

## **Pennsylvania Hospitals Ready for Medicare's Value-Based Purchasing; Statewide Progress Exceeds National Averages**

(September 28, 2012 HARRISBURG, PA) A new analysis by the Pennsylvania Health Care Quality Alliance (PHCQA) suggests that Pennsylvania's hospitals are well positioned to succeed in the first year of Medicare's new incentive program – the largest quality improvement program of its kind with a pool of \$850 million in incentives in just the first year.

Starting Monday October 1<sup>st</sup>, the Centers for Medicare and Medicaid Services (CMS) will begin a Medicare-funded pay-for-performance program for all general acute-care hospitals. The Hospital Inpatient Value-Based Purchasing Program (VBP) was established by the Affordable Care Act of 2010 and will provide incentive payments based on a hospital's performance in certain quality measures during the period from July 1, 2011 to March 31, 2012. The VBP Program will use two types of quality measures in its first year: Clinical Process of Care measures and Patient Experience of Care measures.

According to PHCQA's "State of the State" report, which is based on CMS data leading up to the start of the VBP performance period, Pennsylvania hospitals showed improvement in all Clinical Process of Care measures across all four areas (heart attack, heart failure, pneumonia, and the prevention of surgical infections) from July 1, 2010 to June 30, 2011 and performed better than the national average in 18 of 20 measures. Examples of Clinical Process of Care measures include the percentage of patients treated with beta-blocker drugs after a heart attack; percentage of patients who had antibiotics appropriately administered before and after surgery; and the percentage of patients who were provided with a pneumonia vaccination if appropriate.

Clinical Process of Care measures will make up 70% of the total performance score for VBP, which determines how incentive (or penalty) payments to hospitals will be assessed. The remaining 30% will be based on results from Patient Experience of Care measures.

"Since nearly three-quarters of the scoring is based on the performance in process measures," explained Erik Muther, Executive Director of PHCQA, "hospitals in Pennsylvania should fare quite well in the first year under the CMS's new VBP program."

PHCQA also reviewed data collected by CMS on Patient Experience of Care measures. The analysis shows overall performance for Pennsylvania's hospitals on these measures is tracking

closely to—but not exceeding—national averages. Among the criteria used to determine patient assessments of their experiences are their satisfaction with communications with their doctors and hospital staff, how often patients' pain was well controlled, hospital quietness and cleanliness, and overall rating and recommendation for the hospital. While average scores on most of the questions went up from July 2010 to July 2011, nearly all Patient Experience of Care measures reported Pennsylvania hospitals did not exceed national averages.

Although PHCQA's analysis is based on the 12 months leading up to the start of the VBP performance period, Mr. Muther is confident that Pennsylvania hospitals have quality improvement programs in place to help continue the upward trend. However, PHCQA's report also shows that work remains to be done to improve patient outcomes in areas such as readmissions to the hospital and 30-day mortality rates for certain conditions. Outcomes of Care measures will be included in the second year of VBP starting in October 2013.

Patients and clinicians can learn more by visiting [www.pahealthcarequality.org](http://www.pahealthcarequality.org), the PHCQA website. The site provides extensive outcome and clinical performance data on virtually every acute care hospital in Pennsylvania, and is designed to help the layperson understand how hospitals perform.

### **About PHCQA**

The Pennsylvania Health Care Quality Alliance is a nonprofit coalition of health care organizations working together collaboratively to align measurement and improvement standards of the quality of health care for the citizens of Pennsylvania. Alliance members include The Hospital & Healthsystem Association of Pennsylvania (HAP), which represents more than 225 hospitals and health systems across the state; the Pennsylvania Medical Society; the Delaware Valley Healthcare Council of HAP; the Hospital Council of Western Pennsylvania; Geisinger Health Plan; UPMC Health Plan; Blue Cross of Northeastern Pennsylvania; Capital BlueCross; Highmark Inc.; Independence Blue Cross; and Pfizer.

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