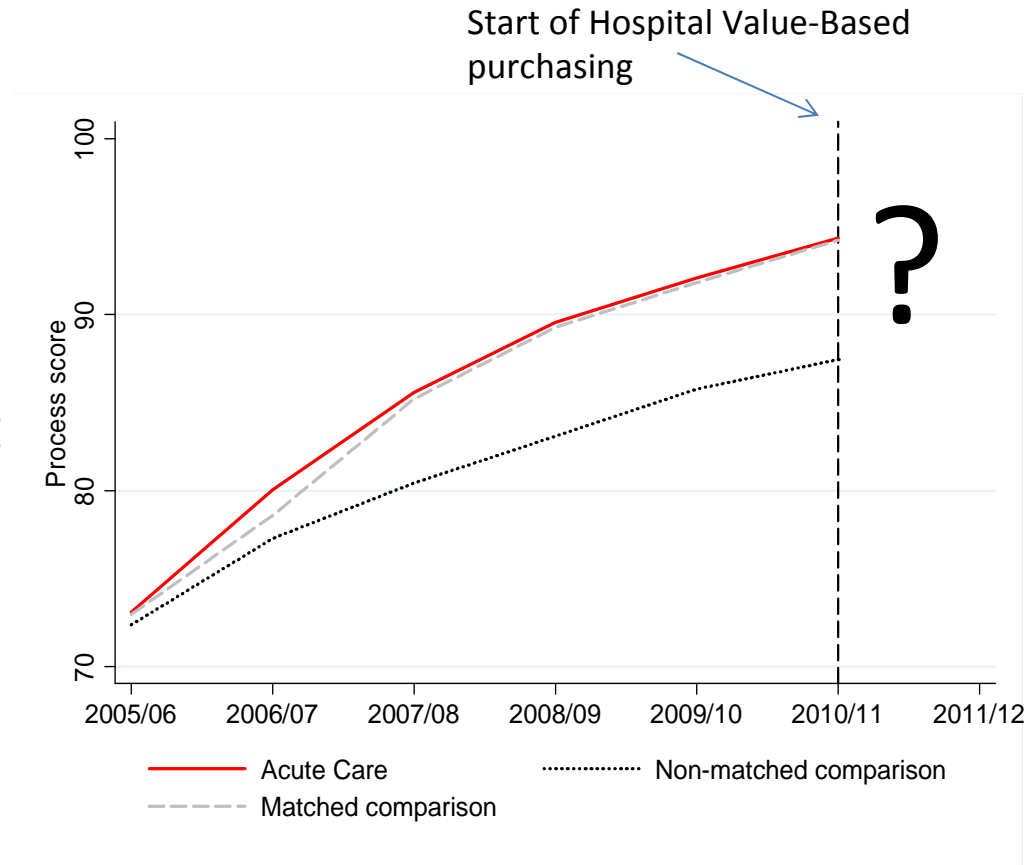


# Hospital pay-for-performance and public reporting in the United States

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9th Annual  
Pay-for-performance Summit

March 24, 2014



# Funding



Agency for Healthcare Research and Quality  
Advancing Excellence in Health Care



Robert Wood Johnson Foundation

Changes in  
Health Care Financing  
& Organization

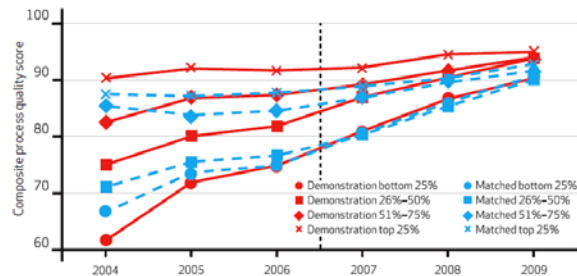
An initiative of the Robert Wood Johnson Foundation,  
managed by AcademyHealth

# This talk discusses the recent past of hospital accountability efforts and expectations for the near future



Evolution of hospital public reporting to pay-for-performance in Medicare

Demonstration And Matched Comparison Hospitals' Composite Process Quality Scores For Heart Failure, By Initial Quality Quartile, 2004-09



Effectiveness of programs



Future policy directions

# There is strong evidence that health care providers respond to certain incentives



Residents are more likely to choose higher paying specialties (Nicholson 2002)

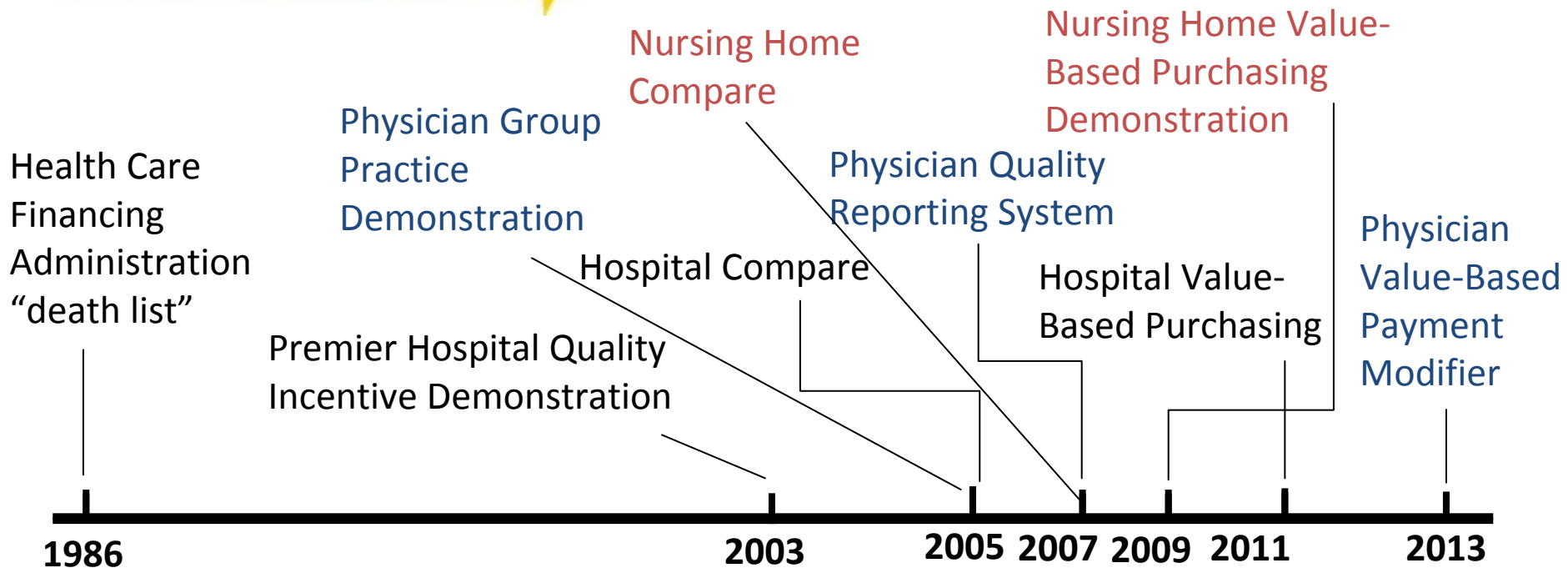


Physicians are more likely to order images when they own the equipment (Shreibati and Baker 2011)

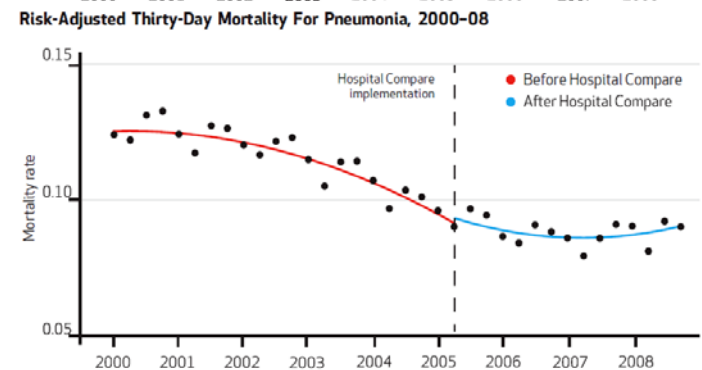
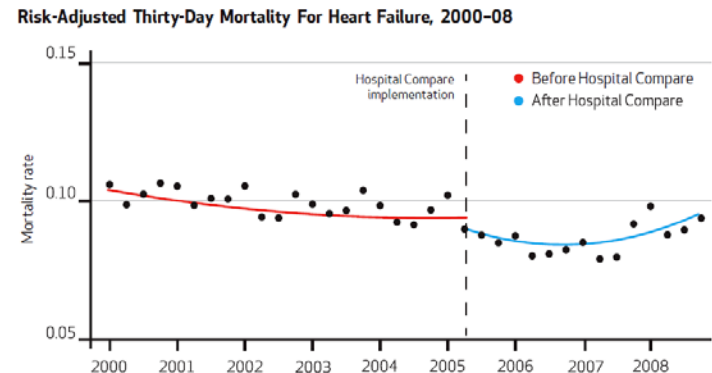
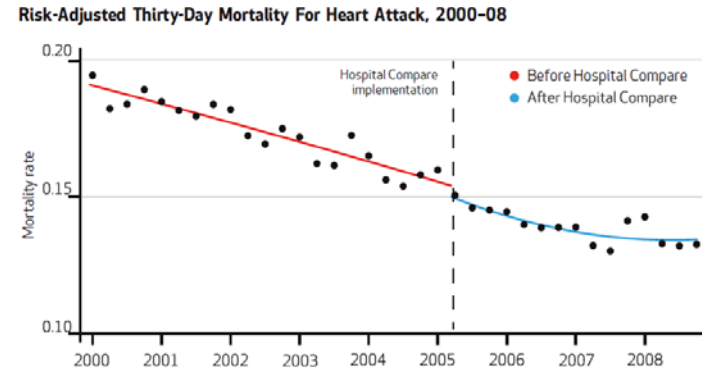
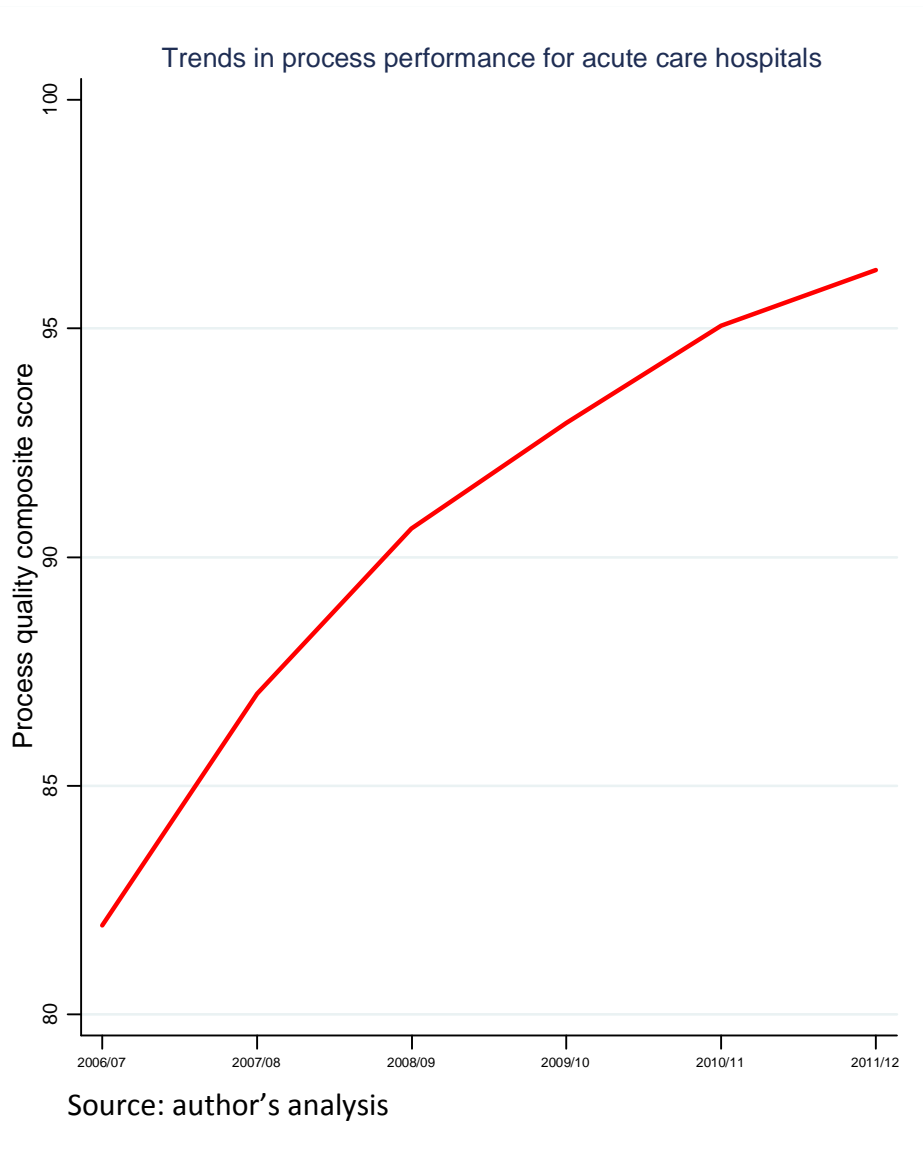


Hospitals are more likely to expand profitable service lines (Altman et al. 2007)

# Accountability programs have proliferated through Medicare



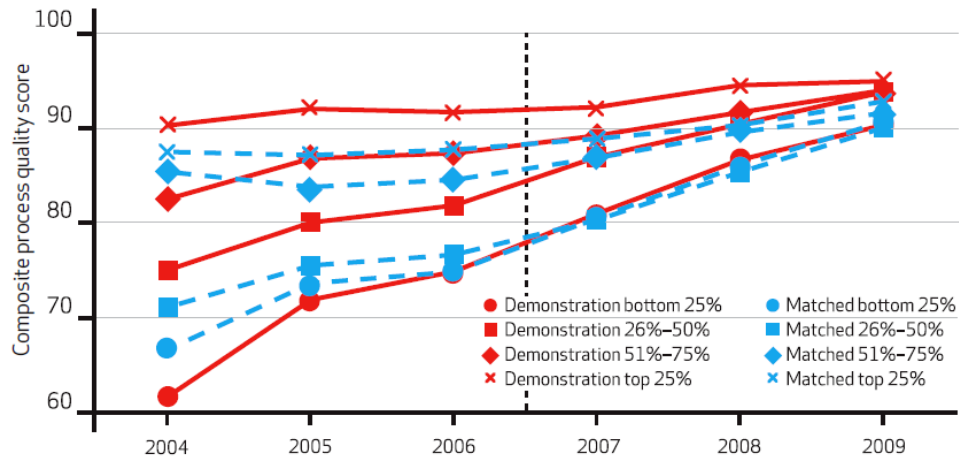
# Process improvement under Hospital Compare, limited effects on patient outcomes



Source: Ryan, Nallamothu, Dimick. Health Affairs 2012

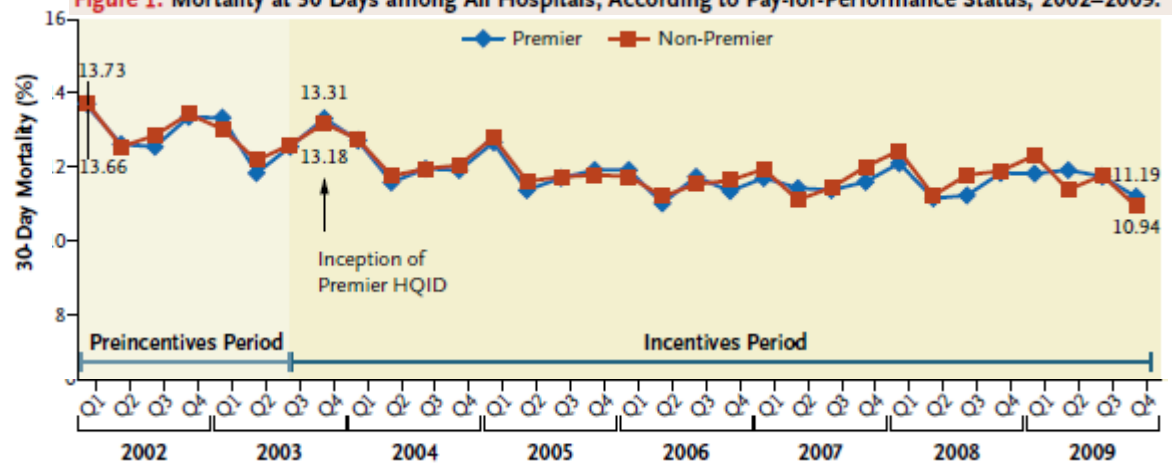
# Hospital Quality Incentive Demonstration also had short term improvements in process, not outcomes

Demonstration And Matched Comparison Hospitals' Composite Process Quality Scores For Heart Failure, By Initial Quality Quartile, 2004-09



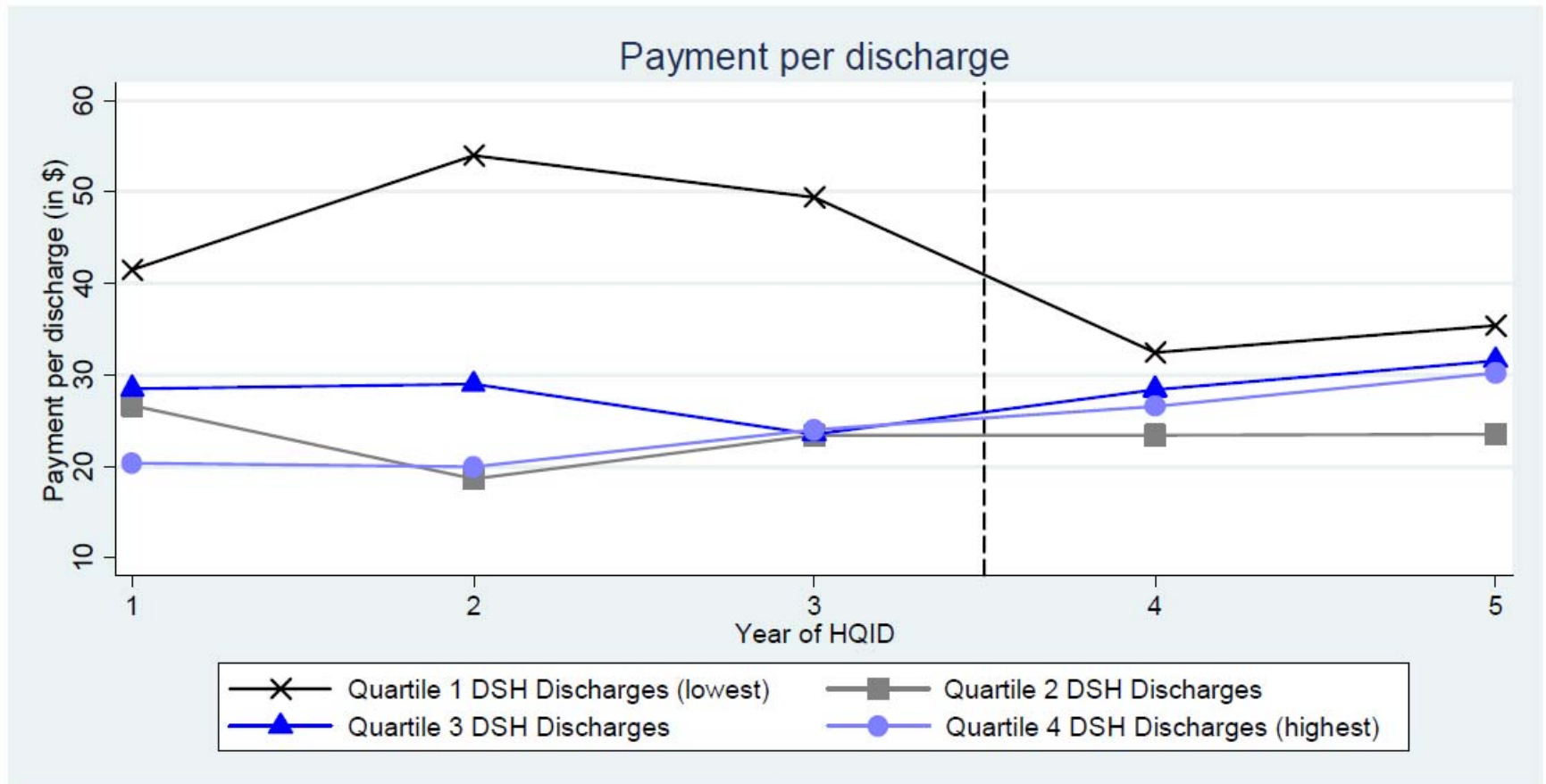
Source: Ryan, Blustein, Casalino. Health Affairs 2012

Figure 1. Mortality at 30 Days among All Hospitals, According to Pay-for-Performance Status, 2002-2009.



Source: Jha et al. NEJM 2012

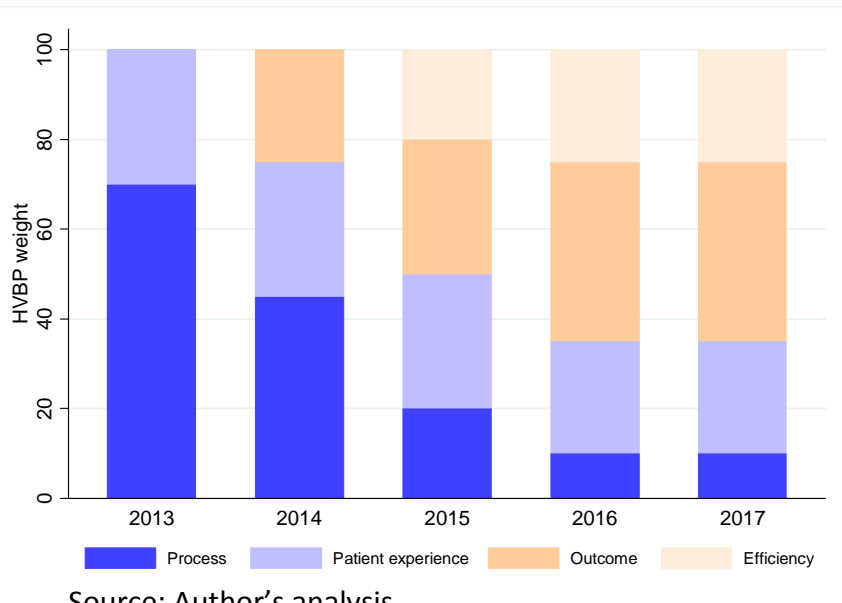
# There were disparities in the financial bonuses in the Hospital Quality Incentive Demonstration



Source: Ryan et al. HSR. 2012.



# Hospital Value-Based Purchasing is the first national pay-for-performance program in the US



Source: Author's analysis

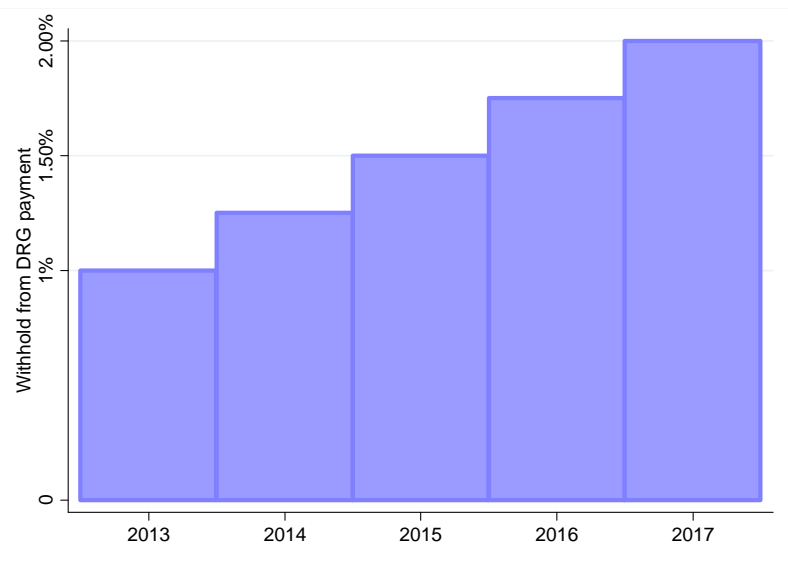
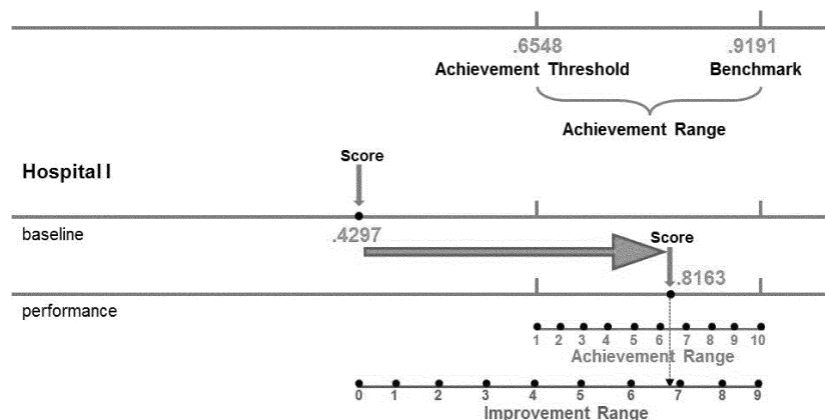


Figure 2. Example of Hospital Earning Points by Achievement or Improvement, Clinical Process of Care and Outcome Measure Scoring Under Three-Domain Performance Scoring Model

## Measure: AMI-7a – Fibrinolytic Therapy



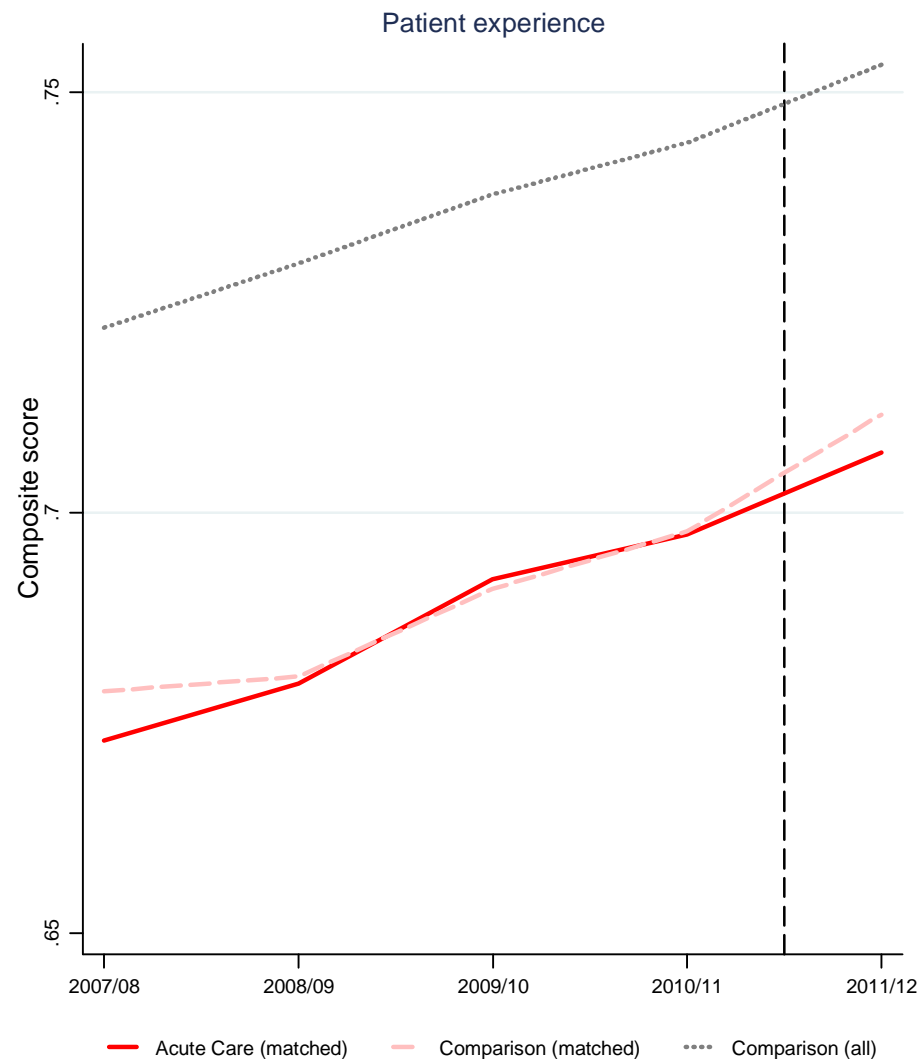
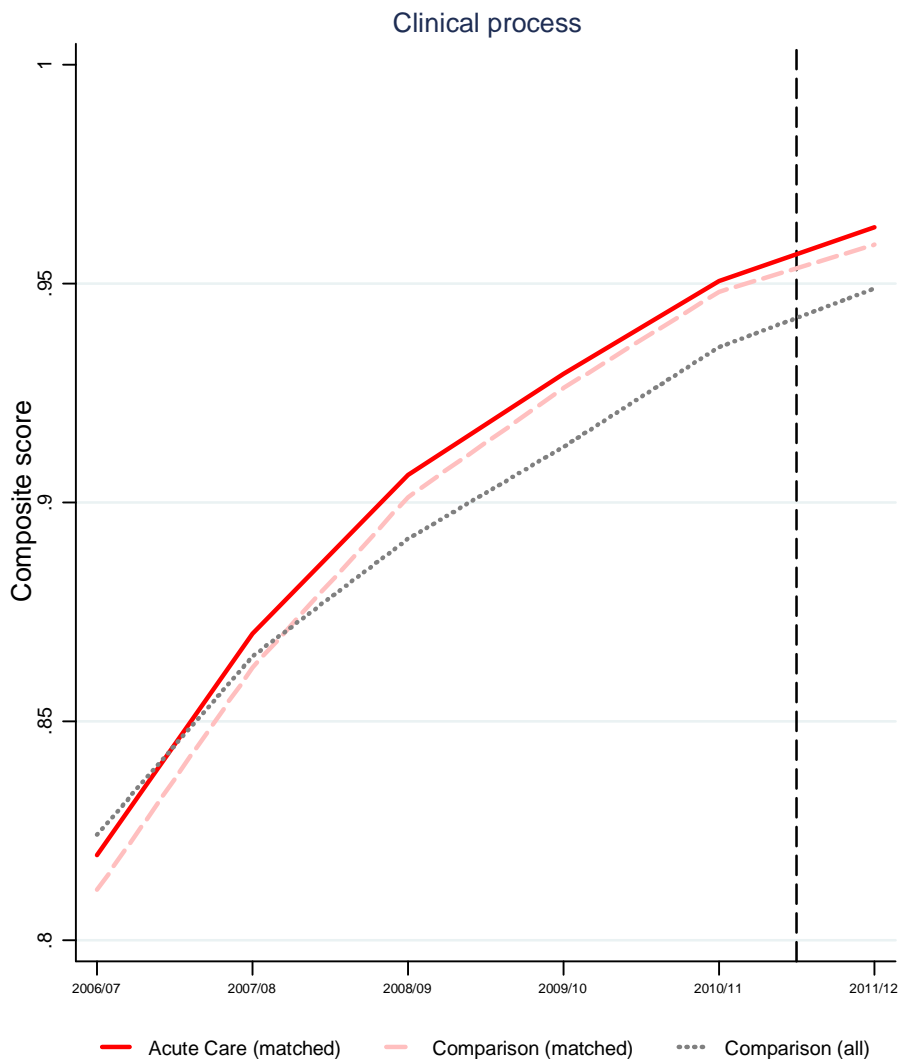
Hospital I earns: 6 points for achievement  
7 points for improvement

Hospital I score: maximum of either achievement or improvement  
= 7 points on this measure

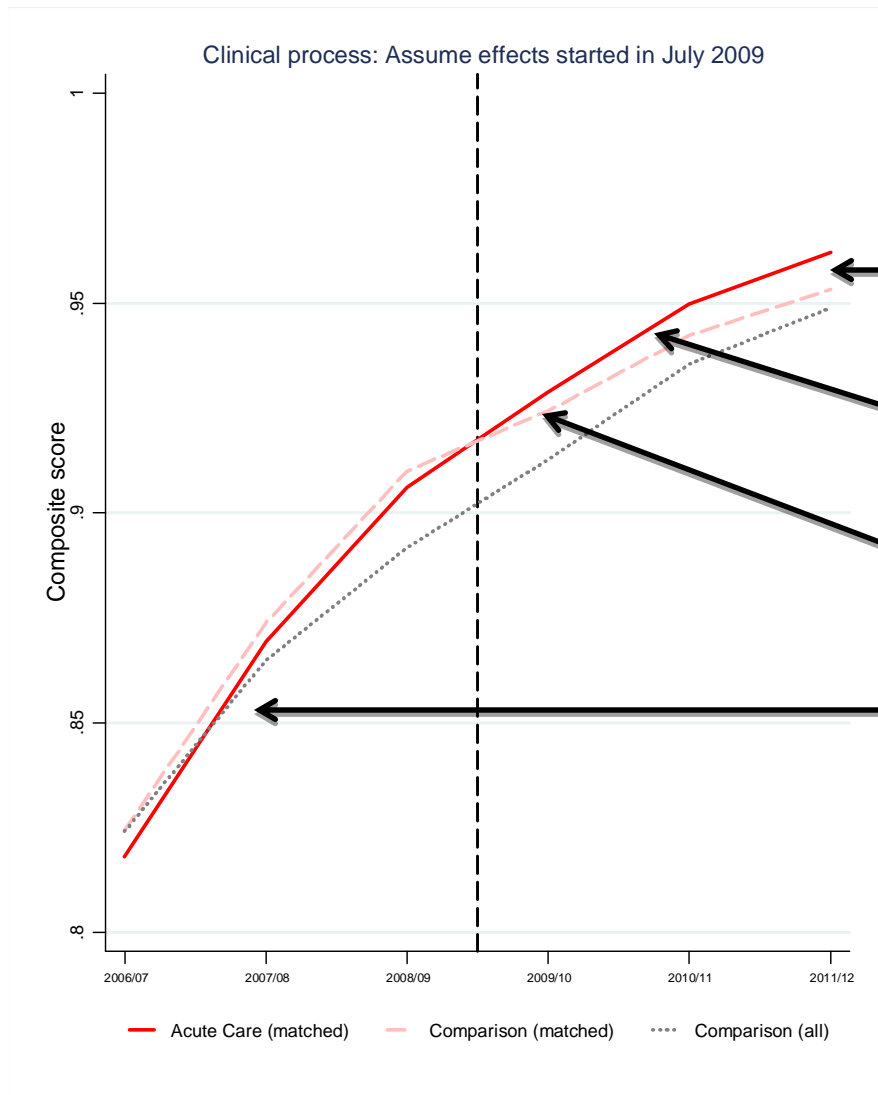


**Scoring is based on both achievement and improvement**

# HVBP did not improve clinical process and patient experience performance in its first year



# Hospitals may have improved performance in anticipation of HVBP



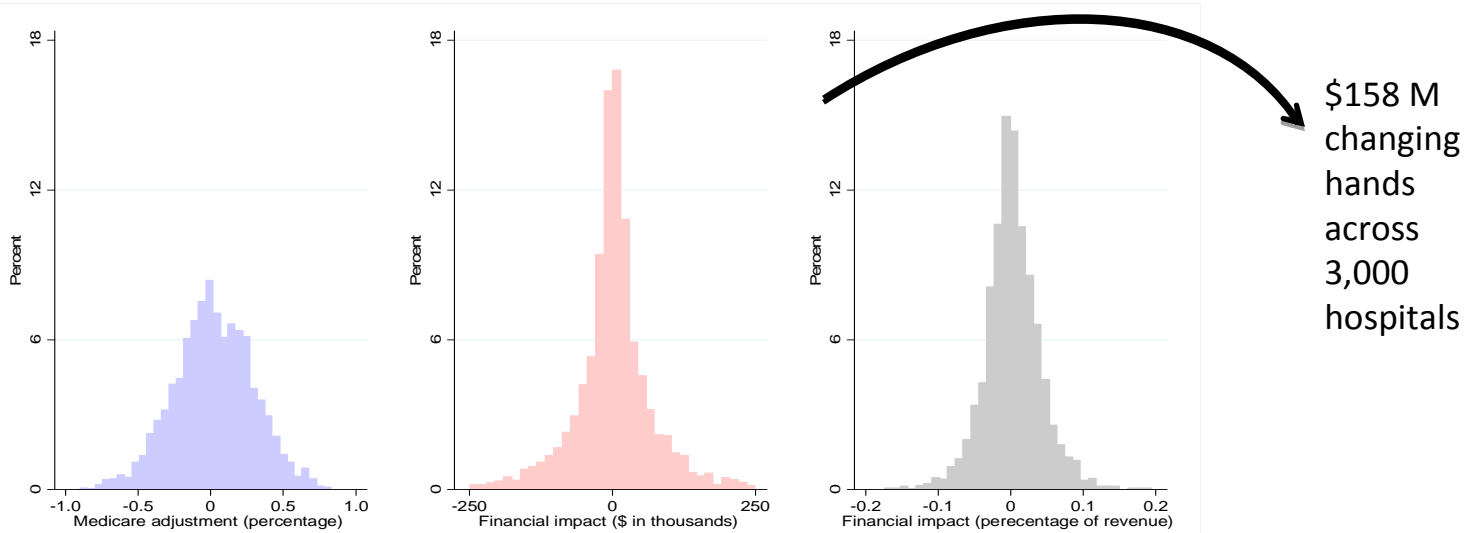
**July 2011:** Performance begins to be subject to financial incentives

**May 2011:** Final Rule for FY 2013 of HVBP was published

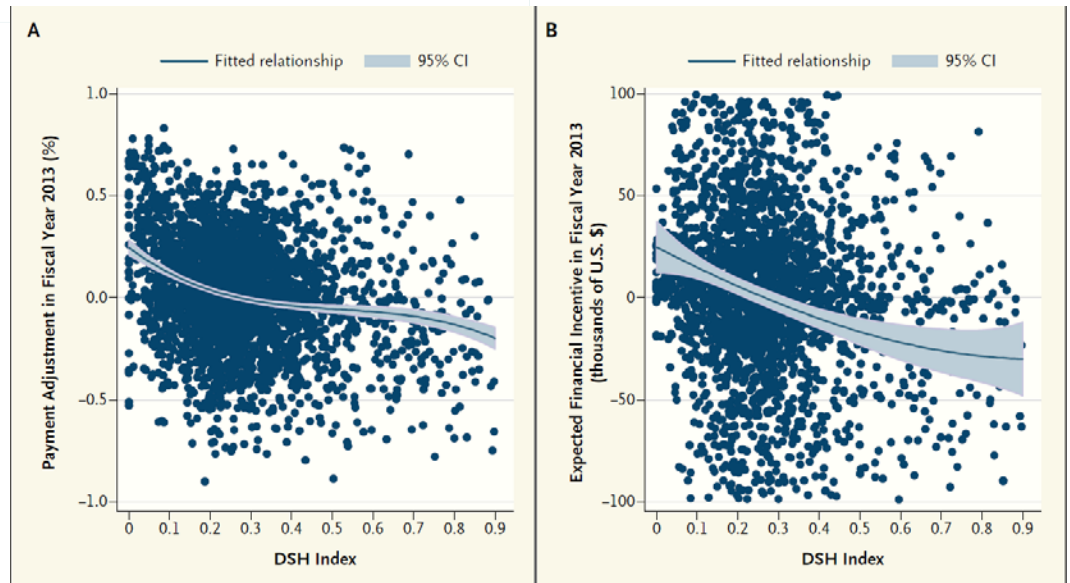
**March 2010:** ACA initiated HVBP

**November 2007:** report to congress outlining HVBP

# Incentives tended to be small, and favored hospitals with lower a lower Disproportionate Share Index

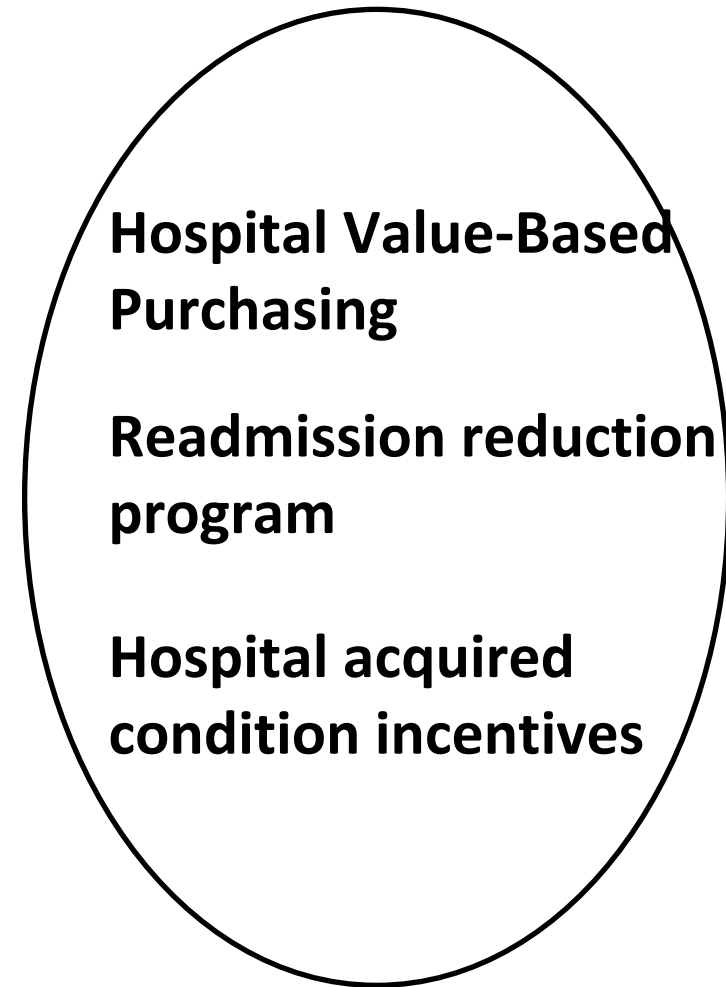
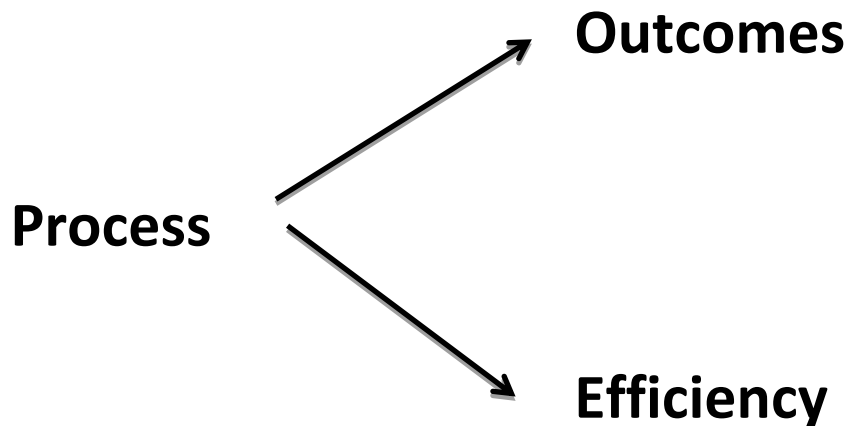
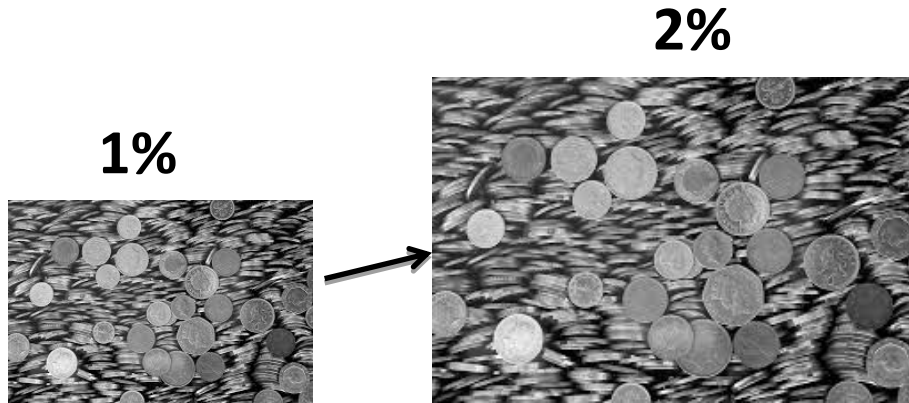


Source: Author's analysis



Ryan 2013. NEJM.

# Hospital Value-Based Purchasing will evolve in the coming years



**Questions?**