



What Hospitals Should Do: CMS Payment Policy for Hospital Acquired Conditions

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Hospital Response to CMS Payment Policy for Hospital Acquired Conditions

- ▶ Support & Accept the Policy – payment based on resource consumption and quantity is hard to defend
 - ▶ ...Or at least be resigned to it – Value-Based purchasing is the right thing to do
- ▶ The Obvious:
 - ▶ Determine the how policy will impact organization
 - ▶ Low impact – many exceptions, dollar impact may be low
 - ▶ Disproportionate impact – indicator of bigger things to come, reflection of systemic quality problems
 - ▶ Identify areas of risk and implement evidence-based best practices to reduce these risks

Hospital Response to CMS HAC Policy

- ▶ Learn from adverse events
 - ▶ Many adverse events are the still the result of “classic” system failures and at risk behaviors
- ▶ Evaluate processes, measure results
- ▶ Report results -- Internally & Externally
- ▶ Hold Gains
- ▶ Participate in high quality research
 - ▶ best evidence
 - ▶ best process
 - ▶ best measures

Hospital Response to CMS HAC Policy

Less reactive, more measured



Manage multiple external and internal forces



The Measured Response is Often Difficult

- ▶ Easier to respond to each new policy, regulation and initiative as it comes along
 - ▶ But we succeed in confusing staff and diluting priorities
- ▶ Not only do organizations have competing quality & safety priorities, but often there is tension among multiple organizational values
 - ▶ Safety
 - ▶ Fiscal stewardship
 - ▶ Access
 - ▶ Customer Service
 - ▶ Equity
 - ▶ Privacy...

Hospital Response to CMS HAC Policy: Leadership Responsibilities

Leaders must:

- ▶ Assess risks
 - ▶ design the systems to produce the desired results for each organizational value
 - ▶ hold staff accountable for behaviors

- ▶ Set the priorities

- ▶ Help staff make sense of organizational priorities -- connect the dots

CMS Hospital Acquired Conditions Policy: Challenges & Concerns

- ▶ CMS stated goals of improved quality, reduced adverse events & enhanced patient centeredness are indirect results of Value-Based Purchasing
 - ▶ Policy alone provides no direct guidance or requirement on how best to achieve result
 - ▶ Assume payment differential will motivate hospitals to produce desired result
 - ▶ Assume hospitals have the knowledge & skills to improve
- ▶ VBP DOES remove barriers and nonsensical incentives

CMS Hospital Acquired Conditions Policy: Challenges & Concerns

- ▶ **Renewed focus on attribution**
 - ▶ Preoccupation with individual vs. system responsibility
 - ▶ Who gets paid? Who does not? Why?
- ▶ **Potential distortion of administrative data base**
 - ▶ Role of “coder”– to provide data for improvement or maximize payment?
 - ▶ Promise of EHR not yet a reality
- ▶ **To the extent that hospital acquired conditions still occur, who will pay?**
 - ▶ Major events – hospital liability insurers?
 - ▶ Minor complication – all of us?

Leaders Set the Course...

- ▶ Forces for Change –
 - ▶ CMS VBP is a new and significant force
 - ▶ But so are State Regulations, JCAHO, IHI, NQF, Leapfrog, local collaborative efforts, internal initiatives...

- ▶ Avoid going wherever the wind blows you

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