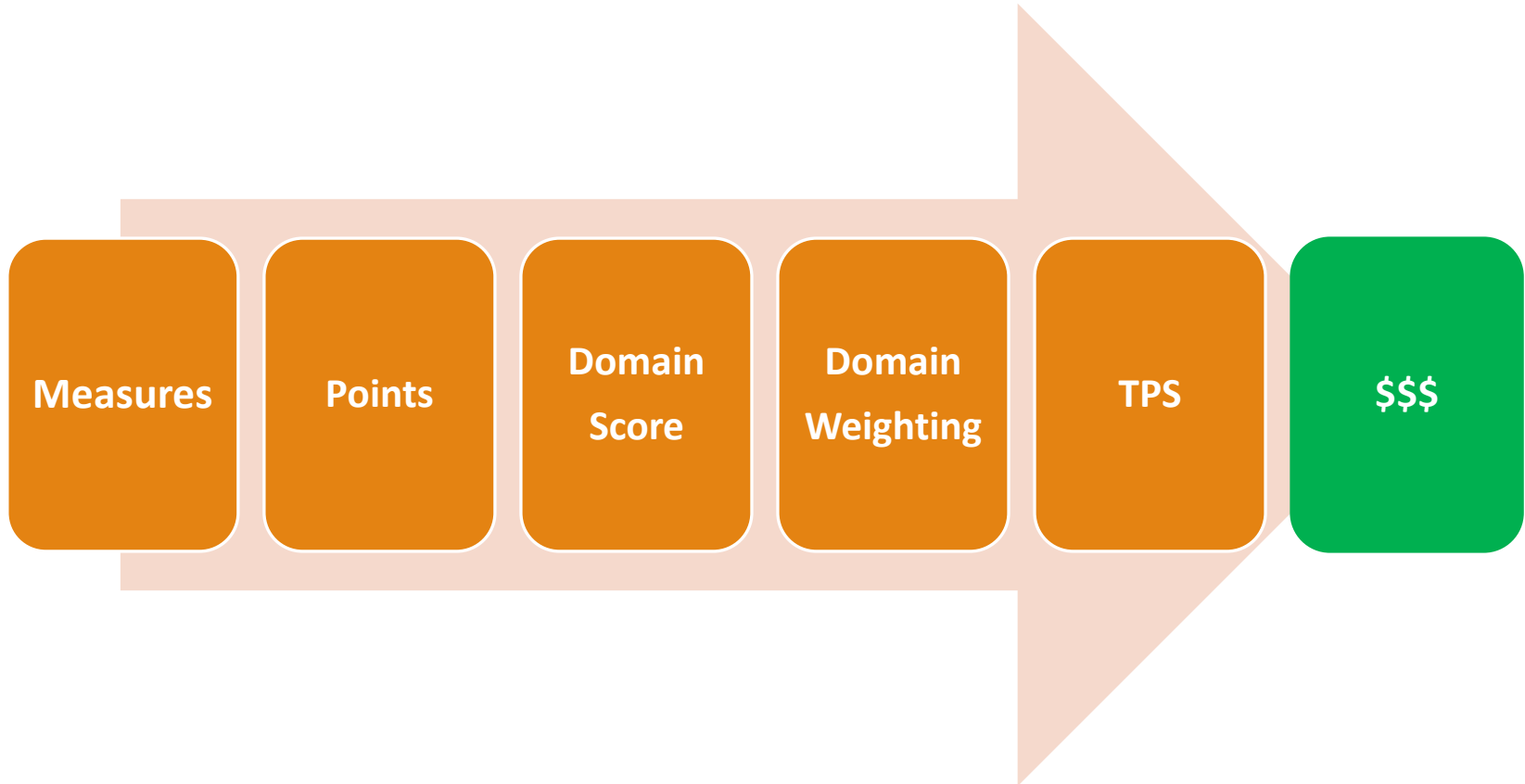


Points/Scoring

Each hospital receives two scores on each measure

- Achievement Points
- Improvement Points
- The final score for a measure is the higher of the two

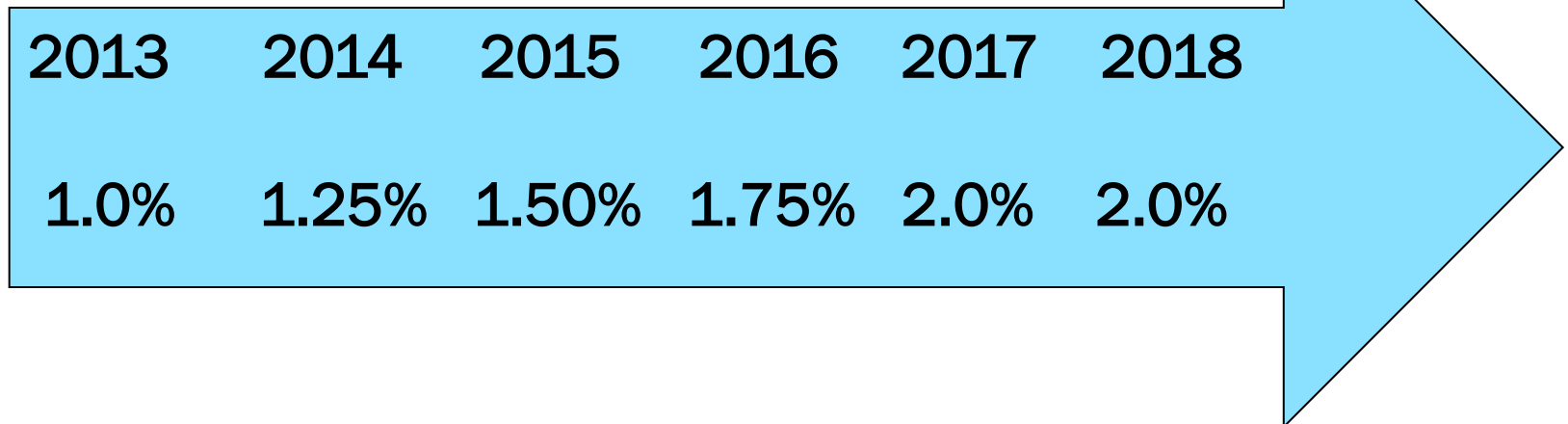
The Process



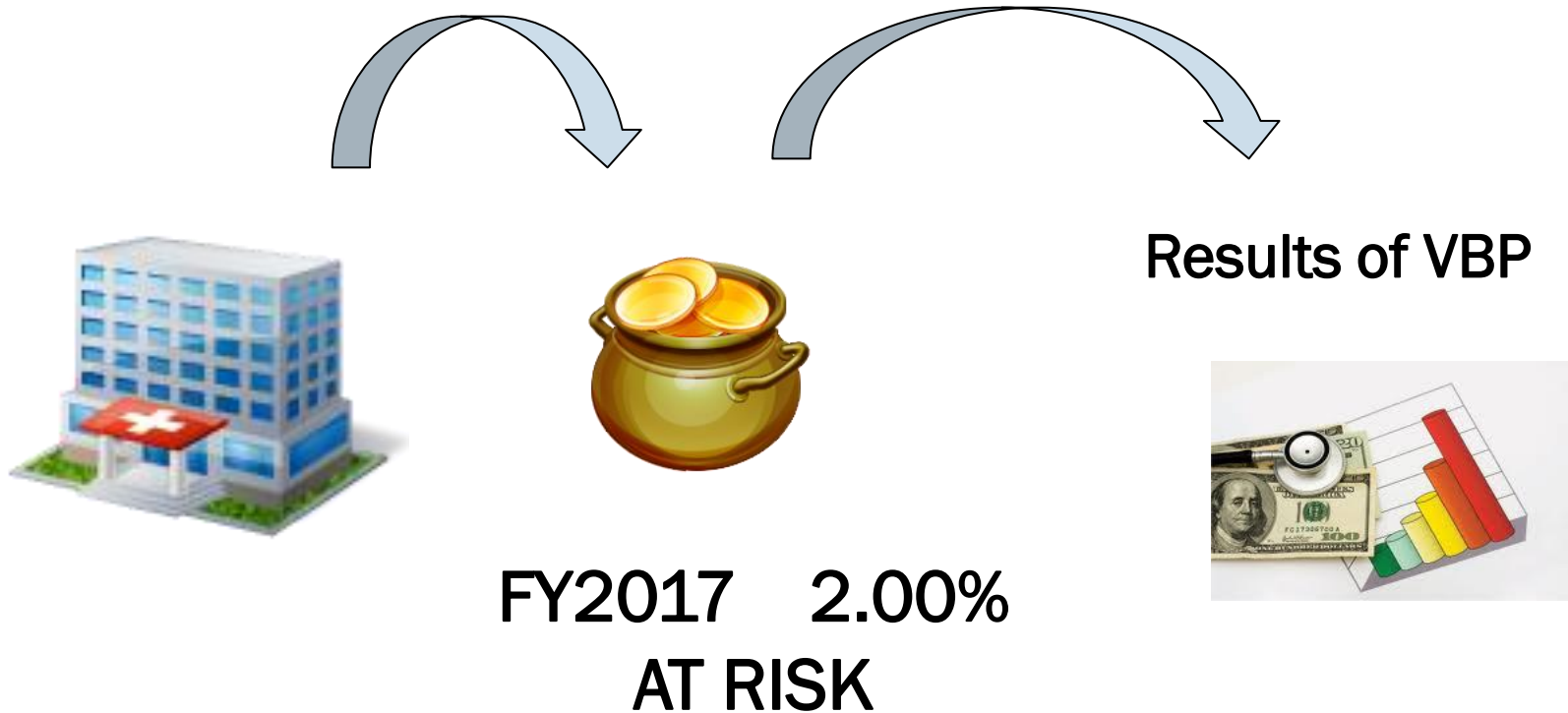
Hospital VBP Program--Basics

Funded by a reduction from participating hospitals' Diagnosis-Related Group (DRG) payments for each year of program

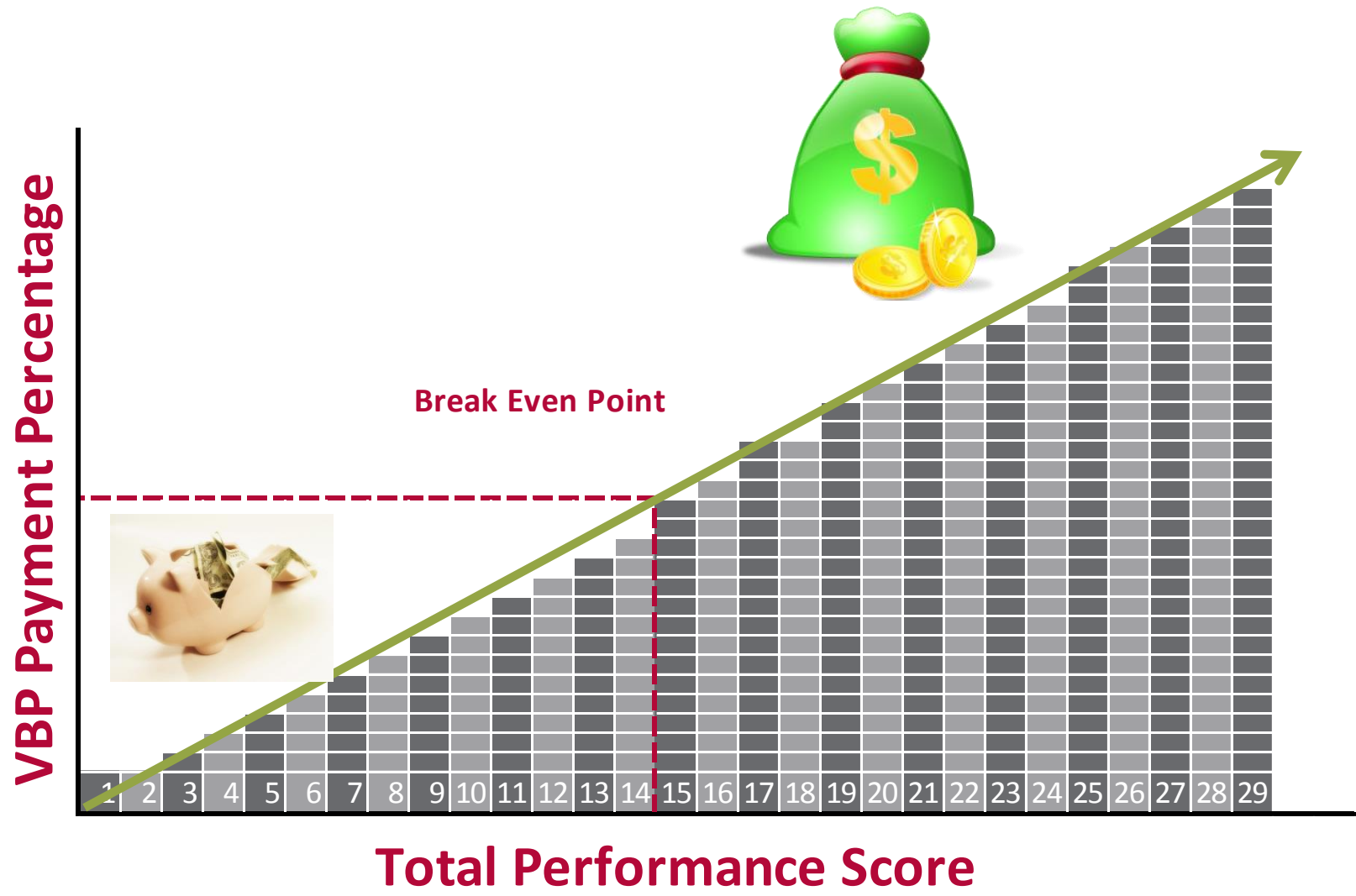
Amount of money at risk:



How the Program Works



Overview of VBP Scoring Methodology



Changes in VBP FY2018

Remove two Process Measures

- Influenza immunization
- Fibrinolytic therapy within 30 min for AMI

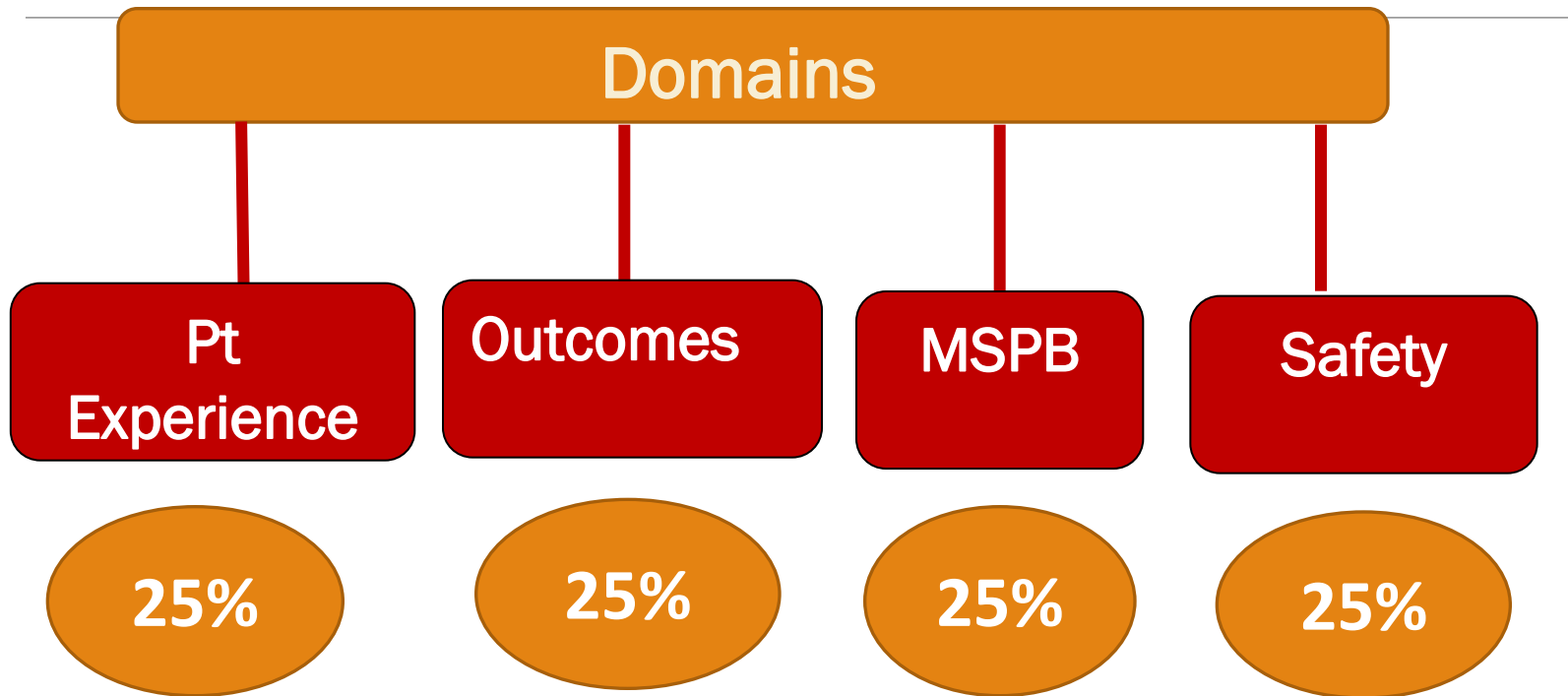
Move perinatal care measure to Safety Domain and delete Process Domain

Patient Experience Domain

- Add 3 item Care Transition Measures

FY2018 4 domains equally weighted—outcome, safety, patient experience, efficiency

CMS VBP Program 2018



Results impact Medicare Payment Starting October 1, 2017

Changes in VBP FY2019 and Beyond

FY2019 Start new process of reporting HAI data

FY2019 Include CAUTI and CLABSI in non-ICU areas

FY2021 New measure of hospital 30day all cause risk standardized mortality--COPD

Hospital Readmission Reduction Program



Hospital Readmission Reduction Program

ACA—plan to save \$8 billion dollars over 10 yrs.

Started with 3 diagnoses/conditions

- Acute myocardial infarction
- Heart failure
- Pneumonia

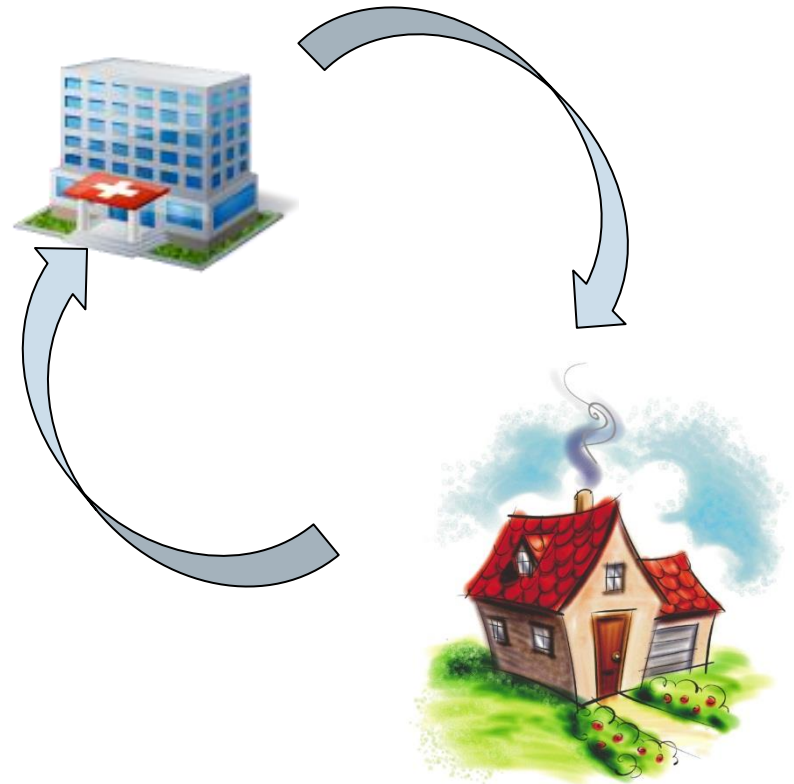
Penalty up to:

- 1% 2013
- 2% 2014
- 3% 2015 and beyond

Hospital Readmission Reduction Program 2017

All cause readmission

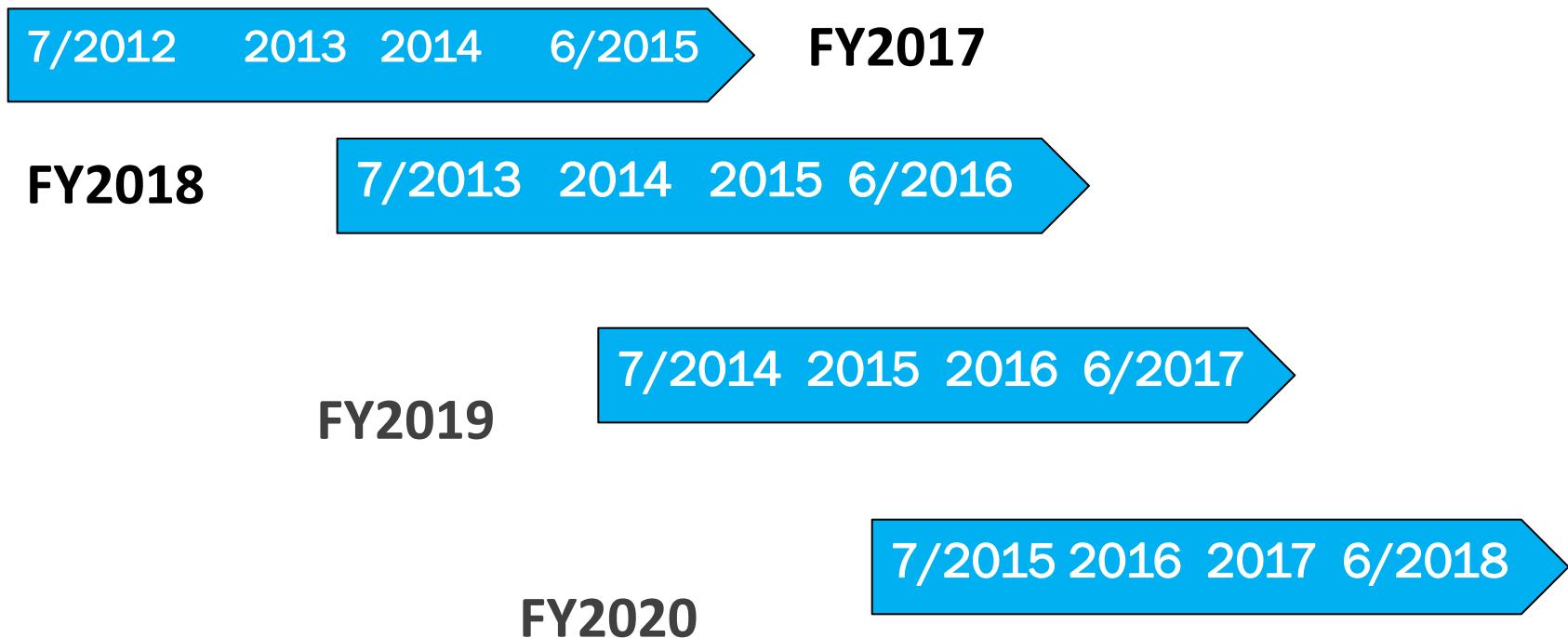
- AMI
- HF
- PN
- COPD
- Elective Hip Arthroplasty
- Elective Knee Arthroplasty
- CABG (2017)



Three year rolling period July 2012-June 2015

Hospital Readmission Reduction Program

Three year rolling period



2016 Regulations

Expand measure cohort for pneumonia

Include discharge diagnosis:

- aspiration pneumonia
- sepsis who also have a secondary diagnosis of pneumonia on admission
- Will increase number of pts

Hospital Acquired Conditions Program



Hospital Acquired Conditions Program

Is a penalty program

ACA – plan to save \$3.2B over 10 years

Hospitals in the top quartile for HACs get 1% penalty (all Medicare dollars)

In first year of program 2015, 54% of academic health centers received a penalty

Hospital Acquired Conditions 2017

DOMAIN 1 PSI 90 15% **DOMAIN 2 HAI 85%**

PSI-08 Postop hip fracture

PSI-12 Postop PE/DVT

PSI-03 Pressure ulcer

PSI-07 Central venous CR blood
stream infection

PSI-13 Postop sepsis

PSI-16 Iatrogenic pneumothorax

PSI-14 Postop wound dehiscence

PSI-15 Accidental puncture &
laceration

CLABSI

CAUTI

SSI Colon, abdominal
hysterectomy

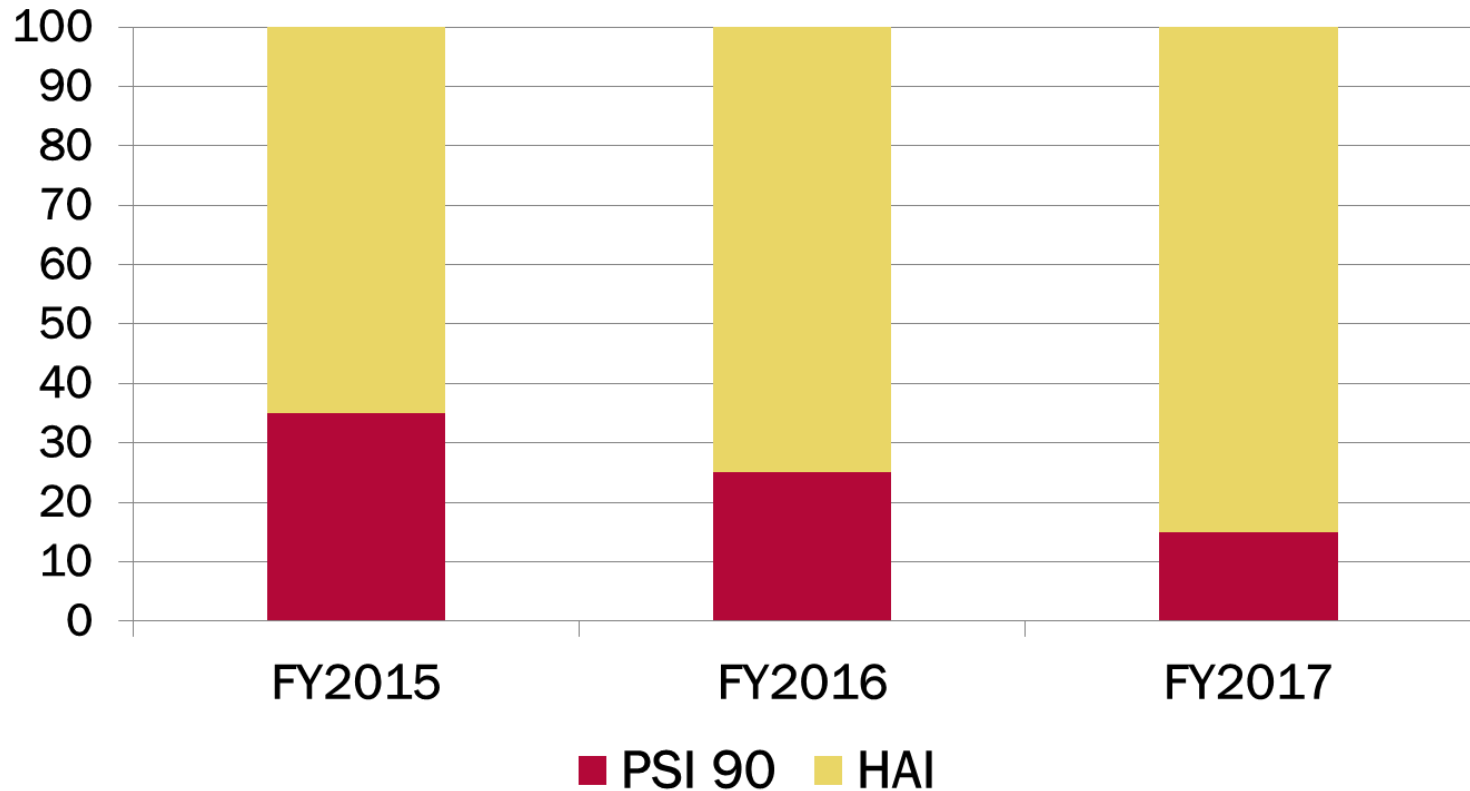
C. difficile

Meth resistant staph aureus

Jan 2014 to December 2015

July 2013 to June 2015

Domain Weighting (%) for HACs



Percent of Base DRG Payments at Risk

Potential to
Have
6% at Risk
By 2017

FED FISCAL YEAR	VBP	READMISSIONS	HAC*	TOTAL
2013	1.00%	1.00%		2.00%
2014	1.25%	2.00%		3.25%
2015	1.50%	3.00%	1.00%	5.50%
2016	1.75%	3.00%	1.00%	5.75%
2017	2.00%	3.00%	1.00%	6.00%

*HAC is more than DRG base payment

