

*Reynolds & Company, Inc. section for Pay For  
Performance Summit Presentation  
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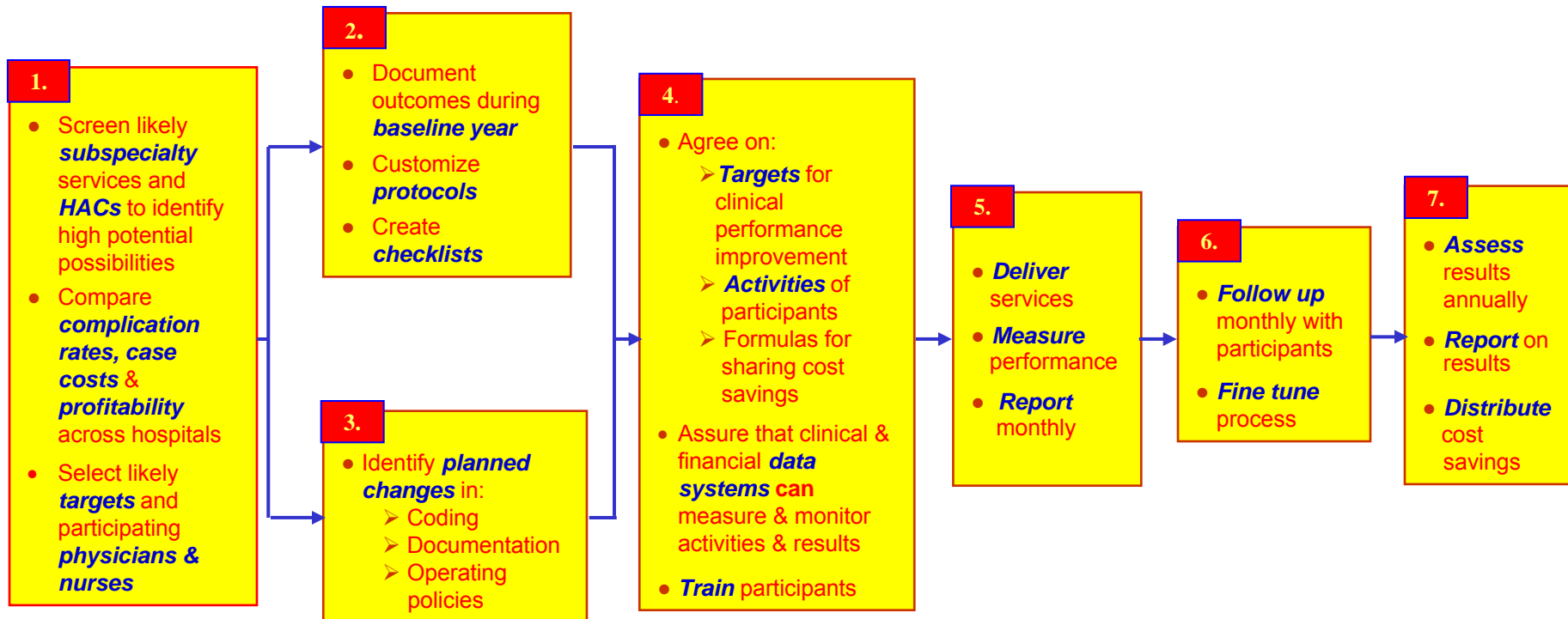
### *3. Overview of the Demonstration and Status Report*

# *Hypotheses To Be Tested*

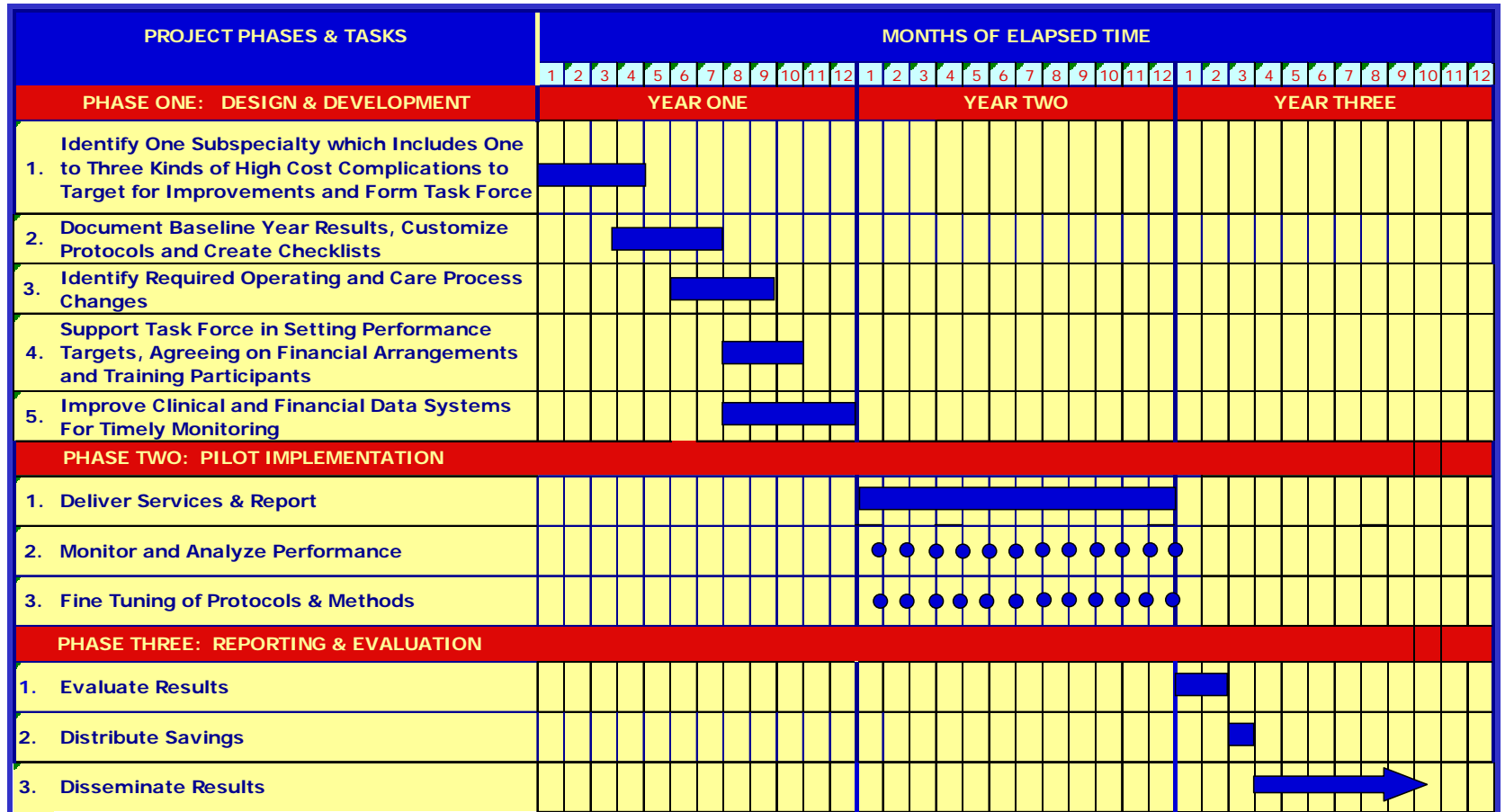
1. Sufficient potential net savings can be identified at the outset to ***motivate the hospital's leaders*** to undertake the program.
2. The ***methods for distributing net cost savings*** to physicians and nurses are attractive enough to secure the participation of physicians and nurses.
3. Physicians, nurses and hospital managers can agree on and implement evidence-based patient care policies and procedures that ***reduce statistically significant numbers of HACs***.
4. Avoided case costs, net of any associated payment reductions, are sufficient to create ***financial incentives for the key players to participate*** in additional HAC-focused gainsharing initiatives.
5. ***A statistically significant number of HACs are avoided*** during the implementation period.

# The HAC-Focused Gainsharing Demonstration

## Consists of Seven Tasks That Are Testing These Hypotheses



# *Preliminary Estimates of Elapsed Time for Designing, Implementing and Evaluating the HAC Gainsharing Demonstration*



# Specifications of Hospital-Acquired Complications

## Pulmonary Embolism/ Deep Vein Thrombosis

DVT/PE criteria were finalized after clinical review:

ICD-9	Description
4150	Acute Cor Pulmonale
41511	Iatrogen Pulm Emb/Infarc
41512	Septic Pulmonary Embolism
41519	Pulm Embol/Infarct Nec
45340	Dvt/Emblsm Lower Ext Nos
45341	Dvt/Emb Prox Lower Ext
45342	Dvt/Emb Distal Lower Ext

## Ventilator-Associated Pneumonia

VAP criteria call for a patient to have a pneumonia diagnosis code preceded by a mechanical ventilation procedure code, neither of which can be present on admission.

ICD-9	Description
481	Pneumococcal Pneumonia
4820	K. Pneumoniae Pneumonia
4821	Pseudomonal Pneumonia
4822	H.Influenzae Pneumonia
48230	Streptococcal Pneum Nos
48231	Pneumonia Strptococcus A
48232	Pneumonia Strptococcus B
48239	Pneumonia Oth Strep
48241	Staph Aureus Pneumonia
48249	Staph Pneumonia Nec
48282	Pneumonia E Coli
48283	Pneumo Oth Grm-Neg Bact
48289	Pneumonia Oth Spcf Bact
4829	Bacterial Pneumonia Nos
4831	Pneumonia D/T Chlamydia
485	Bronchopneumonia Org Nos
486	Pneumonia, Organism Nos
<b>and</b>	
96.7	continuous invasive ventilation
96.70	"
96.71	"
96.72	"

## Sepsis

Sepsis criteria also require individual reviews for final designations because patients who are admitted with a diagnosis that would progress to sepsis without treatment should be excluded in designating HAC patients.

ICD-9	Description
0380	Streptococcal Septicemia
0382	Pneumococcal Septicemia
0383	Anaerobic Septicemia
0388	Septicemia Nec
0389	Septicemia Nos
03810	Staphylococ Septicem Nos
03811	Staph Aureus Septicemia
03812	MRSA Septicemia
03819	Staphylococ Septicem Nec
03840	Gram-Neg Septicemia Nos
03841	H. Influenae Septicemia
03842	E Coli Septicemia
03843	Pseudomonas Septicemia
03844	Serratia Septicemia
03849	Gram-Neg Septicemia Nec
78552	Septic Shock
99591	Sepsis
99592	Severe Sepsis

***Preliminary Estimates of Cost Differentials Between Complicated Cases with and without Hospital-Acquired Sepsis, VAP or PE/DVT Complications***

<b>Highest Ranking Subspecialties &amp; HACs</b>	<b>Number of HAC Cases</b>	<b>Cost Differentials with Other CC/MCC Cases</b>	
		<b>Per Case</b>	<b>Total</b>
<b>Pulmonary Medicine: • Sepsis</b>	<b>17</b>	<b>\$34,900</b>	<b>\$593,000</b>
<b>General Surgery: • Sepsis</b>	<b>22</b>	<b>\$21,400</b>	<b>\$471,000</b>
<b>Pulmonary Medicine: • VAP</b>	<b>9</b>	<b>\$35,700</b>	<b>\$321,000</b>
<b>Total of Possible Reductions</b>	<b>48</b>	<b>\$28,900</b>	<b>\$1,385,000</b>

# *Next Steps*

1. Fine tune **estimates** of HAC frequencies and cost differentials
2. Identify **avoidable costs** associated with HAC patients
3. Match HAC opportunities with **attending physicians**
4. Complete **ROI analysis**
5. Recommend **targets and participants** for improving performance:
  - Subspecialty
  - DRGs
  - Kind of HAC
  - Physicians, nurses & technicians