

# Quality News

A Publication of the Northern Metropolitan Hospital Association

January 2012 Vol. 1 No. 1

## ***Hospital Value-Based Purchasing Options Finalized***

The Centers for Medicare and Medicaid Services released this week a Final Rule with Comment on Hospital Outpatient Prospective Payment; Ambulatory Surgical Center Payment; and Hospital Value-Based Purchasing (HVBP).

Based upon prior rules, value based purchasing affects a hospital's funding for Federal Fiscal Year 2013 and beyond. For FFY 2013, beginning Oct. 1, 2012, 1% of a hospital's annual payment update will be set aside for a HVBP pool. These monies will be used to fund the program which will have winners and losers. Hospitals will be reviewed on how well they perform on 12 clinical process of care measures and 8 patient experience of care dimensions. The clinical process of care domain will be weighted 70%; the patient experience of care domain weighted 30% for the hospital's score for FFY 2013.

This final rule sets in place the HVBP program for FFY 2014. It finalizes 13 clinical process of care measures, adding a new measure for postoperative urinary catheter removal on postoperative day 1 or 2. The same 8 patient experience of care dimensions will comprise that domain. The rule finalized 3 outcome measures looking at 30 day mortality rates for acute myocardial infarction, pneumonia and heart failure. The rule suspended for the value based purchasing program for payment for FFY 2014 the other proposed outcome of care measures including hospital acquired conditions and the Medicare spending per beneficiary measure. For 2014, the clinical process of care domain will be weighted 45%; the patient experience of care domain 30%; the outcome domain 25%.

### **Exclusions from the Program**

The HVBP program excludes hospitals that: 1) for the same program year are subject to the payment reduction due to not reporting Hospital Inpatient Quality Reporting measures or for the same year were cited for "immediate jeopardy" deficiencies and 2) hospitals with an insufficient number of cases or number of measures for the HVBP program.

Hospitals are required to have at least 10 cases for each individual clinical process of care measure. Hospitals with fewer than 4 clinical process of care measures cannot participate in the HVBP. Hospitals need to report on a minimum of 10 cases for a mortality measure to be reliable. Hospitals must report on at least two of the three mortality measures in order to participate in the HVBP program. Hospitals must have at least 100 patient surveys in order to have a sufficient number to comprise the patient experience of care domain.

### **Baseline and Performance Measures**

The following table includes all finalized baseline and performance periods for the FY 2013 and FY 2014 program years.

| <b>FY 2013 Hospital Value Based Purchasing Program<br/>Baseline and Performance Periods</b> |                               |                               |
|---|-------------------------------|-------------------------------|
| DOMAIN  | BASELINE PERIOD               | PERFORMANCE PERIOD            |
| Clinical Process of Care  | July 1, 2009 – March 31, 2010 | July 1, 2011 – March 31, 2012 |
| Patient Experience of Care  | July 1, 2009 – March 31, 2010 | July 1, 2011 – March 31, 2012 |

| <b>FY 2014 Hospital Value Based Purchasing Program<br/>Baseline and Performance Periods</b> |                                   |                                   |
|---|-----------------------------------|-----------------------------------|
| DOMAIN  | BASELINE PERIOD                   | PERFORMANCE PERIOD                |
| Clinical Process of Care  | April 1, 2010 – December 31, 2010 | April 1, 2012 – December 31, 2012 |
| Patient Experience of Care  | April 1, 2010 – December 31, 2010 | April 1, 2012 – December 31, 2012 |
| Outcome Domain: Mortality Measures  | July 1, 2009 – June 30, 2010      | July 1, 2011 – June 30, 2012      |

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