



Value-Based Payments: Implications for All Members of the Healthcare Team

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The “Volume to Value” Shift

- Medicare Prescription Drug, Improvement, and Modernization Act of 2003
- Deficit Reduction Act of 2005
- Affordable Care Act (ACA) of 2010



CMS Value-Based Initiatives

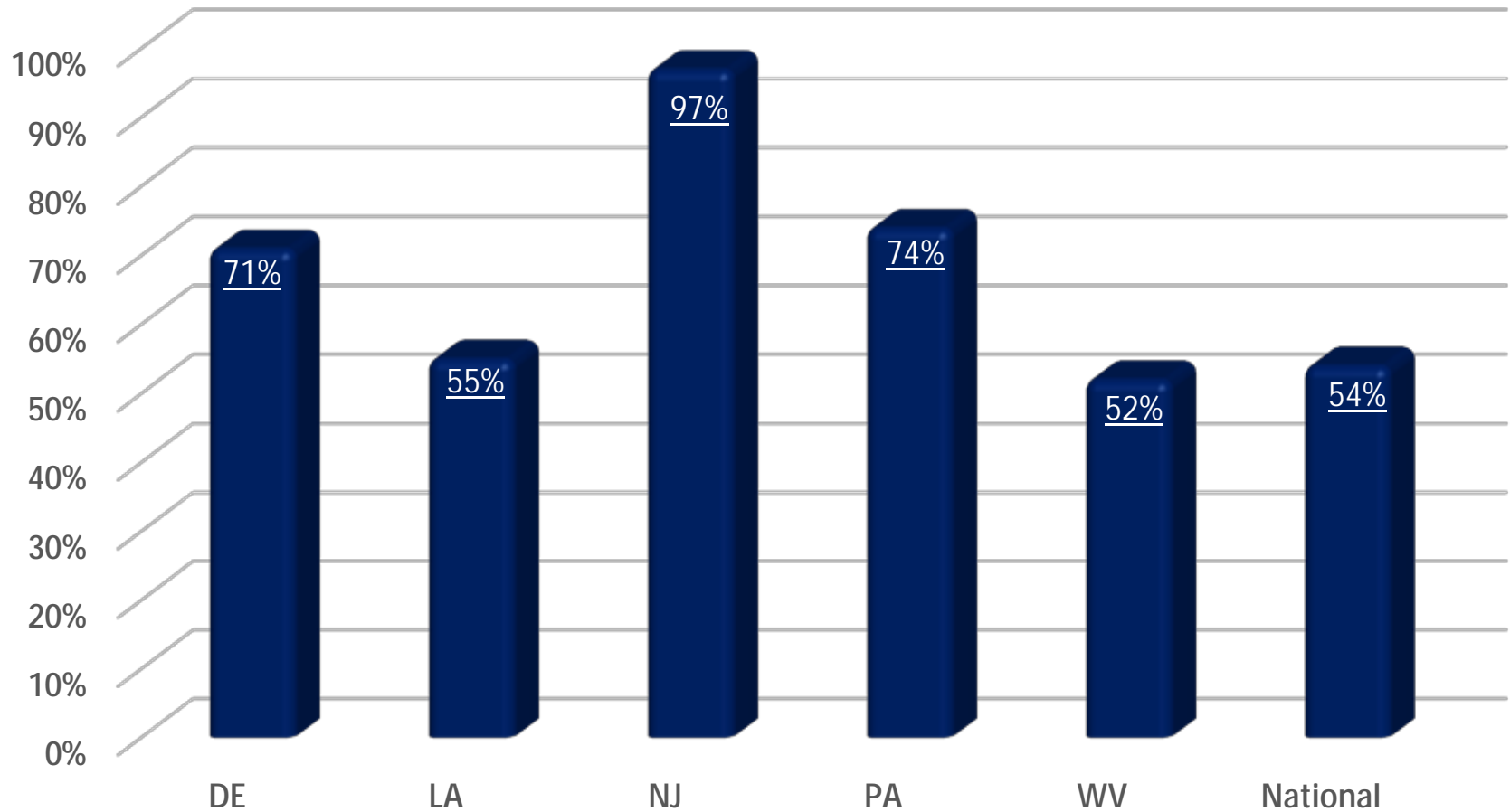
- Value Based Purchasing (VBP)
- Hospital Acquired Conditions (HAC)
- Readmission Reduction Program
- SNF Value Based Purchasing - Readmissions



Hospital Readmission Reduction Program

- FY 2016 penalties are based on readmissions occurring between July 2011 and June 2014 for Medicare patients who were originally in the hospital for one of the following conditions: AMI, CHF, pneumonia, COPD or elective hip and knee replacements.
- 2,592 hospitals received a penalty. All but 209 hospitals were also on the list for FY 2015.
- The average penalty this year is 0.61 percent and are projected to cost the hospitals a combined \$420 million. The maximum penalty is 3 percent.
- The percentage is risk-adjusted and the penalty is based on the difference between the projected rate of unplanned readmissions and the actual rate.

Percent of Hospitals with Readmission Penalties



SNF Value-Based Purchasing Program

- Part of the Protecting Access to Medicare Act of 2014
- Beginning 10/1/18, 2 percent of Medicare reimbursement for skilled nursing facilities to be withheld
- Nursing homes with low readmission rates will receive incentive payments—maybe more than 2 percent withheld
- Nursing homes with the highest readmission rates will not receive incentive payments

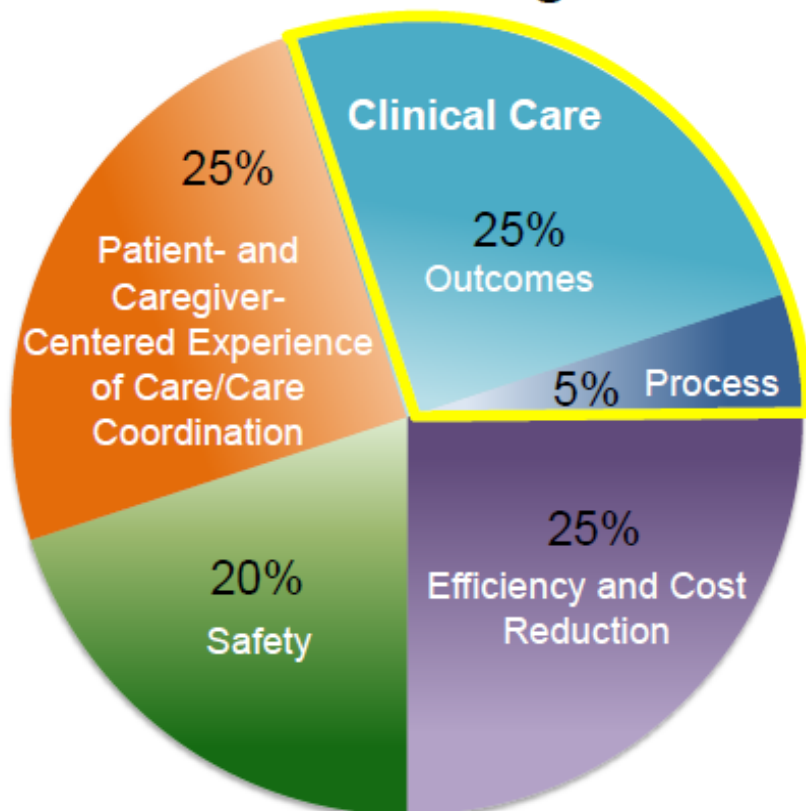
Hospital Value-Based Performance Program

- Acute care PPS hospitals
- Pay for Performance
- Budget neutral
- Rewards/Incentives
- All Medicare patients



VBP FY 2017 Measures

Domain Weights



An asterisk (*) indicates a newly adopted measure for the Hospital VBP Program.

Patient- and Caregiver-Centered Experience of Care/Care Coordination

Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Survey

Clinical Care

Outcomes	Process
MORT-30-AMI	AMI-7a
MORT-30-HF	IMM-2
MORT-30-PN	PC-01*

Efficiency and Cost Reduction

MSPB-1

Safety

CLABSI
CAUTI

SSI: Colon & Abdominal Hysterectomy
MRSA Infections*
C-difficile Infections*
AHRQ PSI-90



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VBP Scoring

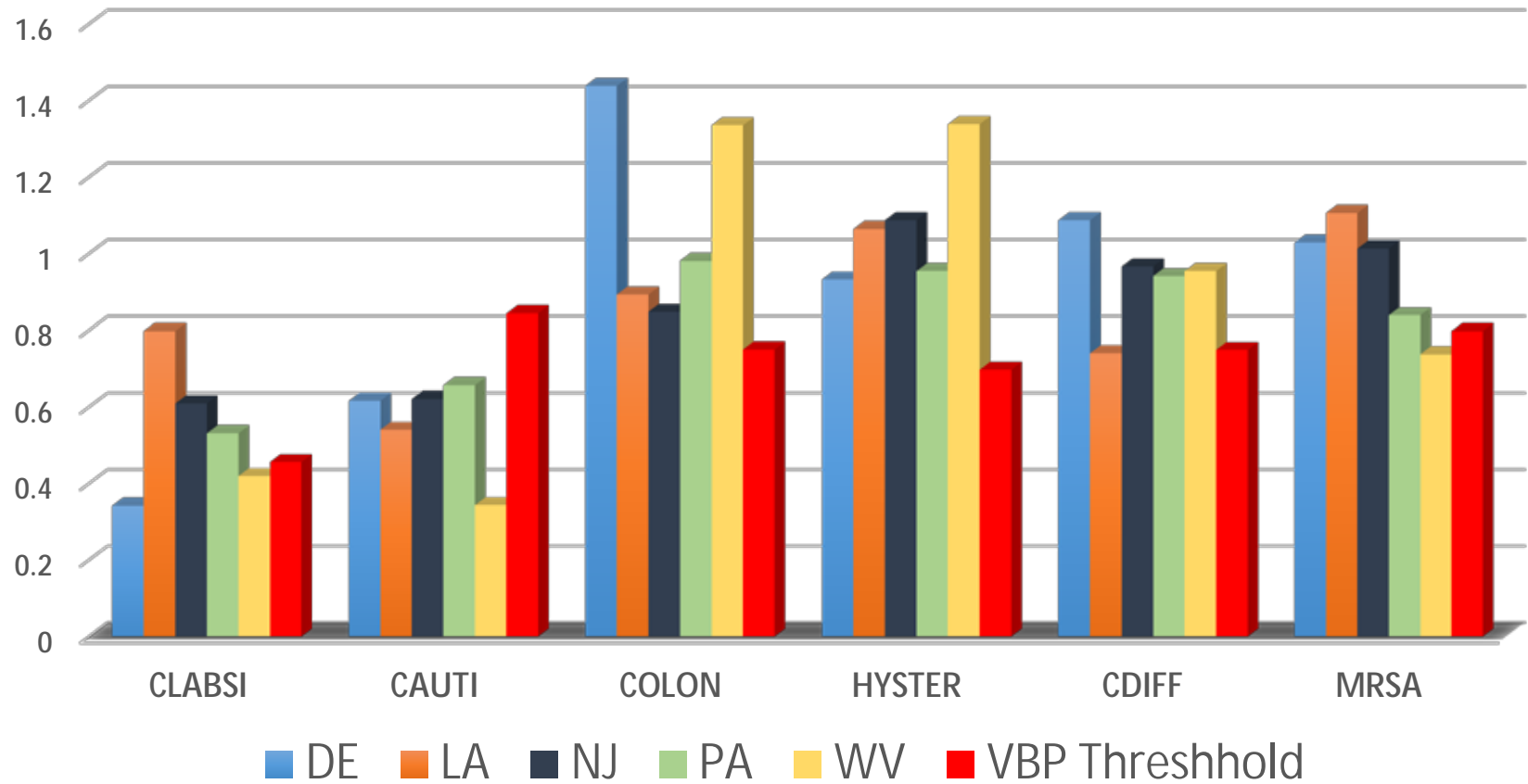
Achievement Points

- Awarded by comparing an individual hospital's rates during the performance period with all hospital's rates from the baseline period
- Rate equal to or better than benchmark = 10 points
- Rate lower than the achievement threshold = 0 points
- Rate equal to or better than the achievement threshold and lower than the benchmark = 1-10 points

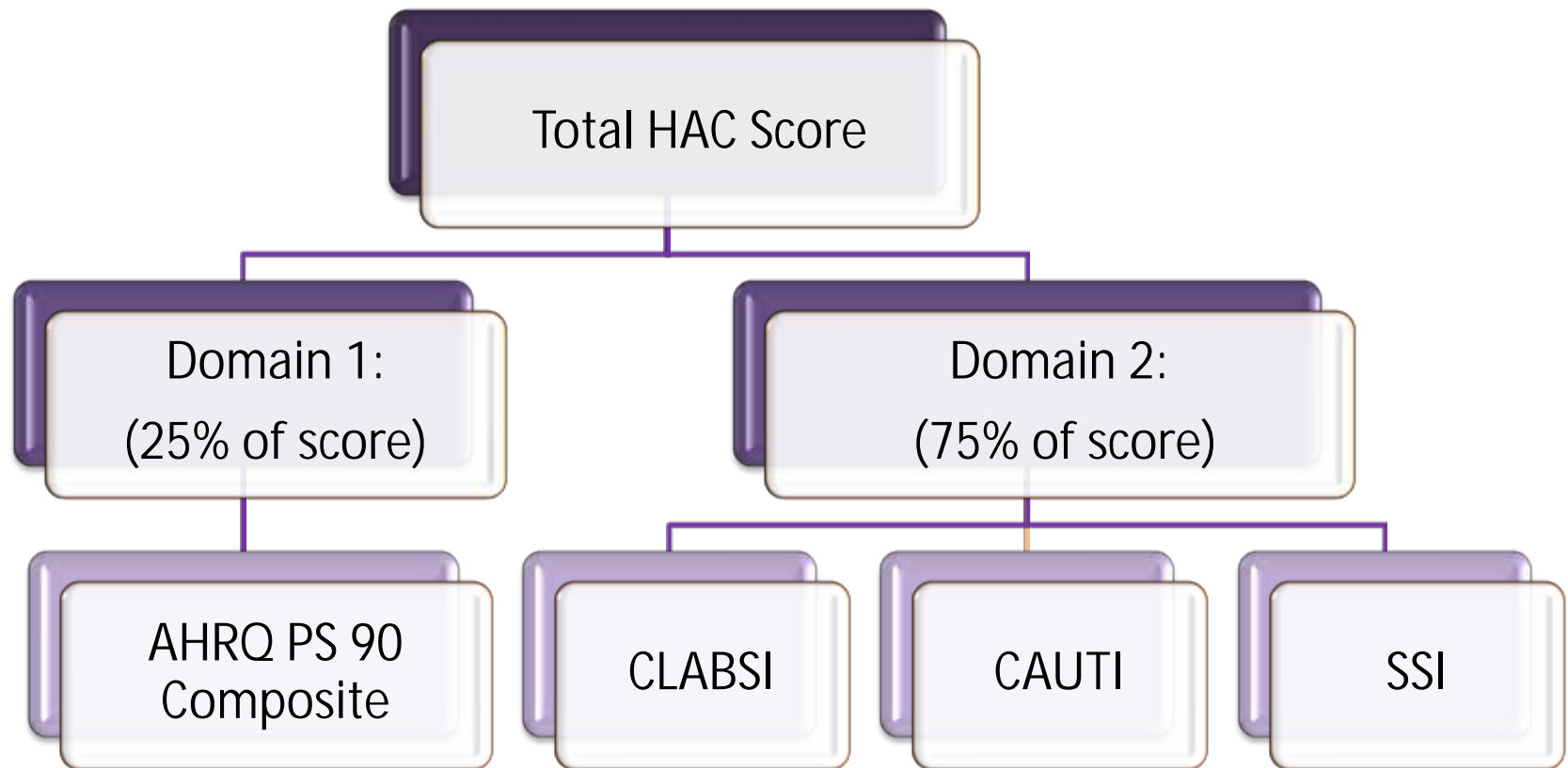
Improvement Points

- Awarded by comparing an individual hospital's rates during the performance and baseline periods
- Rate equal to or better than benchmark = 9 points
- Rate equal to or lower than the baseline period rate = 0 points
- Rate between the baseline period rate and the benchmark = 0-9 points

CY 2015 Hospital HAI SIR by State



Hospital Acquired Conditions



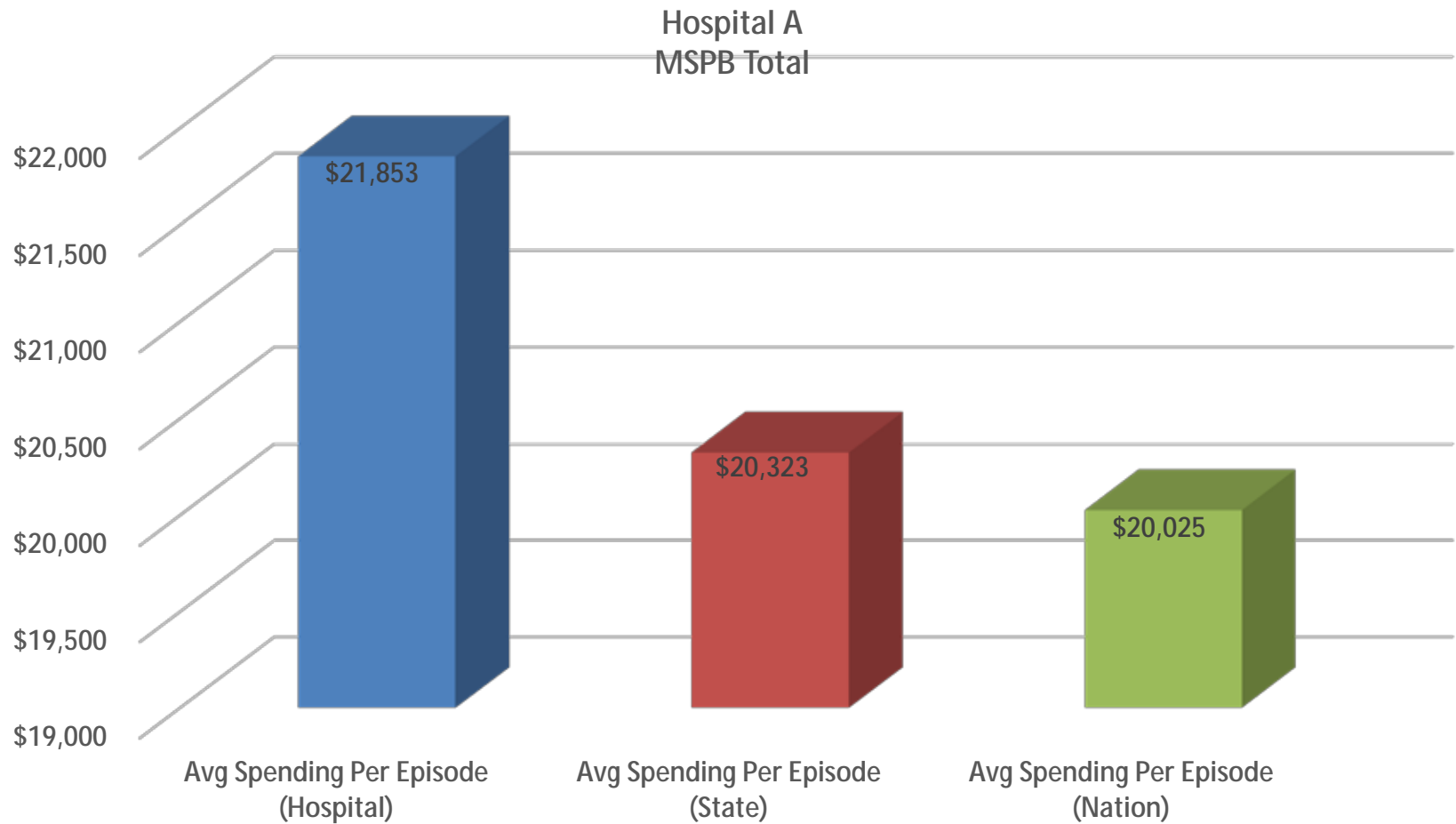
Medicare Spending Per Beneficiary (MSPB)

- Hospital measure, reported as a ratio (average MSPB per hospital/median MSPB for all hospitals)
- Total Parts A and B spending for 3 days prior to hospital admission to 30 days post discharge
- Prices standardized and risk adjusted for patient population
- Exclusions: Medicare Advantage, transfers, deaths, statistical outliers

Medicare Spending Per Beneficiary (MSPB)

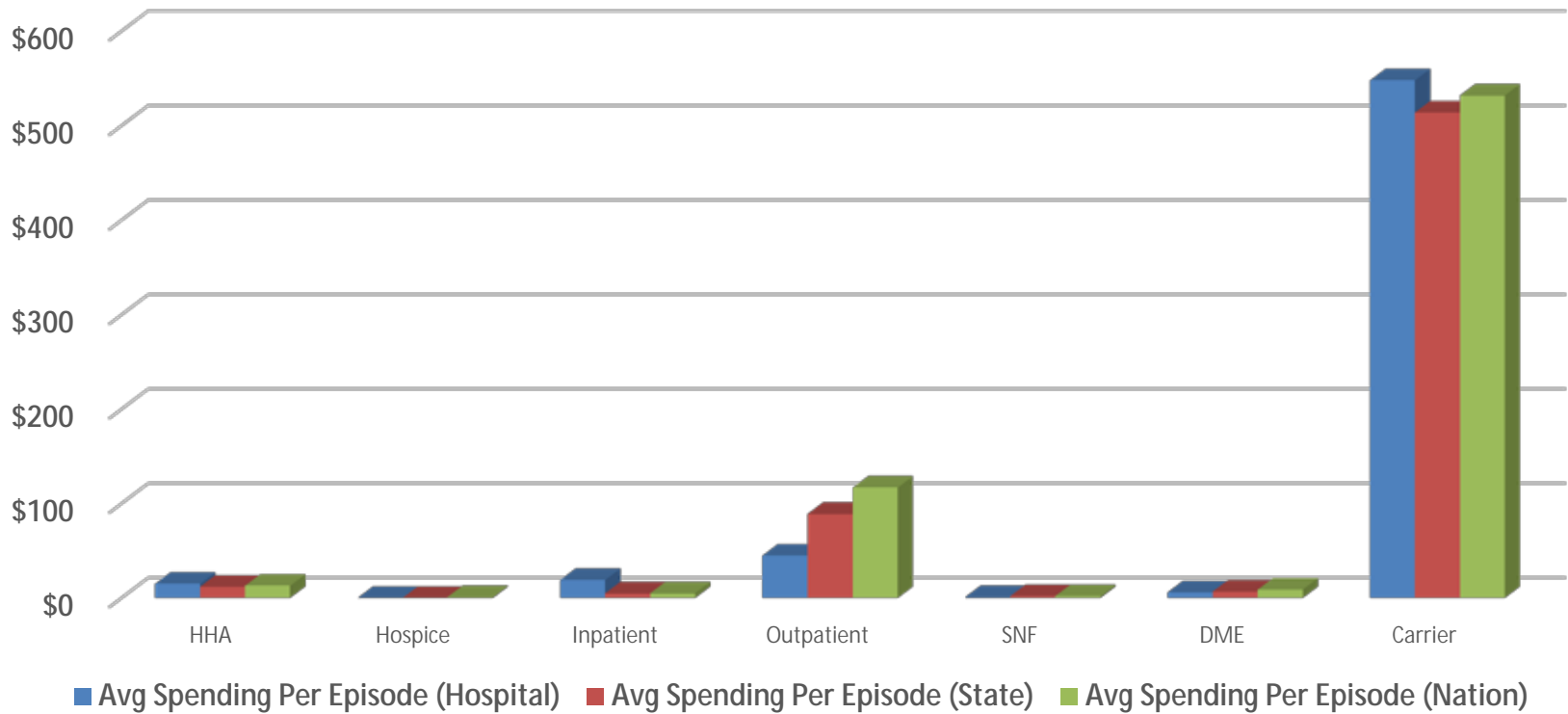


Medicare Spending Per Beneficiary (MSPB)



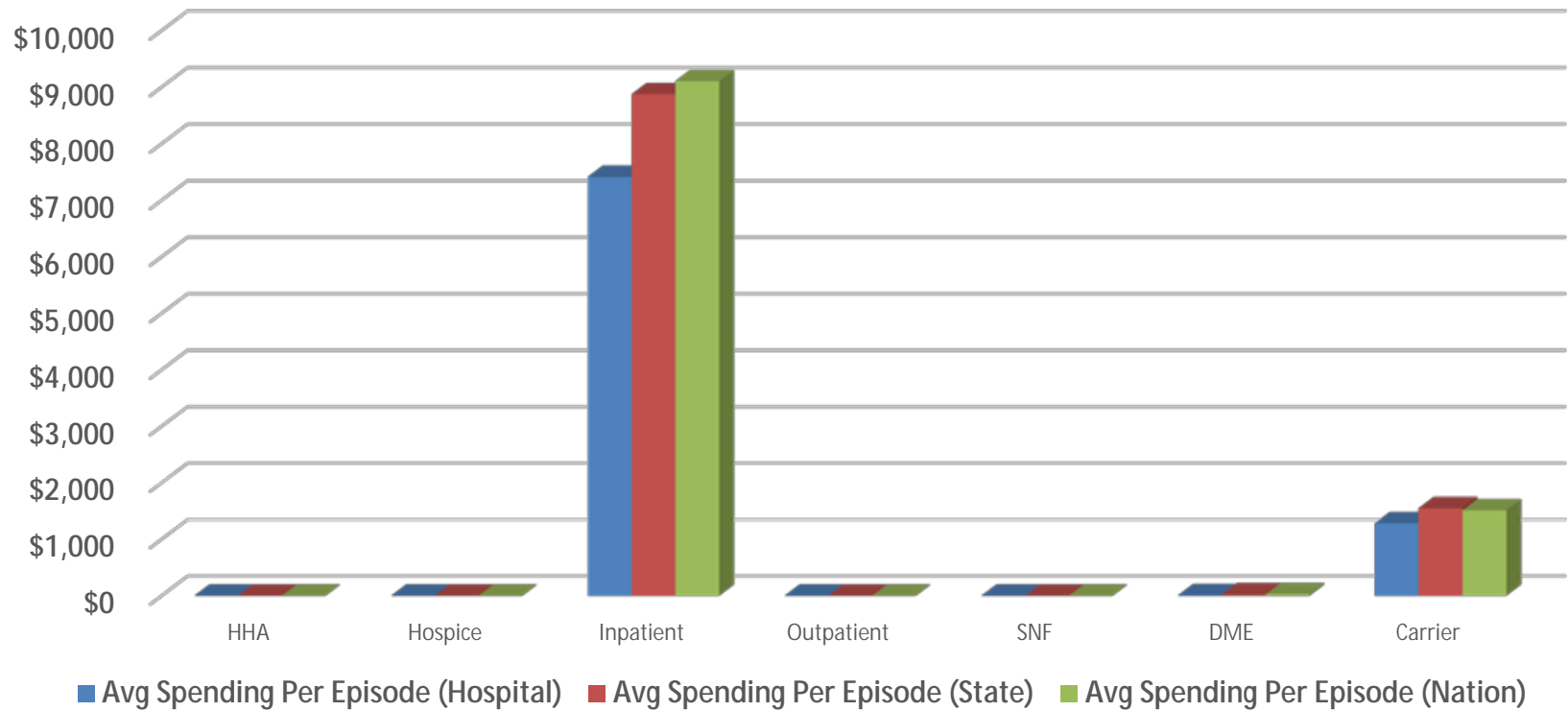
Medicare Spending Per Beneficiary (MSPB)

Hospital A MSPB
1 - 3 Days PTA



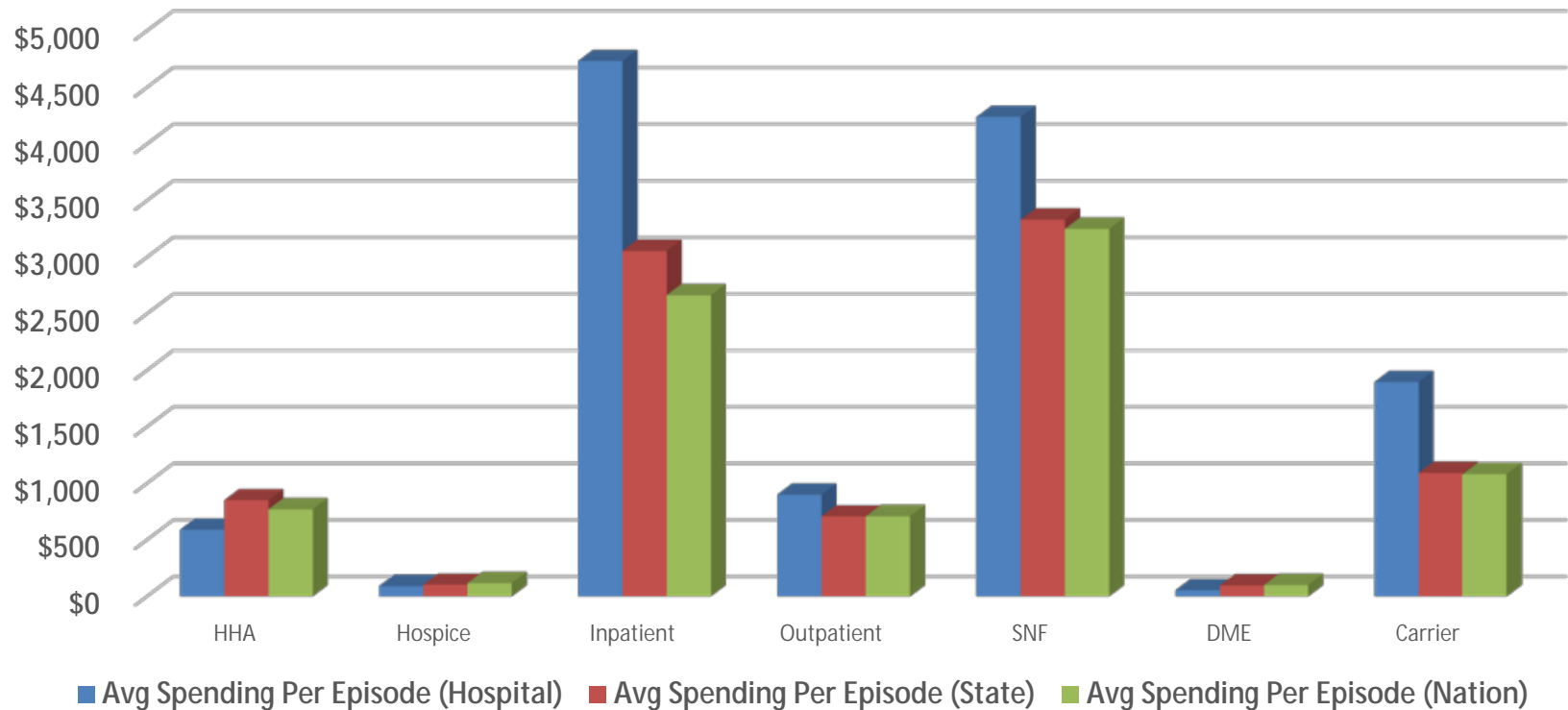
Medicare Spending Per Beneficiary (MSPB)

Hospital A MSPB
Index Hospital Admission

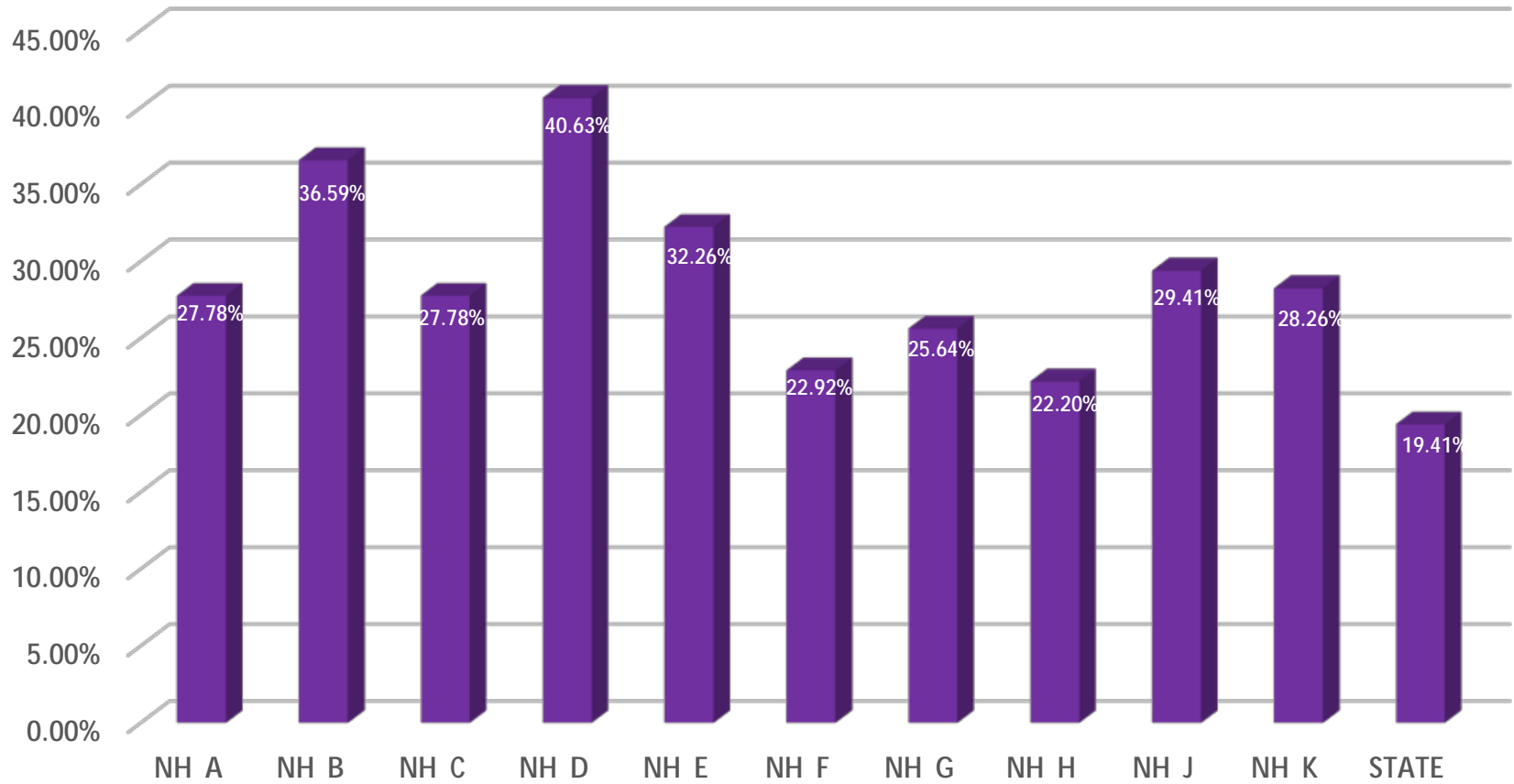


Medicare Spending Per Beneficiary (MSPB)

Hospital A MSPB
1 - 30 Days Post Discharge

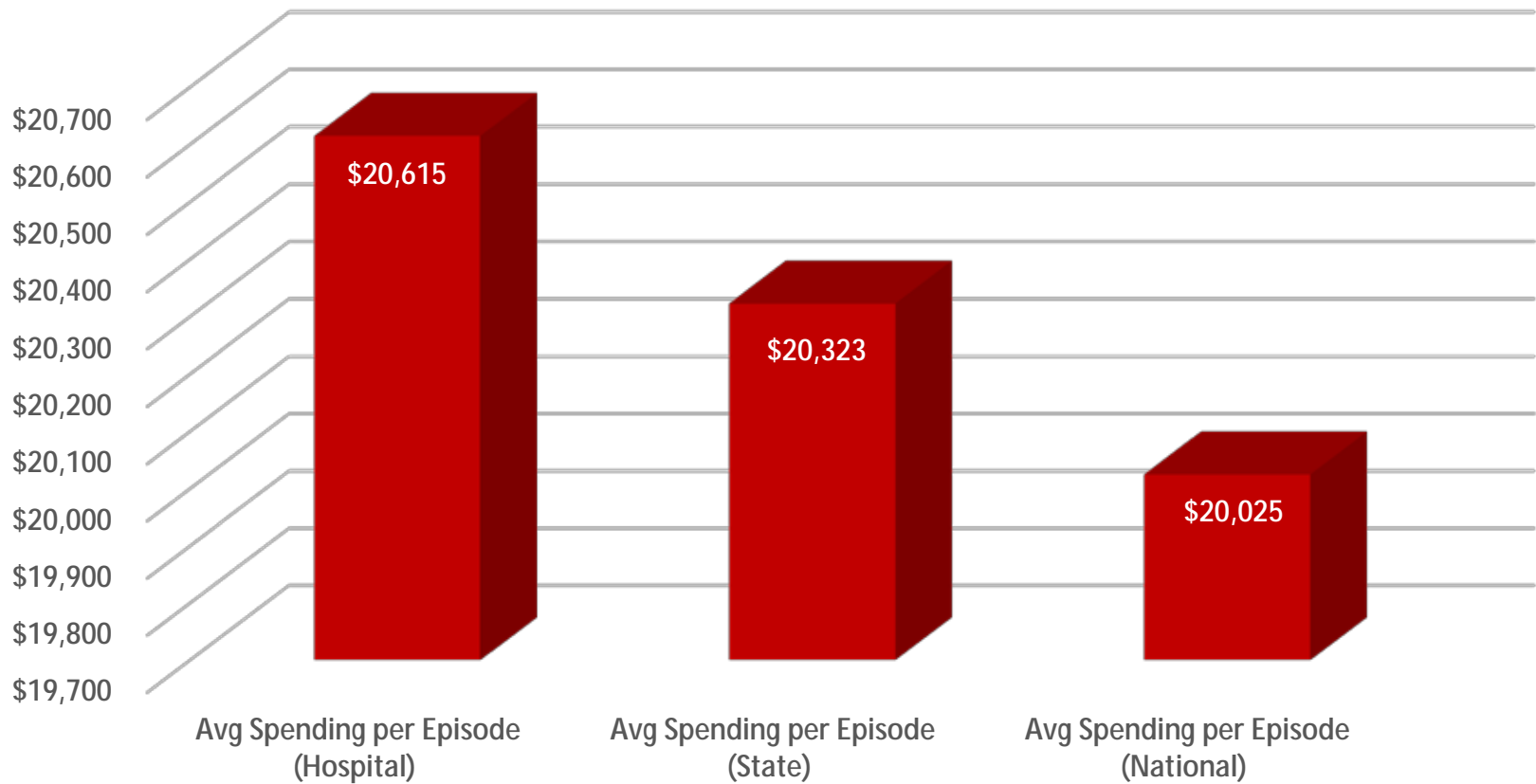


SNF Readmission Rates



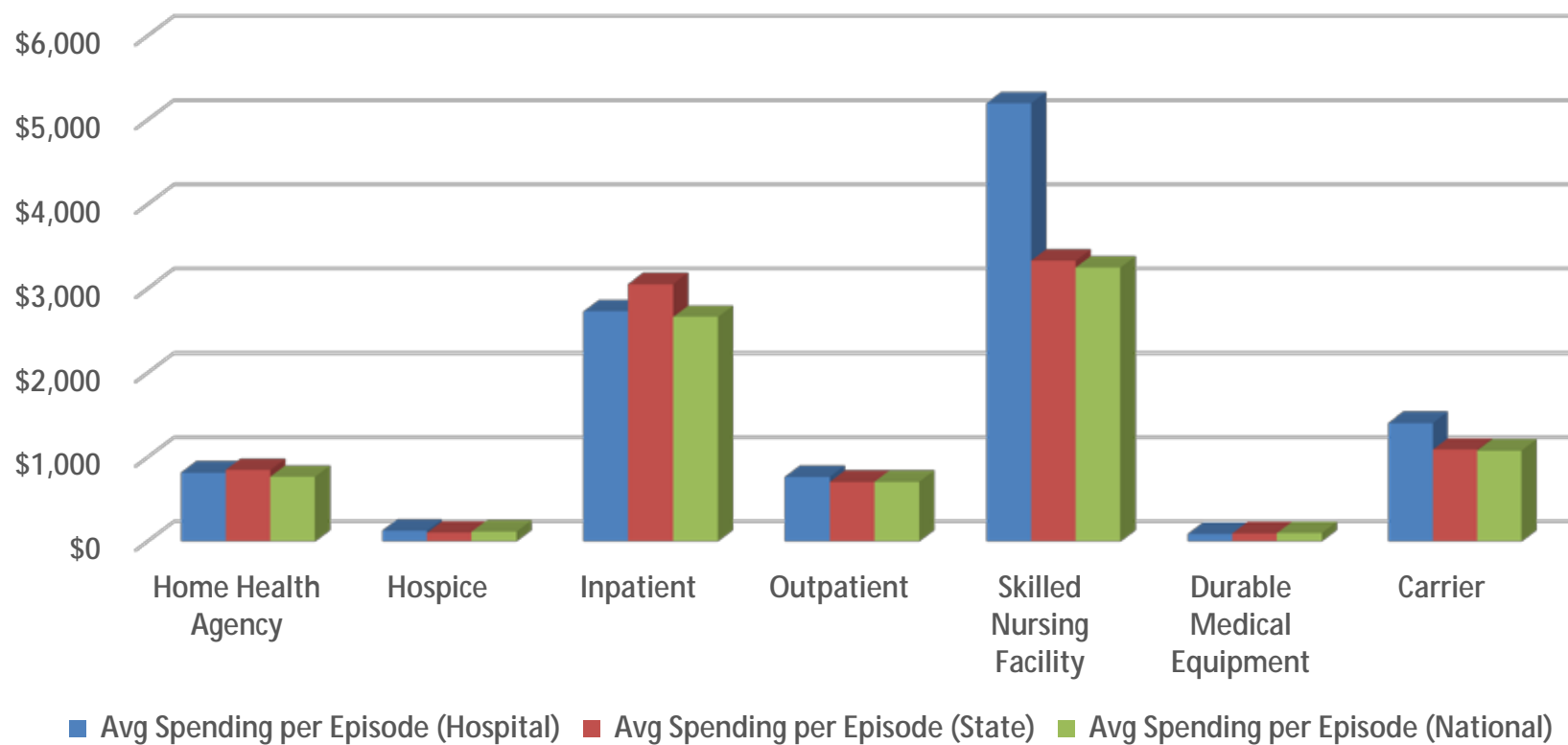
Medicare Spending Per Beneficiary (MSPB)

Hospital B
MSPB

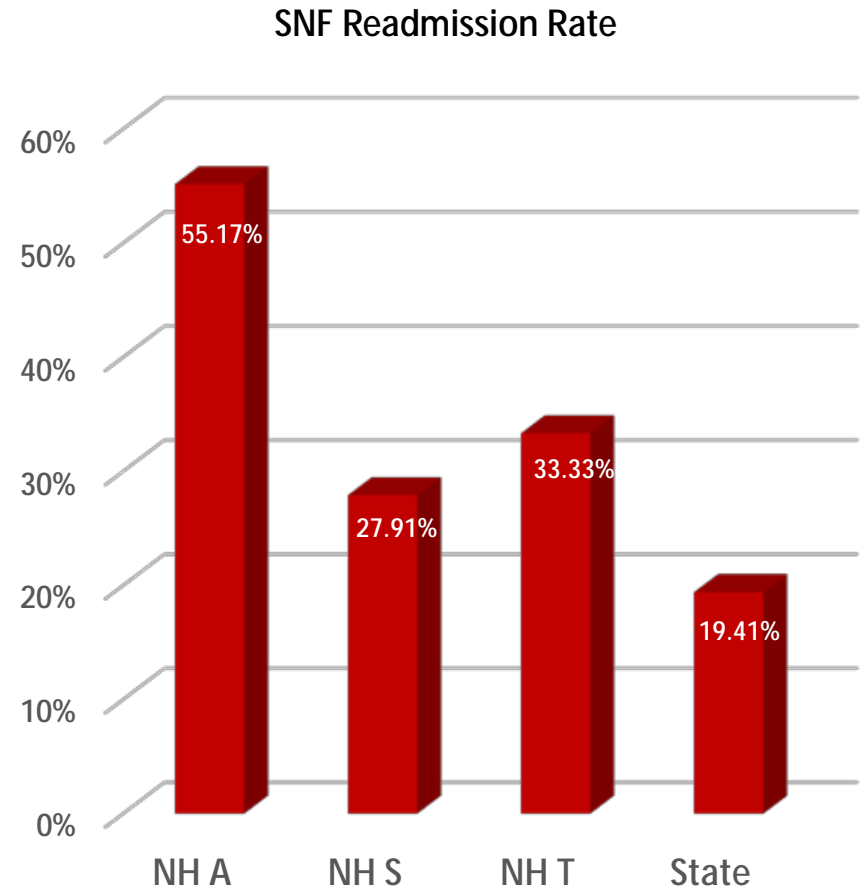
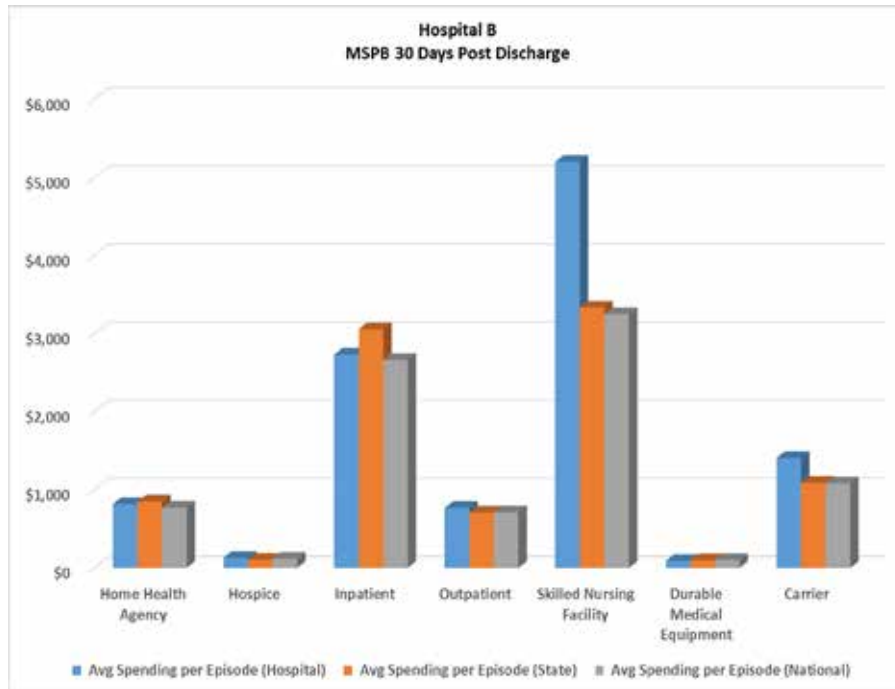


MSPB and SNF Readmission Rates

Hospital B
MSPB 30 Days Post Discharge

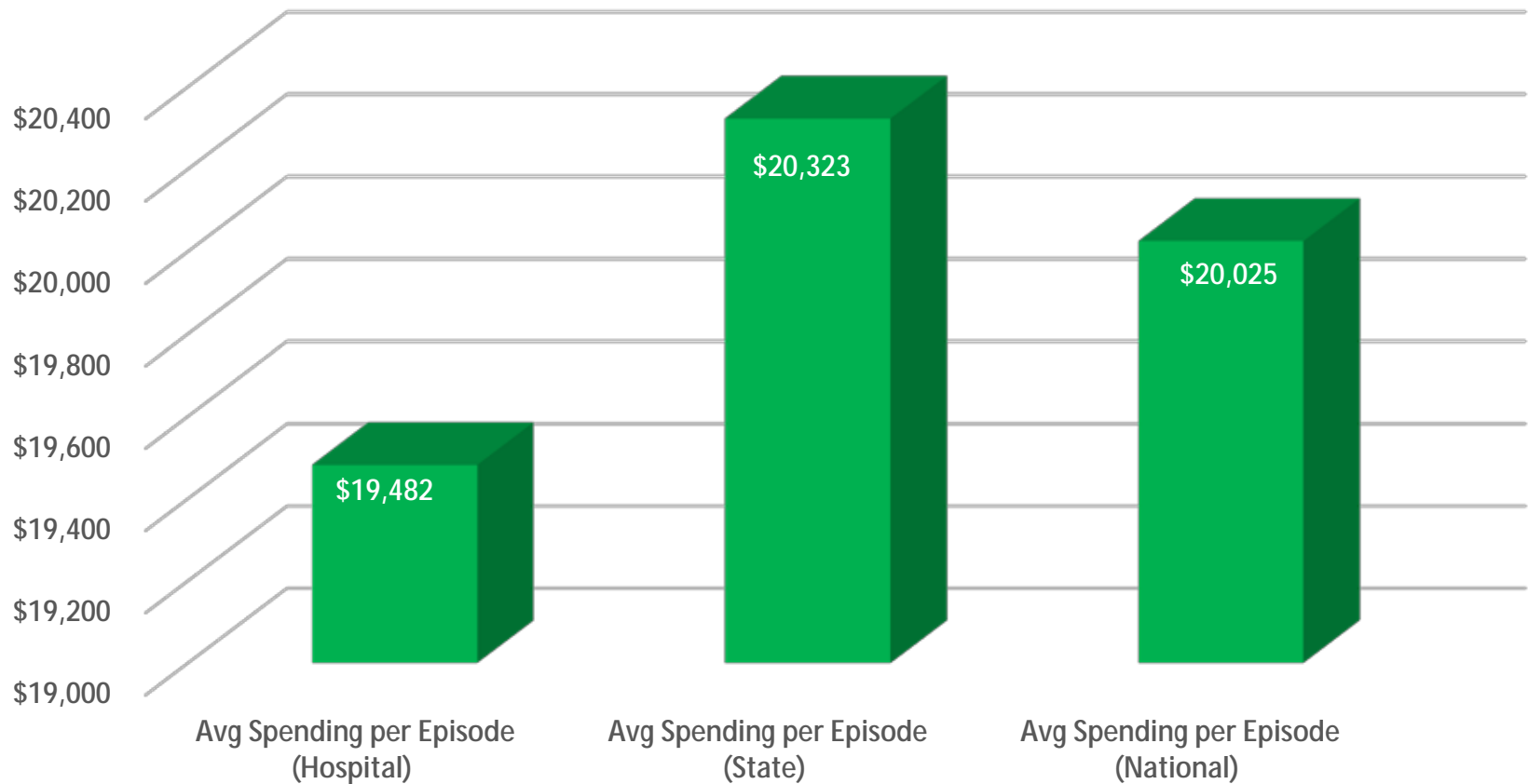


MSPB and SNF Readmission Rates



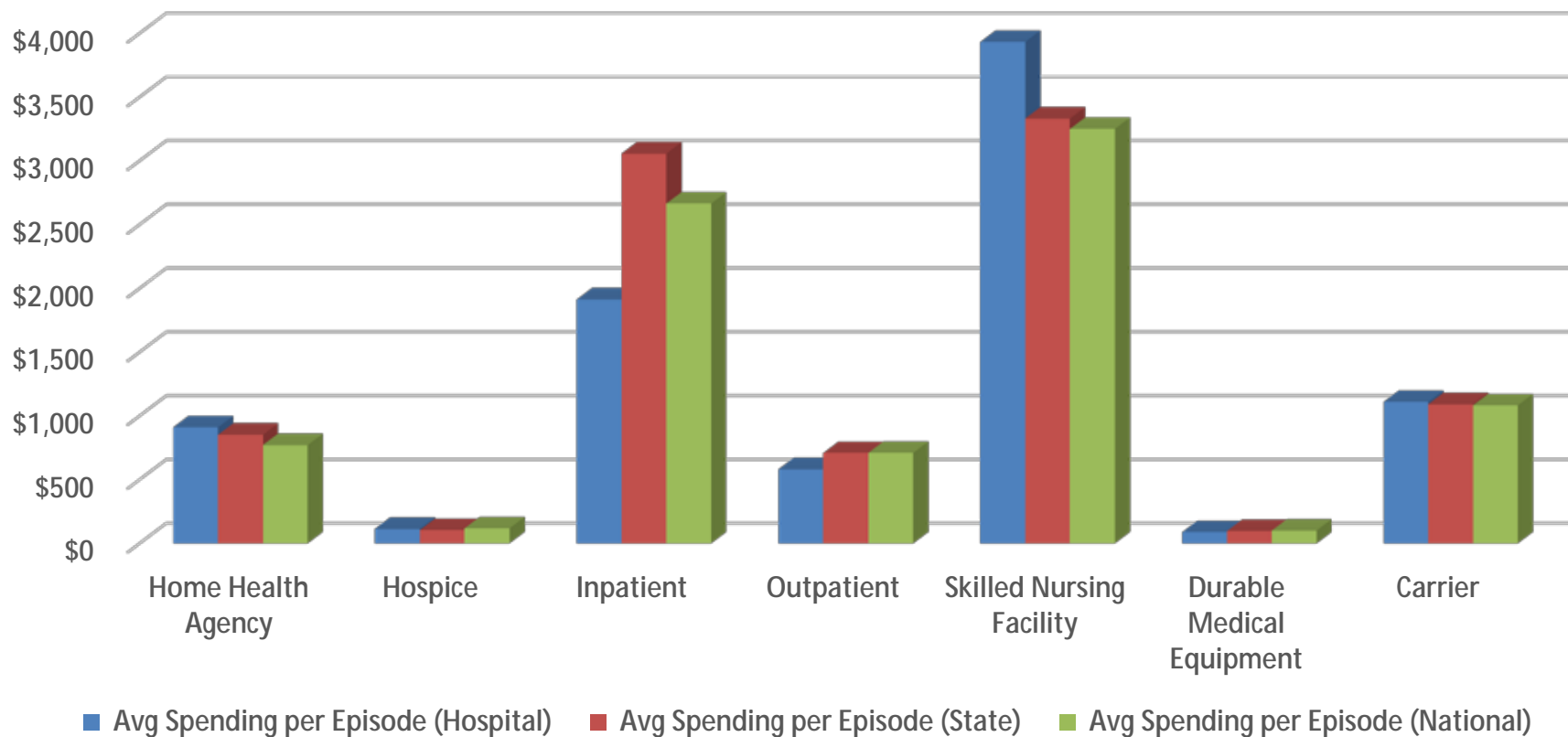
Medicare Spending Per Beneficiary (MSPB)

Hospital C
MSPB

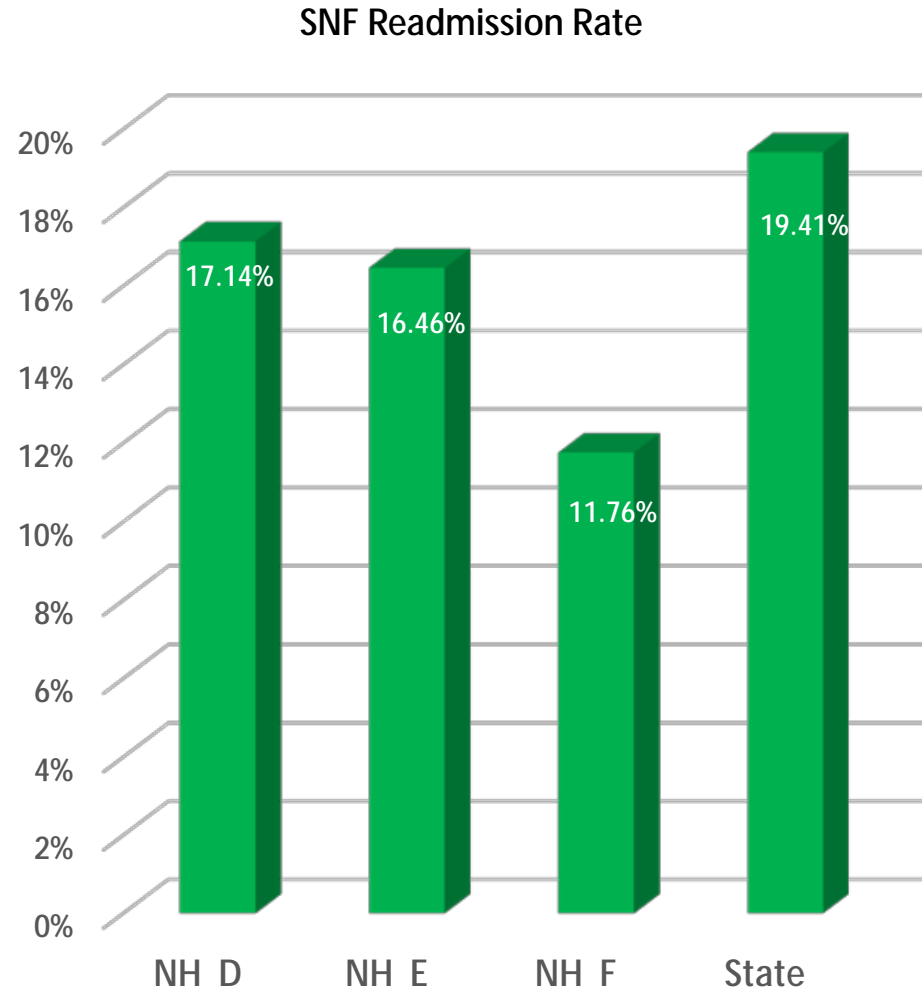
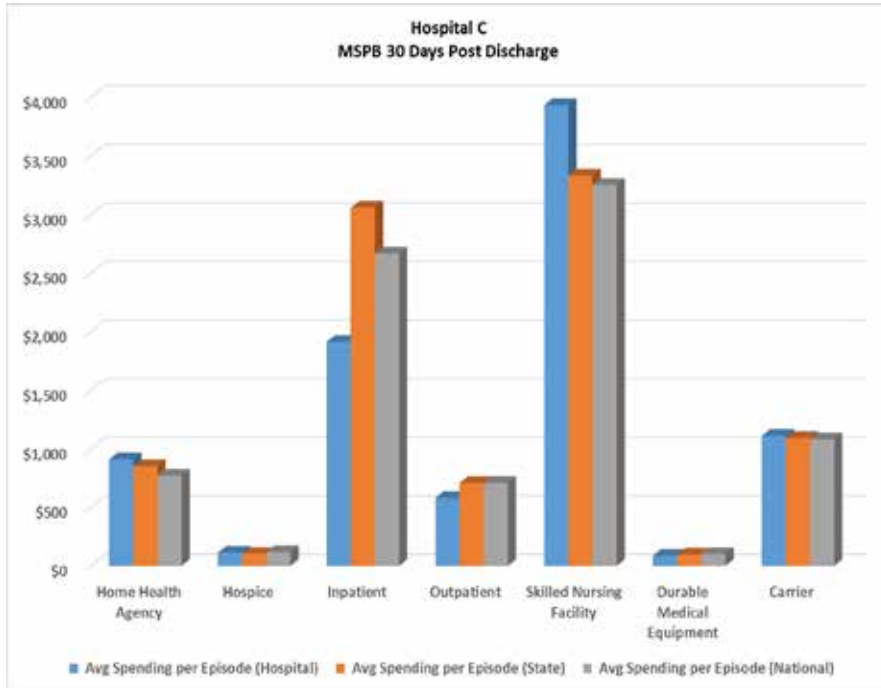


MSPB and SNF Readmission Rates

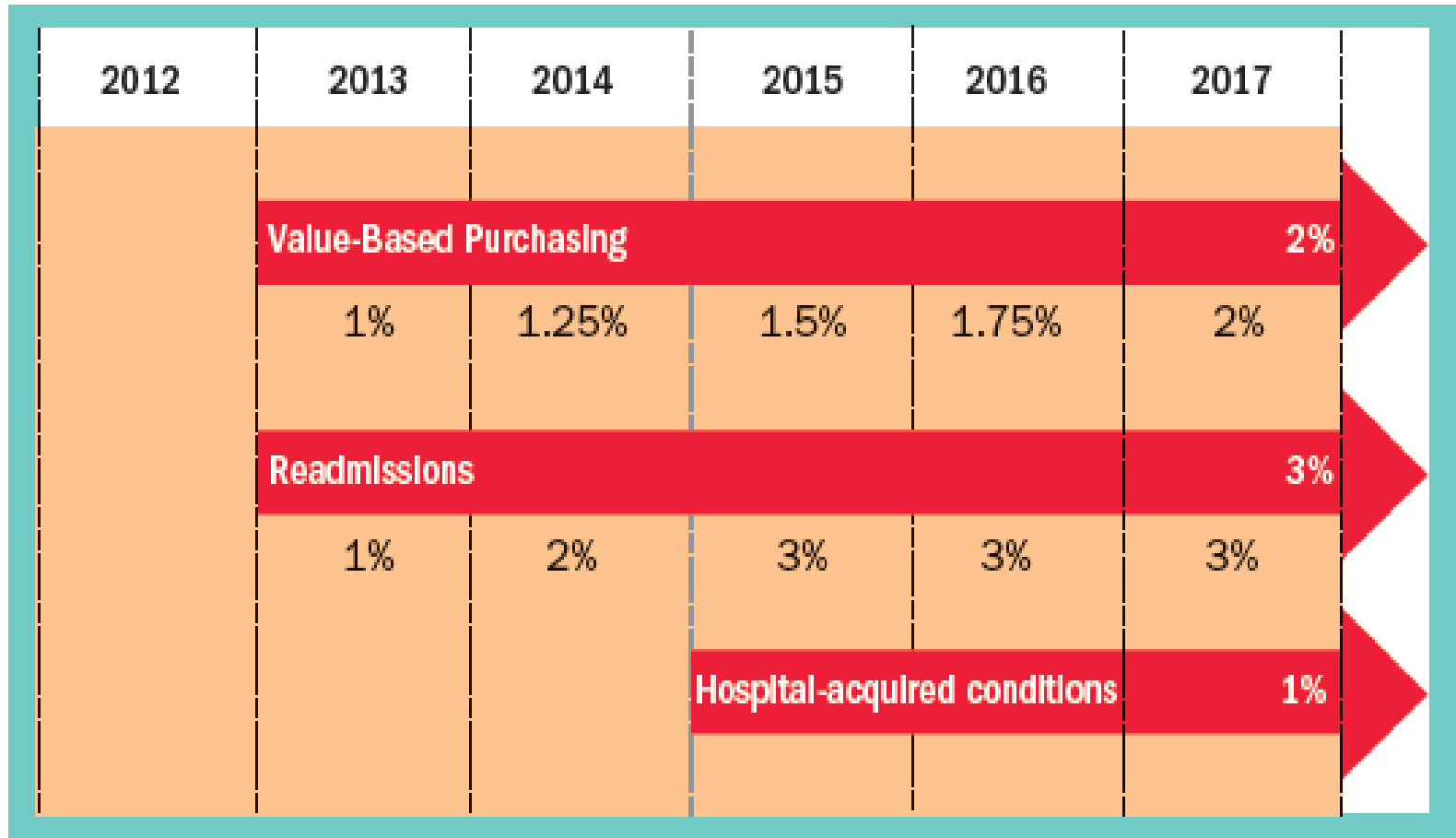
Hospital C
MSPB 30 Days Post Discharge



MSPB and SNF Readmission Rates



Potential Impact of Value-Based Initiatives on Hospitals



HAI Case Study

- Benjamin Poor is a 66 year old Medicare patient admitted for pneumonia. During his hospital stay he developed a CLABSI. The organism was MRSA. He remained in the ICU for sepsis for 14 days at which time he developed a CAUTI. He was discharged to a SNF. In the SNF he developed diarrhea and was readmitted only two days later for treatment of CDI. After treatment he was returned to the SNF but his diuretics were not continued because of dehydration from the diarrhea. On day 4 he was readmitted for recurrent CHF. He passed away during that hospitalization.
- In addition to the cost of the care provided, what other financial impacts are occurring?

“A penny saved is a penny earned.”

- Benjamin Franklin



Questions?

- If you have any additional questions, please contact Julie Volz at jvolz@wvmi.org
- Visit the Quality Insights website at: www.qualityinsights-qin.org





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