CMS’ Quality Initiatives: Past, Present, and Future

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June 29, 2007

Learning Objectives

- Value Driven Health Care
- CMS Quality Initiatives
- Premiere Hospital Quality Demonstration Results
- Physician Quality Reporting Initiative (PQRI)
CMS as a Public Health Agency

- Using CMS influence and financial leverage, in partnership with other healthcare stakeholders, to transform American healthcare system
- Focusing on not just Medicare and Medicaid, but also commercial, uninsured, etc.
- Value, quality, and cost
- Safe, effective, efficient, patient-centered, timely, and equitable
- Assisting patients and providers in receiving evidence-based, technologically-advanced care while reducing avoidable complications and unnecessary costs

The Healthcare Quality Challenge

- We spend more per capita on healthcare than any other country in the world
- In spite of those expenditures, US Healthcare quality is often inferior to other nations and often doesn’t meet expected evidence-based guidelines
- There are significant variations in quality and costs across the nation
Anxiety About Health Care

- **Employers:** premiums growing at 2-3x wages; affecting profits and competitiveness
- **Consumers:** higher out-of-pocket costs keeping real wage growth down; fear of losing insurance; lack of information for confident decisions
- **Insurers:** pressure from employer customers to control rising costs
- **Doctors and Hospitals:** Medicare reimbursement rates; administrative challenges of data collection, performance measurement and reporting

Our Society’s Challenge

- Sector not a system
- Cost Increases
- Opaque Quality
- Misaligned Incentives
Our Society’s Challenge (cont.)

- Sector not a system

- Ever Rising Costs
  - NHE projected to hit 20% by 2015
Our Society’s Challenge (cont.)

- Costs (cont.)

<table>
<thead>
<tr>
<th>Country</th>
<th>Total health spending per capita</th>
<th>Health spending as percent of GDP</th>
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<tbody>
<tr>
<td>United States</td>
<td>$5,635</td>
<td>16.0%</td>
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<tr>
<td>OECD median</td>
<td>$2,280</td>
<td>8.4%</td>
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Opaque Quality

- Early efforts to provide quality data are to be applauded.
- We need to improve quality indicators and consumer understanding of them.
- We need to learn how to speak to employers about quality indicators.
- HQA, AQA, NQF are key as are other national quality alliances for other health care sectors. CMS is a full participant in their efforts.
Our Society’s Challenge (cont.)

- Misaligned Incentives
  - Consumers
  - Providers

Our Society’s Challenge (cont.)

- U.S. health care market lacks
  - System to communicate
    - Electronic
    - Interoperable
  - Cost information
    - Consumer friendly
    - Episodes and individual services
  - Quality information
    - Widely accepted
    - Consumer friendly
  - Incentives to seek value
    - Consumers
    - Providers
Pursue Value

President’s Executive Order:
- Issued on August 22, 2006
- Committed Federal government agencies that sponsor health insurance programs (Medicare, DoD, Tricare) to the four cornerstones of value-driven health care:
  1. Commit to using interoperable Health IT standards
  2. Measure and publish quality information
  3. Measure and publish price information
  4. Provide incentives for quality and efficiency

Pursue Value (cont.)

Federal efforts alone are not enough to tip the market toward transparency
Pursue Value (cont.)

- Building on the efforts of the private sector and partnerships, the Secretary is encouraging employers and other purchasers to commit to the four cornerstones of value-driven health care.

- Please see the HHS Transparency Website for more information: www.hhs.gov/transparency

- To declare your support for Value Driven Health Care please see: www.hhs.gov/transparency/employers

CMS Quality Initiatives
CMS Quality Roadmap

- VISION: The right care for every person every time
  - Make care:
    - Safe
    - Effective
    - Efficient
    - Patient-centered
    - Timely
    - Equitable

CMS Quality Roadmap: Strategies

1. Work through partnerships to achieve specific quality goals
2. Publish quality measurements and information as a basis for supporting more effective quality improvement efforts
3. Pay in a way that expresses our commitment to quality, and that helps providers and patients to take steps to improve health and avoid unnecessary costs
4. Assist practitioners in making care more effective and less costly, especially by promoting the adoption of HIT
5. Bring effective new treatments to patients more rapidly and help develop better evidence so that doctors and patients can use medical technologies and treatments more effectively, improve quality and avoid unnecessary complications and costs
CMS Quality Initiatives

- Hospitals
- Nursing homes
- Home health agencies
- Dialysis facilities
- Physician offices
- More to come…

CMS Quality Initiatives (cont.)

- Broad Quality Alliances
  - Hospital Quality Alliance
  - Ambulatory Care Quality Alliance
  - Pharmacy, ESRD, Cancer Quality Alliances with more emerging
- Quality data
  - Collection
  - Aggregation
  - Reporting
- Linking payment to quality and efficiency
CMS Incentive Payment Initiatives

- Hospital P4P Initiative
- Premier Hospital Quality Incentive demonstration (P4P)
- Physician Quality Reporting Initiative (PQRI)
- Physician Group Practice demonstration
- Medicare Care Management Performance Demonstration
- ESRD Managed Care demonstration
- ESRD Bundled Payment demonstration

CMS Incentive Payment Initiatives (cont.)

- Medicare Health Support program
- Medicare Medical Home demonstration
- High Cost Beneficiary program
- Gainsharing demonstration
- Post-Acute Care Payment Reform demonstration
- CHART
- Nursing Home P4P demonstration
- Home Health P4P demonstration
CMS Incentive Payment Initiatives (cont.)

- Development and implementation of standard performance measures in every setting
- Efficiency measures analysis and development
- P4P Initiatives being developed in all settings

Common Quality Themes

- Physician-Patient partnership
- Benefits of group practice and systems integration
- Efficiency and value through coordinated care, systems improvement, health information technology, etc.
- Management of chronic illness
- Benefits of prevention
- Use of evidence-based medicine
- Focus on care across the continuum
- Transparency in the health care system
Components of Hospital Pay-for-Reporting Initiative

- National Voluntary Hospital Reporting Initiative
  - Federation of American Hospitals
  - AHA
  - AAMC
  - CMS, JCAHO, others
- Hospital Quality Alliance
- Medicare Modernization Act financial incentive of 0.4% increased to 2% under DRA

Hospital Quality Measures

**Acute Myocardial Infarction**
- Aspirin at arrival
- Aspirin at discharge
- ACE-I or ARBs for LV systolic dysfunction
- Smoking cessation counseling
- Beta blocker at arrival
- Beta blocker at discharge
- Thrombolytics within 30 minutes of arrival
- Primary PCI within 120 minutes of arrival
- 30-day AMI mortality

**Heart Failure**
- Discharge instructions
- LV function assessment
- ACE-I or ARBs for LV systolic dysfunction
- Smoking cessation counseling
- 30-day heart failure mortality

**Pneumonia**
- Oxygenation assessment
- Pneumococcal vaccination status
- Blood culture in ER before first antibiotic
- Initial antibiotic within 4 hours of arrival
- Initial antibiotic selection
- Smoking cessation counseling
- Influenza vaccination status
Premier Hospital Quality Demonstration

- 260 participating hospitals
  - www.cms.hhs.gov/HospitalQualityInits
- 34 Quality Metrics
  - Acute myocardial infarction (9)
  - Coronary artery bypass graft (8)
  - Heart failure (4)
  - Community acquired pneumonia (7)
  - Hip and knee replacement (6)

Premier Hospital Results

- $8.85 million paid in first year
  - AMI – $1.756 million to 49 hospitals
  - CHF – $1.818 million to 57 hospitals
  - Pneumonia – $1.139 million to 52 hospitals
  - CABG – $2.078 million to 27 hospitals
  - Hip and Knee Replacement – $2.061 million to 43 hospitals
- 49 out of 260 participating hospitals received bonuses
- 39 out of 260 have < 100 beds, several with awards
- All five clinical quality areas demonstrably improved
Premier Hospital Results (cont.)

- Two hospitals in top two deciles for all 5 conditions
  - Hackensack University Hospital, NJ
  - McLeod Regional Medical Center, SC
  - Fairview Lakes Medical Center, MN in 3/5

- Individual category top performers
  - AMI – Fairview Lakes Medical Center, MN
  - CHF – Lourdes Hospital, KY
  - Pneumonia – St. Francis Hospital, Broken Arrow, OK
  - CABG – Greenville Hospital, SC
  - Hip and Knee – Bone and Joint Hospital, Oklahoma City

Premier Hospital Quality Demonstration: Does it work? Early evidence says "yes"

- Premier HQID Phase 1 - Results
  - Results released November 14, 2005
  - $8.85 million awarded to 123 top performers
  - Quality of care improved in all of the five clinical areas measured
  - Top performers represented large and small facilities across the country

- Just In – Phase 2 Results
  - Results released January 26, 2007
  - $8.69 million awarded to 115 top performing hospitals
  - Average improvement across five clinical areas was 6.7% for total gains of 11.8% percentage points over the project’s first two years

Three Year Extension Announced February 22, 2007
Value Driven Health Care

Four Key Strategies:

- Measure and Report Performance
- Adopt Health Information Technology
- Redesign Care Practices
- Transform Organizational Culture

Value-Based Purchasing and the Physician Quality Reporting Initiative

- Current Medicare Physician Fee Schedule based on quantity and resources consumed, NOT quality or value
- Value = Quality / Cost
  - Incentives can encourage higher quality and avoidance of unnecessary costs to enhance the value of care
PQRI and Quality

- PQRI will focus attention on quality of care
  - Reporting data for quality measurement rewarded with financial incentive
  - Measurement enables improvements in care
  - Reporting is the first step toward pay for performance

PQRI Eligible Professionals

- Physicians
  - MD/DO
  - Podiatrist
  - Optometrist
  - Oral Surgeon
  - Dentist
  - Chiropractor

- Practitioners
  - Physician Assistant
  - Nurse Practitioner
  - Clinical Nurse Specialist
  - Certified Registered Nurse
  - Anesthetist
  - Certified Nurse Midwife
  - Clinical Social Worker
  - Clinical Psychologist
  - Registered Dietician
  - Nutrition Professional

Reporting starts July 1, 2007
PQRI Quality Measures

- Final list of 74 quality measure descriptions, and detailed specifications now posted at:
  
  www.cms.hhs.gov/PQRI

- Educational materials also posted:
  - “Coding for Quality” Handbook
  - PQRI Fact sheet
  - Code Master

Benefits of PQRI Participation

- You will receive confidential feedback reports to support quality improvement

- You may earn a bonus incentive payment

- You will be making an investment in the future of your practice
  - Prepare for higher bonus incentives over time
  - Prepare for pay for performance
  - Prepare for public reporting of performance results
More Information on PQRI:

- PQRI website: www.cms.hhs.gov/PQRI
  - Tools to support successful reporting

- Medicare Carrier/Medicare Administrative Contractor (MAC) inquiry management
  - Speakers’ Bureau

- Region IX Office
  - Education for participants and their office staff

Stay Informed Through Region IX Stakeholder Call

- Every 3rd Thursday of the month, 2-3pm PST
- Next call July 19, 2007
- Toll Free: 888-452-0273
  Pass code: Stakeholder call
  Leader: Jeff Flick

- Register for “CMS Region IX Stakeholder” listserv for notification and details about calls through:
  http://www.cms.hhs.gov/apps/mailinglists
Thank You!

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