



**American Hospital
Association**

**Value Based Purchasing:
The CMS Plan**

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or



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American Hospital
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- **Link hospital and physician incentives**
- **Use positive, not negative, incentives**
- **Challenging in system that currently underpays for care**
- **Move cautiously given untested nature of P4P**
- **Select measures collaboratively --- NQF endorsed, HQA adopted**
- **Assess impact of plan on performance and patient**



- **Common Messages**
 - If P4P programs vary as much as current quality data collection programs, simply create confusion
 - Need to harmonize messages for different providers
- **How much “pay” is enough to spark desired action?**
- **P4P plans built on top of extant payment systems --- which have their own quirks**



- **Would reward both improvement and attainment**
- **Elaborate “point system”, with minimum attainment *thresholds* and *benchmarks* for high performance**
 - **Sliding scale score of 0-10 points for attainment**
 - **Sliding scale score 0-9 points for improvement over prior year**
- **Phases system in over period of 3 years**

- **Includes patient experience as well as clinical measures**
- **Anticipates some experience with measures before link to payment**
- **Improves validation process and appeals process**

- Does not link hospital and physician incentives
- Withholds 2-5% of base DRG payments (too much for an untested system)
- Likely used to reduce payments to hospitals (scored savings in President's 2008 Budget)
- Does not ensure NQF/HQA role in selection of measures
- No independent evaluation process