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St. Helena Hospital
Adventist Health

Hospital P4P: The CMS/Premier Hospital Quality Incentive Demonstration Project

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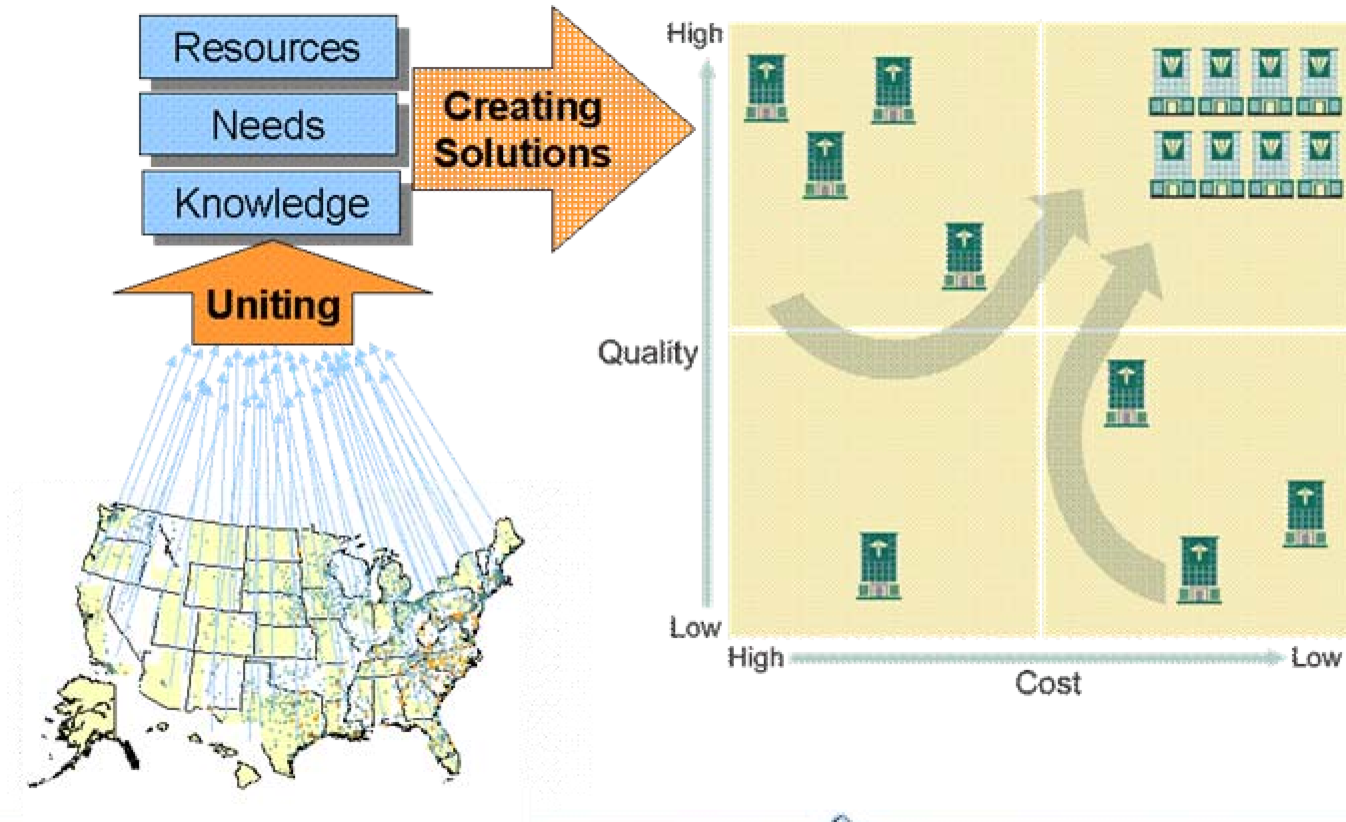
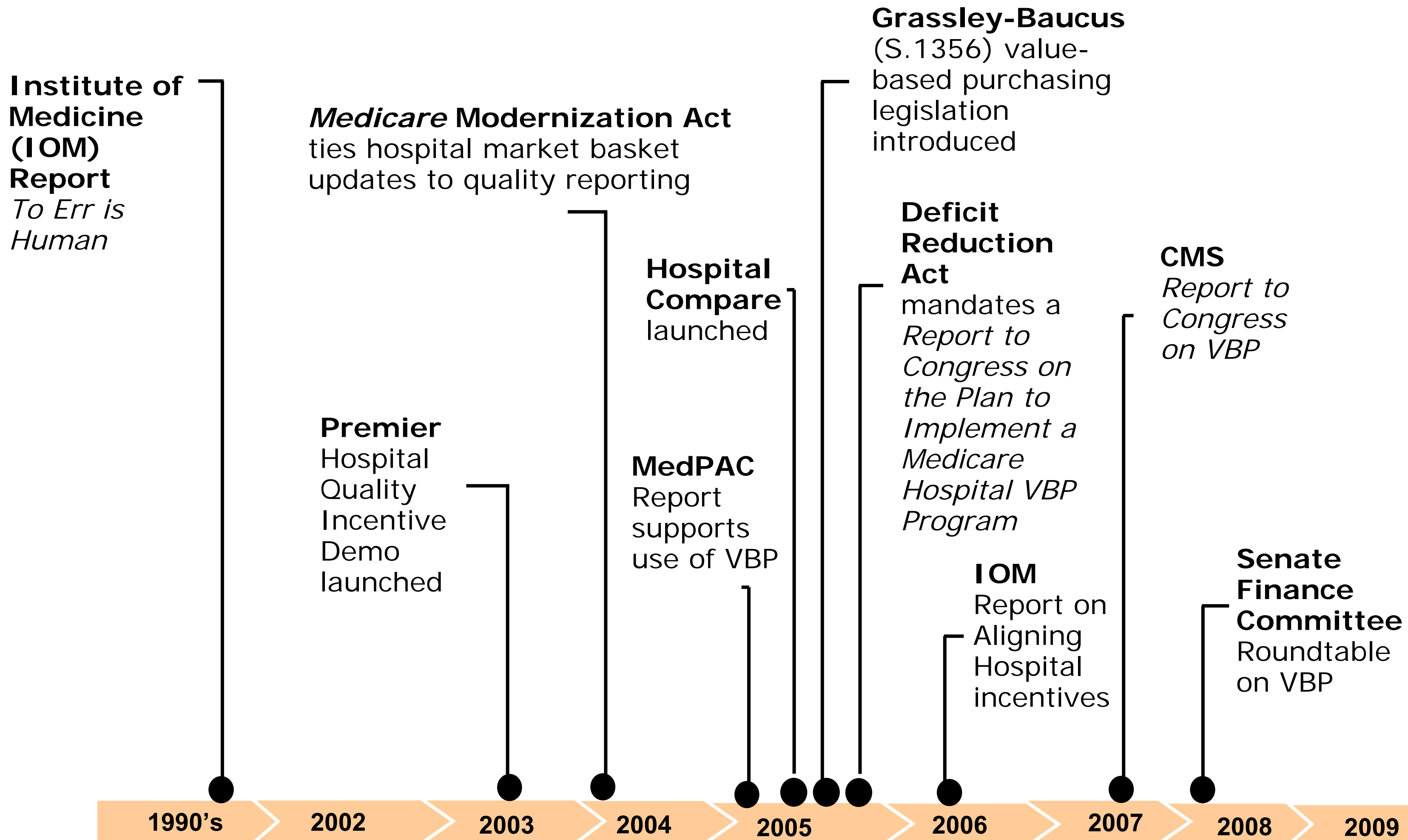
Nationwide knowledge to improve local healthcare

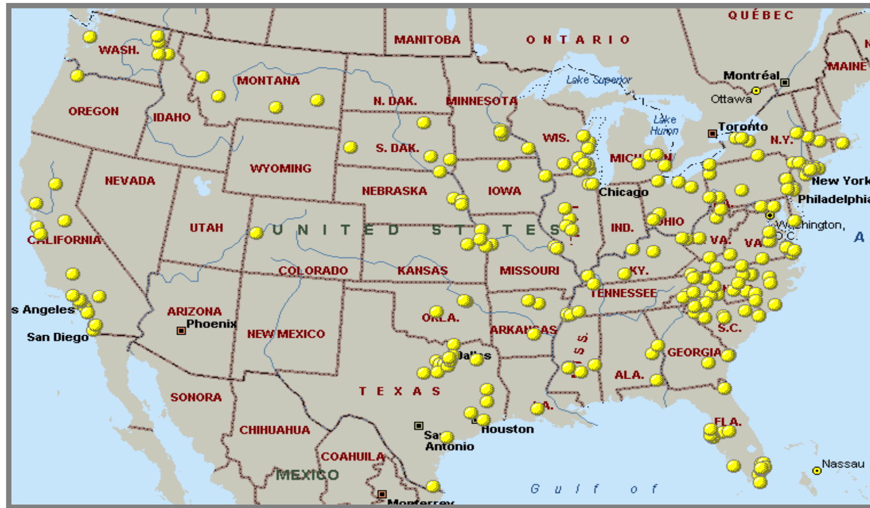
2,000 Hospitals gain the advantages of national scale by uniting through the Premier healthcare alliance



Value-based Purchasing timeline



CMS/Premier
Hospital Quality Incentive Demonstration



- CMS and Premier partnership project
- First national Pay-for-Performance (P4P) demonstration
- Tests the hypothesis that <u>financial incentives</u> and <u>public recognition</u> can increase quality of care
- A three-year effort launched October, 2003
- Approximately 260 hospitals in 38 states

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Rewarding delivery of widely accepted evidence-based clinical indicators

Acute myocardial infarction (AMI)

1. Aspirin at arrival
2. Aspirin prescribed at discharge
3. ACEI/ARB for LVSD
4. Smoking cessation advice/counseling
5. Beta blocker prescribed at discharge
6. Beta blocker at arrival
7. Thrombolytic received within 30 minutes of hospital arrival
8. PCI received within 90 minutes of hospital arrival
9. *Inpatient mortality rate*

Coronary artery bypass graft (CABG)

1. Aspirin prescribed at discharge
2. CABG using internal mammary artery (Test)
3. Prophylactic antibiotic received within one hour prior to surgical incision
4. Prophylactic antibiotic selection for surgical patients
5. Prophylactic antibiotics discontinued within 24/48 hours after surgery end time
6. *Inpatient mortality rate*
7. *Post operative hemorrhage or hematoma*
8. *Post operative physiologic and metabolic derangement*

Heart failure (HF)

1. Left Ventricular Systolic (LVS) assessment
2. Detailed discharge instructions
3. ACEI or ARB for LVSD
4. Smoking cessation advice/counseling

Pneumonia (PN)

1. Percentage of patients who received an oxygenation assessment within 24 hours prior to or after hospital arrival
2. Initial antibiotic selection for Community Acquired Pneumonia
3. Blood culture collected prior to first antibiotic administration
4. Influenza screening/vaccination
5. Pneumococcal screening/vaccination
6. Antibiotic timing, percentage of pneumonia patients who received first dose of antibiotics within four hours after hospital arrival
7. Smoking cessation advice/counseling

Hip and knee replacement

1. Prophylactic antibiotic received within one hour prior to surgical incision
2. Prophylactic antibiotic selection for surgical patients
3. Prophylactic antibiotics discontinued within 24 hours after surgery end time
4. *Post operative hemorrhage or hematoma*
5. *Post operative physiologic and metabolic derangement*
6. *Readmission within 30 days to any acute care facility*

Surgical

Italics = outcomes measure

Dramatic and Sustained Improvement

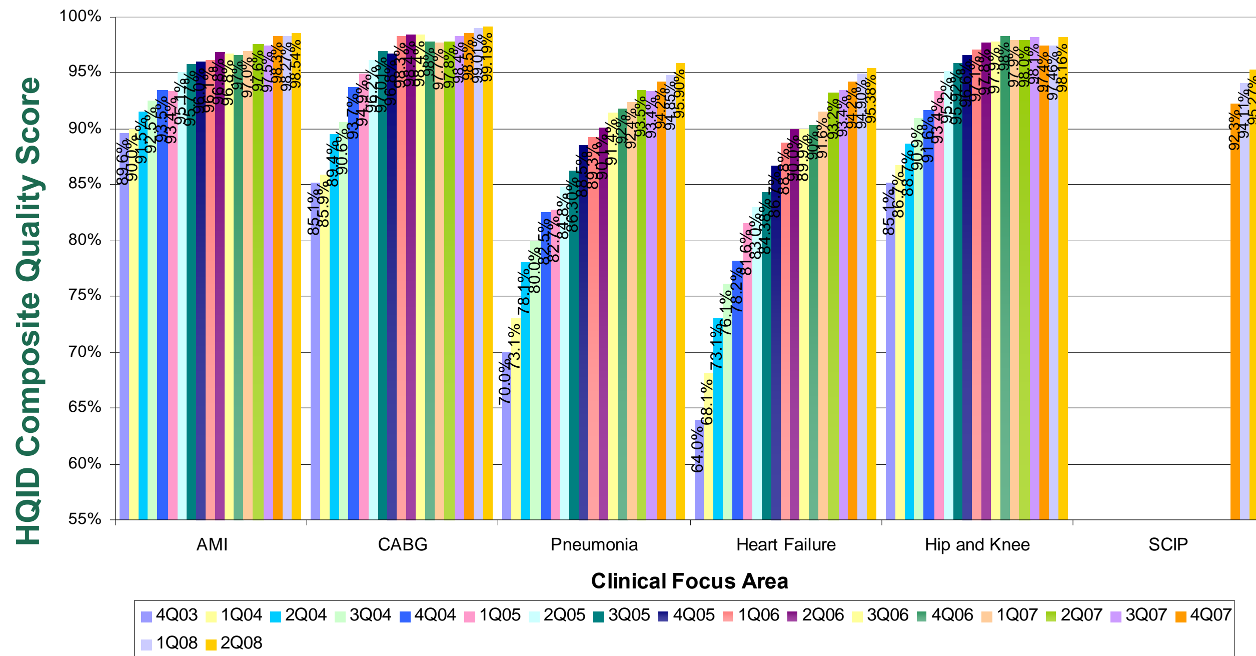
Avg. improvement across all 5 clinical areas for median CQS (19 quarters)

18.66%

Clinical Area	Improvement (percentage points)
AMI	8.9%
CABG	14.1%
Pneumonia	25.9%
Heart Failure	31.4%
Hip & Knee	13.0%

CMS HQID Composite Quality Score

CMS/Premier HQID Project Participants Composite Quality Score:
Trend of Quarterly Median (5th Decile) by Clinical Focus Area
October 1, 2003 - June 30, 2008 (Years 1, 2, & 3 Final Data; Years 4 and 5 Preliminary Data)



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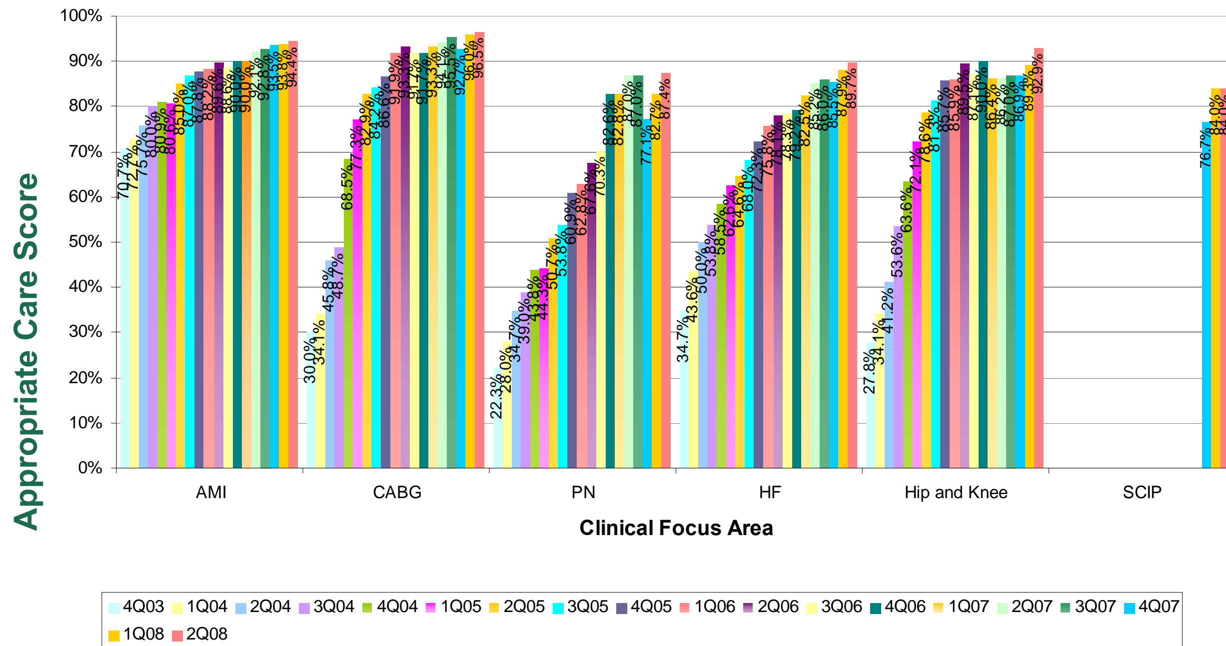
More Patients are Receiving *Every* quality measure

Avg. improvement from 4Q03 to 2Q08 in all clinical areas (19 quarters)

55.05%

Clinical Area	Improvement (percentage points)
AMI	23.7%
CABG	66.5%
Pneumonia	65.1%
Heart Failure	54.9%
Hip & Knee	65.1%

Evidence-based Care Improvements



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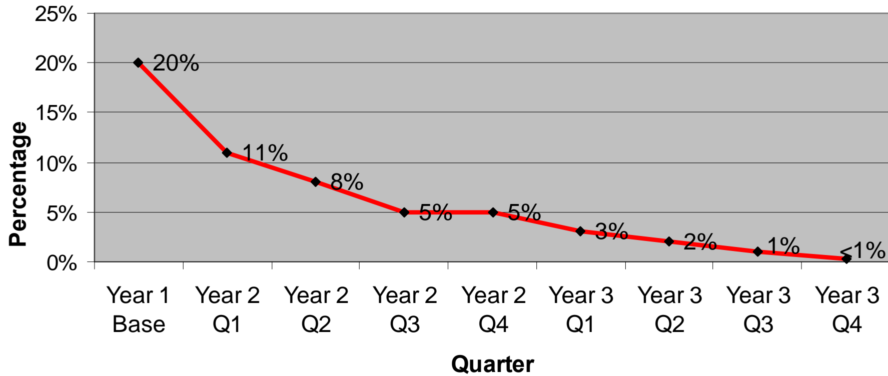
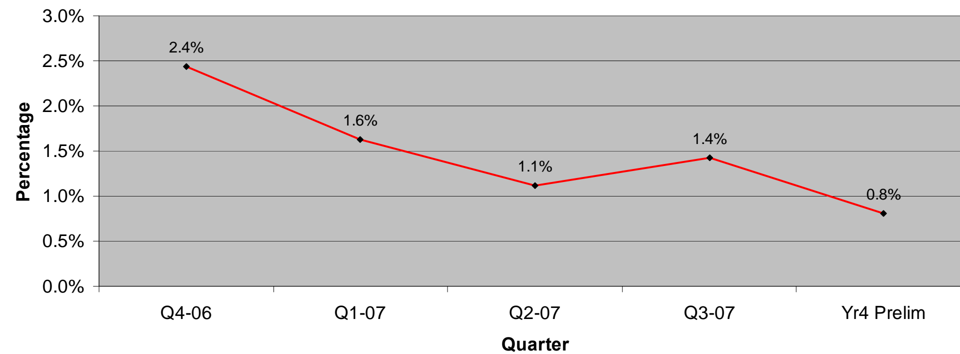
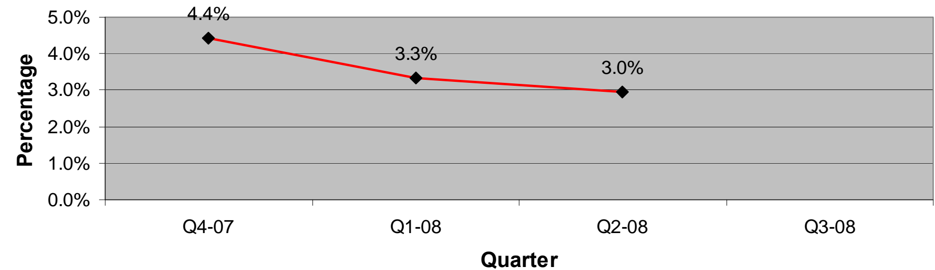
Substantial Improvement by Lower Performers







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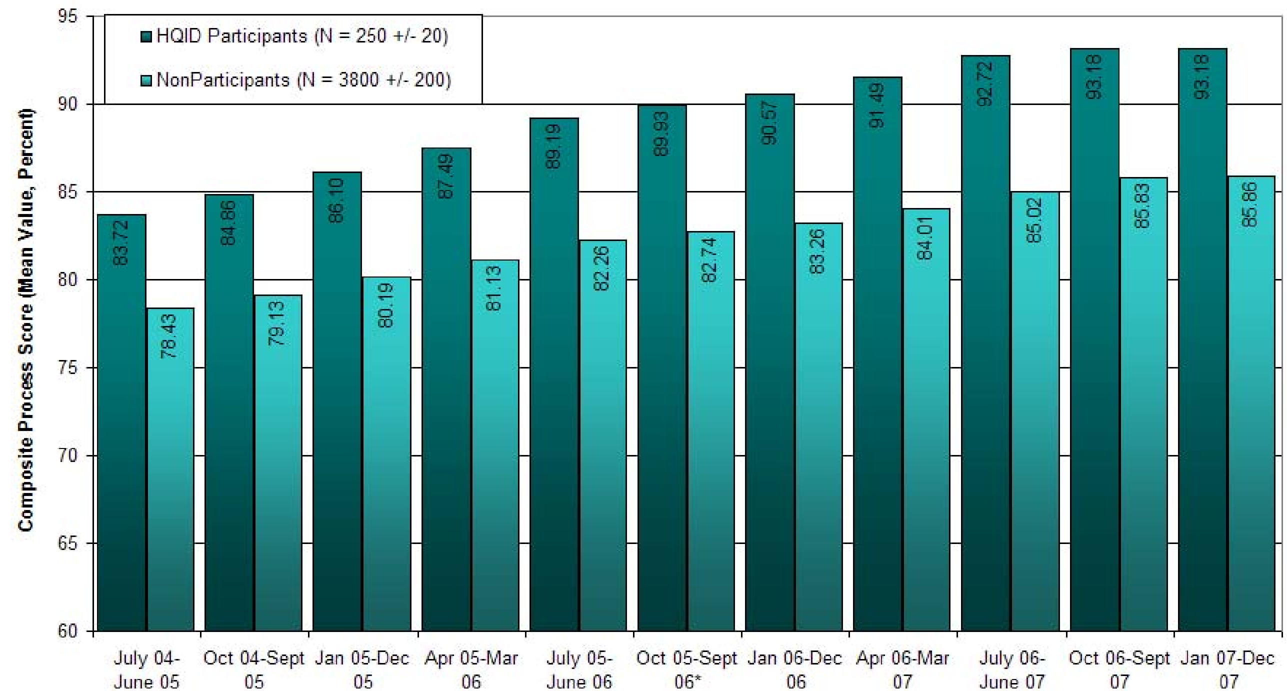
In Broader Comparison, HQID Hospitals Excel

National Leaders in Quality Performance

- HQID participants avg. 6.8% higher than Non-Participants
- Avg. improvement for HQID participants = 9.7%
- Avg. improvement for Non-participants = 7.4%
- New England Journal of Medicine publication by Lindenauer et al. (February 2007) found that hospitals engaged in P4P achieved quality scores 2.6 to 4.1 percentage points above other hospitals due solely to the impact of P4P incentives.

HQID hospitals have higher quality ratings than national hospitals overall



A composite of 19 measures shared in common between HQID and Hospital Compare shows P4P hospitals performing above the nation as a whole

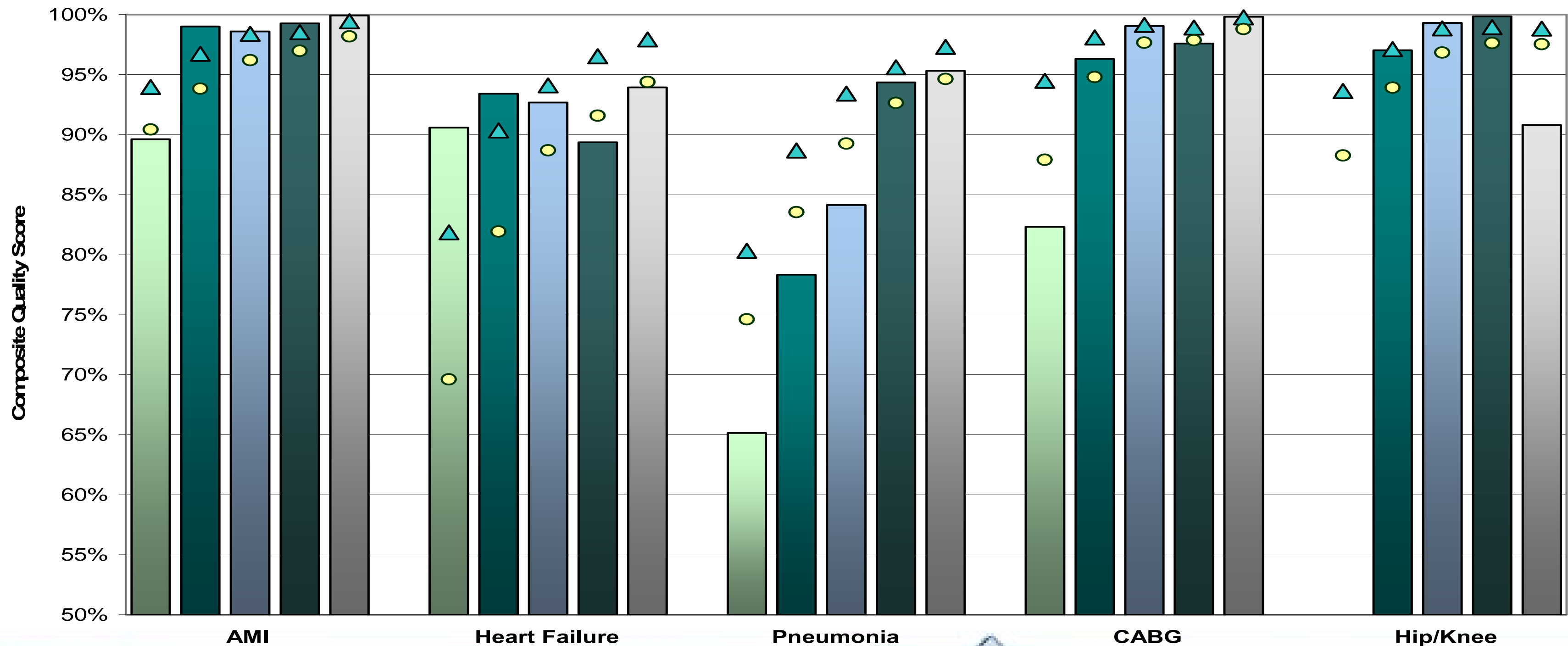
St. Helena Hospital

Adventist Health

- Established in 1878, St. Helena serves a five county region and 200,000 residents in largely rural northern CA
- 158 inpatient beds treating 75,000 inpatient & outpatient visits annually
- Medical staff of 125 with 920 total employees
- 63% revenue from Medicare and Medicaid

Continuous Improvement in Composite Quality Scores

Continuous improvement from Year 1 to Year 5 Year to Date (YTD) HQID data for the Composite Quality Score (CQS), a combination of clinical quality measures and outcome measures.



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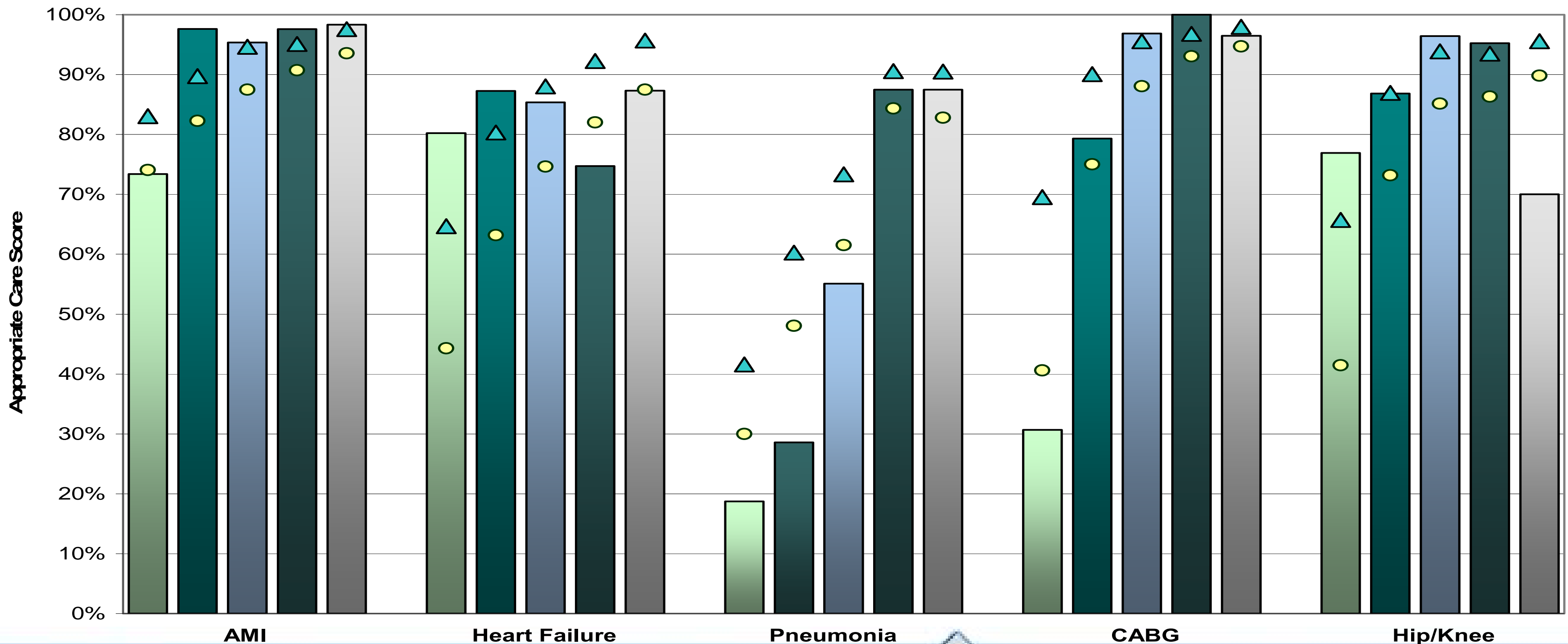
Consistent Top Performer

- Top Performer in Heart Failure for Years 1 and 2
- Top Performer in AMI in Years 2 and 3
  - Tracking for Top Performer in Years 4 and 5
- Top Performer in Hip/Knee Replacement for Year 3
  - Tracking for Top Performer in Year 4
- Tracking Top Performer in CABG for Year 5
- Significant improvement in Pneumonia
  - 65% in Year 1 to 94% Year 4
  - Tracking for Top Improver Award in Years 4 and 5
- Tracking to receive Attainment Award for all clinical areas in Year 4 and all except Hip/Knee Replacement for Year 5

More Patients are Reliably Receiving Evidenced-based Care

The appropriate care score (ACS), also referred to as “perfect process or “all or nothing” to designate when a patient receives all possible care measures within a clinical area, showed improvement across time.



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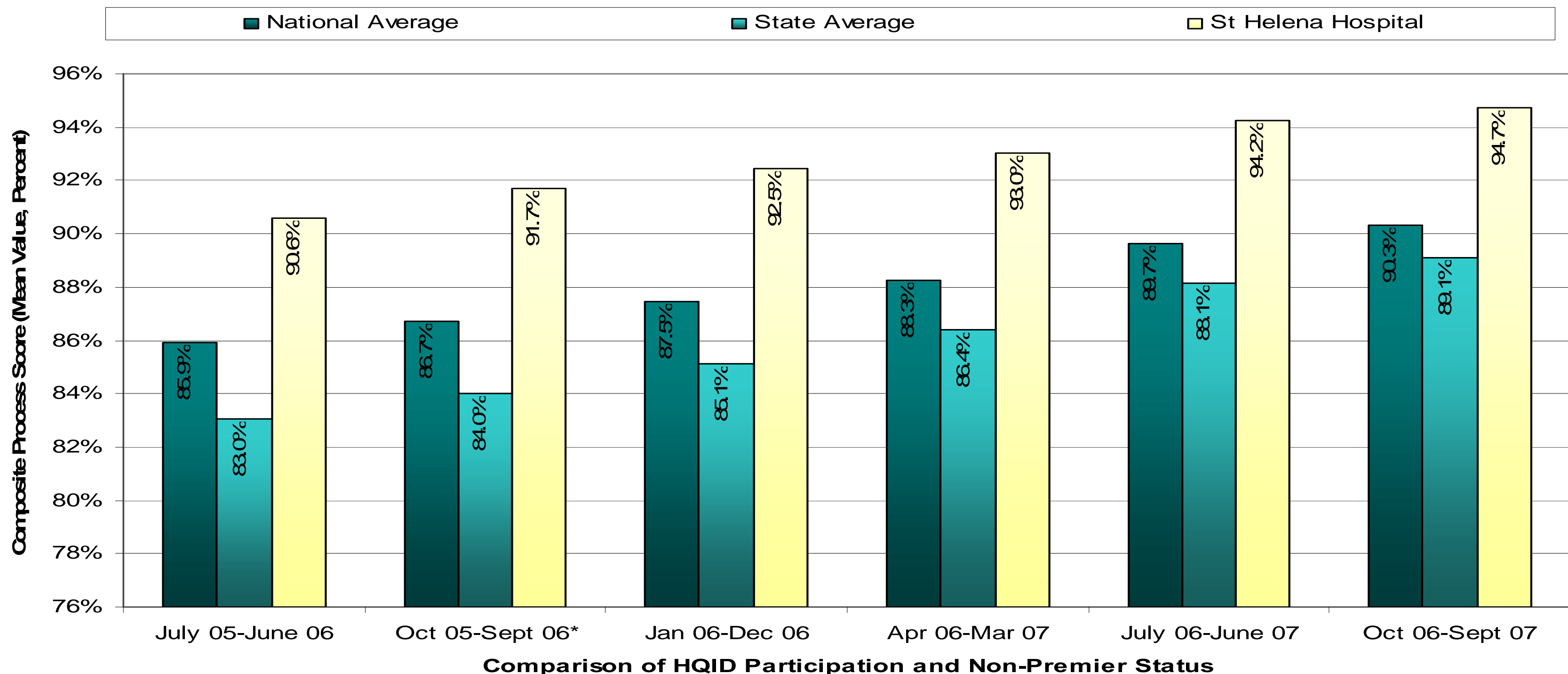
Performing Above the National Average

A composite of 19 process measures shared between HQID and Hospital Compare shows St. Helena Hospital performing above the nation as a whole.



*Beginning with Oct 05-Sept 06 the influenza vaccination measure became unsuppressed and the number of process measures increased from 18 to 19

Improvement and Savings

Avg. cost improvement across all clinical areas

$1,063

Clinical Area	Improvement
AMI	$1,599
CABG	$1,579
Pneumonia	$811
Heart Failure	$1,181
Hip Replacement	$744
Knee Replacement	$463

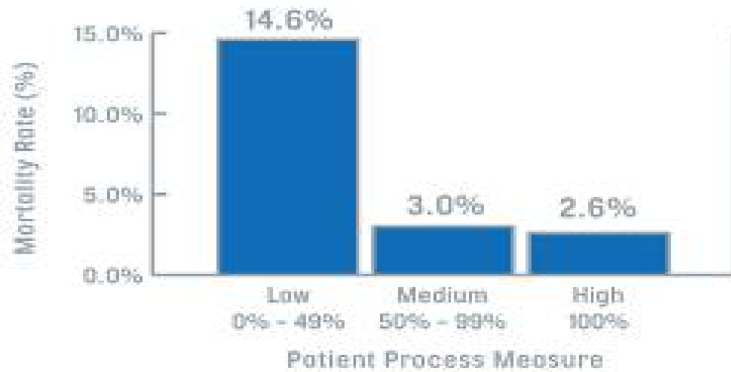
Avg. improvement in mortality across four clinical areas

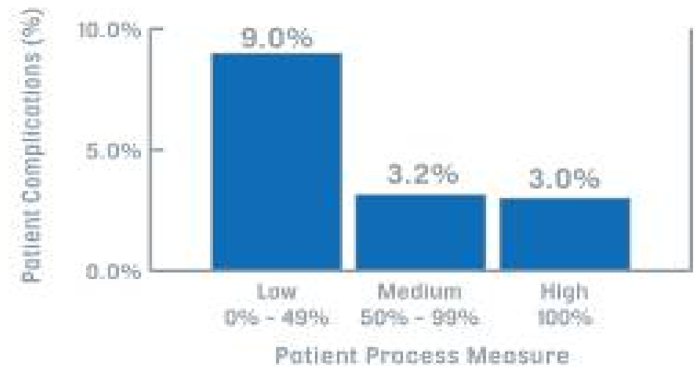
1.87%

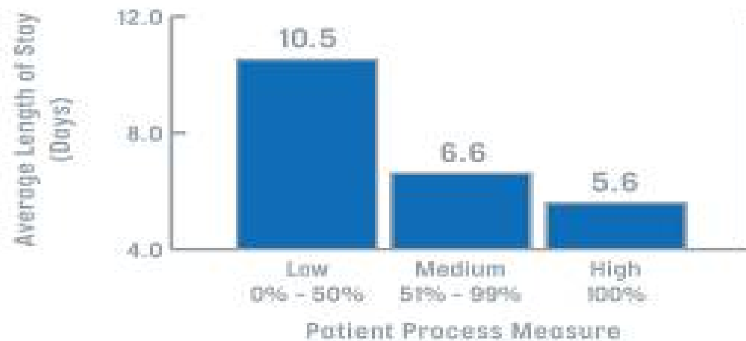
Clinical Area	Improvement
AMI	2.27%
CABG	0.95%
Pneumonia	2.39%
Heart Failure	1.86%

If all hospitals in the nation were to achieve this improvement, the estimated cost savings would be greater than $4.5 billion annually with estimated 70,000 lives saved per year

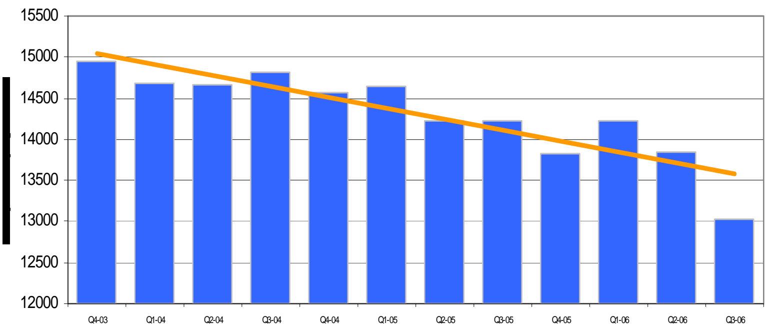
Findings: Mortality, Complications, Length of Stay and Costs all go down for Heart Attack (AMI)







Median Cost per Case over 3 years (AMI)



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Conclusions

1. **Creates a performance improvement engine**
    - Public reporting
    - Financial incentives
2. **Aligns incentives within hospitals**
3. **Re-aligns payment incentives in Medicare**
    - From rewarding more procedures ***to*** rewarding quality procedures
4. **Improved quality is associated with saving lives and reducing costs**

Policy Recommendations

1. **Create a positive incentive to improve performance.**
   - All unallocated funds must be used to reward top performers and improvers
   - There must be an annual actuarial assessment to identify savings, which should be used to fund a bonus pool
   - Phase in so that hospitals can realistically achieve the benchmarks
2. **Align physician and hospital interests.**
   - Assure alignment between physician and hospital measures
   - Hospitals should be able to share money from the bonus pool with their physicians
3. **Set benchmarks based on real world evidence from the CMS/Premier HQID project.**
4. **VBP should be irrevocably tied to public reporting.**
   - The Hospital Compare Web site must be more user friendly
   - Hospital Compare should include reporting of the hospital's performance in delivering ***all*** recommended quality measures for each clinical condition
   - All new measures should be tested and publicly reported use in a VBP program
5. **Government should direct attention and resources to lower performing hospitals**
   - QIOs should be directed to focus attention on non-performing hospitals