

# Value Based Purchasing and Quality of Care

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## What is Value Based Purchasing?

- A program established by the US Government (cms.gov) to provide **incentives** for acute care hospitals to deliver quality health care for their patients.
- It is a “Demand” based strategy that measures, reports and rewards care quality. It involves decisions related to **access, price, efficiency, effectiveness** and **incentives**.

**Quantity** based payment vs. **Quality** based payment

# “FORM FOLLOWS FUNCTION”

Louis Sullivan, 2015

The US NQ strategy is to concurrently pursue three aims:



The Strategy's aims and priorities are supported by **the nine National Quality Strategy "levers"**: organizations' core business functions that serve as a means for improving health and health care quality

## The National Quality Strategy Levers



## Measurement and Feedback



Provide performance feedback to plans  
and providers to improve care

A long-term care provider may implement a strategy that includes the use of Quality Assurance and Performance Improvement data to populate measurement dashboards for purposes of identifying and addressing areas requiring quality improvement

## Public Reporting



Compare treatment results, costs, and  
patient experience for consumers

A regional collaborative may ask  
member hospitals and medical  
practices to align public reports  
to the National Quality Strategy  
aims or priorities



## Learning and Technical Assistance



Foster learning environments that offer training, resources, tools, and guidance to help organizations achieve quality improvement goals

A Quality Improvement Organization may disseminate evidence-based best practices in quality improvement with physicians, hospitals, nursing homes, and home health agencies

## Certification, Accreditation, and Regulation



Adopt or adhere to approaches to meet  
safety and quality standards

The National Quality  
Strategy aims and priorities  
may be incorporated into  
continuing education  
requirements or certification  
maintenance

## Consumer Incentives and Benefit Designs



Help consumers adopt healthy behaviors  
and make informed decisions

Employers may  
implement workforce  
wellness programs  
that promote  
prevention and  
provide incentives  
for employees to  
improve their health

## Health Information Technology



Improve communication, transparency, and efficiency for better coordinated health and health care

A hospital or medical practice may adopt an electronic health record system to improve communication and care coordination

## Innovation and Diffusion



Foster innovation in health care quality improvement, and facilitate rapid adoption within and across organizations and communities

Center for Medicare & Medicaid Innovation tests various payment and service delivery models and shares successful models across the Nation

## Workforce Development



Investing in people to prepare the next generation of health care professionals and support lifelong learning for providers

A medical leadership institution may incorporate quality improvement principles in their training

## Payment



Join a coalition of  
purchasers that  
are pursuing  
value-based  
strategies

Reward and incentivize providers to  
deliver high-quality, patient-centered care

VBP is based on...

Purchasing care by evaluating:

- Quality (outcomes)
- Service
- Cost

Providing desired (and necessary) services that are high quality at the lowest possible cost!



It is all about appropriately measuring performance

- Performance of **all players**; employers, purchasers, providers, regulators AND consumer behaviors (including employee health and productivity).
- **Measuring performance** is to acquire data!
- Based on accurate, accessible and relevant **data**; claims, clinical and patient surveys.
- Collecting, measuring, reporting, comparing, acting.

## Elements of VBP

1. Standardized **Performance Measurement**
2. Transparency and Public **Reporting**
3. Payment Innovation
4. Informed consumer choice

## Transparency

- Data should be converted to useful information (to consumers and purchasers)
- Quality and price indices should become public
- Cost conscious purchasers (actual out-of-pocket expenses)
- Benefit designs = high value providers (for both consumer and purchasers)

## Payment Innovations

Re-design payment methods:

- P4P
- Payment for “bundles” of care services or for episodes of care and always based on outcomes (towards good/better health)
- “New design” Capitation payment (based on population health improvement)
- Good health = clinical plus “other” determinants of health (e.g. social)
- Payment should not only be for “treating” sick people but to continuously keeping people healthy.

## Informed Consumer Choice

- Life style decisions (preventive and clinical care)
- Treatment choices (personal preferences, compliance rates, and evidence based outcomes)
- Choice for Healthcare Provider/plans (high value – price and STEEP quality)
- Enablers: incentives, accessible information, coaching/counseling, health and productivity programs, value-based insurance designs, etc.

## The VBP measures (cms.gov)

FY	Domains and weights
2016	Clinical Process of Care (10%) Patient Experience of Care (25%) Outcome (40%) Efficiency (25%)
2017	Patient and Caregiver-Centered Experience of Care/Care Coordination (25%) Safety (20%) Clinical Care (30%) <ul style="list-style-type: none"> <li>• Clinical Care – Outcomes (25%)</li> <li>• Clinical Care – Process (5%)</li> </ul> Efficiency and Cost Reduction (25%)
2018	Patient and Caregiver-Centered Experience of Care/Care Coordination (25%) Safety (25%) Clinical Care (25%) Efficiency and Cost Reduction (25%)

**Table 2. Hospital VBP Program Measures for FY 2016**

Measure ID	Measure/Dimension Description	Domain
AMI-7a	Fibrinolytic Therapy Received Within 30 Minutes of Hospital Arrival	Clinical Process of Care
IMM-2	Influenza Immunization Clinical Process of Care PN-6 Initial Antibiotic Selection for Community-Acquired Pneumonia (CAP) in Immunocompetent Patients	Clinical Process of Care
SCIP-Inf-2	Prophylactic Antibiotic Selection for Surgical Patients	Clinical Process of Care
SCIP-Inf-3	Prophylactic Antibiotics Discontinued Within 24 Hours After Surgery End Time	Clinical Process of Care
SCIP-Inf-9	Urinary Catheter Removal on Postoperative Day 1 or Postoperative Day 2	Clinical Process of Care
SCIP-Card-2	Surgery Patients on a Beta-Blocker Prior to Arrival Who Received a Beta-Blocker During the Perioperative Period	Clinical Process of Care
SCIP-VTE-2	Surgery Patients Who Received Appropriate Venous Thromboembolism Prophylaxis Within 24 Hours Prior to Surgery to 24 Hours After Surgery	Clinical Process of Care
Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Survey		Patient Exp of Care
1.	Communication with Nurses;	
2.	Communication with Doctors;	
3.	Responsiveness of Hospital Staff;	
4.	Pain Management;	
5.	Communication about Medicines;	
6.	Cleanliness and Quietness of Hospital Environment;	
7.	Discharge Information; and	
8.	Overall Rating of Hospital.	
CAUTI	Catheter-Associated Urinary Tract Infection	Outcome
CLABSI	Central Line-Associated Blood Stream Infection	Outcome
MORT-30-AMI	Acute Myocardial Infarction (AMI) 30-Day Mortality Rate	Outcome
MORT-30-HF	Heart Failure (HF) 30-Day Mortality Rate	Outcome
MORT-30-PN	Pneumonia (PN) 30-Day Mortality Rate	Outcome
AHRQ PSI-90	composite Complication/Patient Safety for Selected Indicators (composite)	Outcome
SSI	Surgical Site Infection: • Colon • Abdominal Hysterectomy	Outcome
MSPB-1	Medicare Spending per Beneficiary (MSPB)	Efficiency

[https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/Hospital\\_VBPurchasing\\_Fact\\_Sheet\\_ICN907664.pdf](https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/Hospital_VBPurchasing_Fact_Sheet_ICN907664.pdf)

## How Is Hospital Performance Scored?

CMS assesses each hospital's total performance by comparing its Achievement and Improvement scores for each applicable Hospital VBP measure.

CMS uses a threshold (50th percentile) and benchmark (mean of the top decile) to determine how many points to award for the **Achievement** and **Improvement** scores.

CMS compares the Achievement and Improvement scores and uses whichever is greater.

To determine the domain scores, CMS adds points across all measures



**Achievement** points are awarded by comparing an individual hospital's rates during the performance period to all hospitals' rates from the baseline period:

- Hospital rates at or above benchmark = 10 Achievement points
- Hospital rates below the Achievement threshold = 0 Achievement points
- Hospital's rate is equal to or greater than the Achievement threshold and less than the benchmark = 1–10 Achievement points

**Improvement** points are awarded by comparing an individual hospital's rates during the performance period to that same individual hospital's rates from the baseline period:

- Hospital rates at or above benchmark = 9 Improvement points
- Hospital rates at or below baseline period rate = 0 Improvement points
- Hospital's rate is between the baseline period rate and the benchmark = 0–9 Improvement points

**Consistency** points are awarded by comparing a hospital's Patient Experience of Care dimension rates during the performance period to all hospitals' Patient Experience of Care rates from a baseline period:

- If all dimension rates are at or above Achievement threshold = 20 Consistency points
- If any dimension rate is at or below the worst-performing hospital dimension baseline period rate = 0 Consistency points
- If the lowest dimension rate is greater than the worst-performing hospital's rate but less than the Achievement threshold = 0–20 Consistency points

**The Patient Experience of Care** domain score is the sum of a hospital's HCAHPS base score and that hospital's HCAHPS Consistency score.

CMS calculates a hospital's **Total Performance Score** (TPS) by:

1. Combining the greater of either the hospital's Achievement or Improvement points for each measure to determine a score for each domain;
2. Then multiplying each domain score by a specified "weight" (percentage); and
3. Then adding together the weighted domain scores.

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## Impact???

- Priority 1: Making care safer by reducing harm caused in the delivery of care
- Priority 2: Ensuring that each person and family members are engaged as partners in their care
- Priority 3: Promoting effective communication and coordination of care
- Priority 4: Promoting the most effective prevention and treatment practices for the leading causes of mortality, starting with cardiovascular disease
- Priority 5: Working with communities to promote wide use of best practices to enable healthy living
- Priority 6: Making quality care more affordable for individuals, families, employers, and governments by developing and spreading new health care delivery models

*Any Q's?*

**Thank you for your attention!**