Quality and Health Care Reform: How Do We Proceed?

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The facts:
Health care in the United States is at a crossroads

Health care costs represent 17.6% of our gross domestic product

Therefore, creation of a new, value-driven health care system is a priority

The goal of high-value health care is to produce the best healthcare outcomes at the lowest cost

Payment-reform measures include:
- bundle payments
- pay-for-performance policies and programs
- global budgets
- financial risk sharing in ACO-like constructs

<table>
<thead>
<tr>
<th>Leadership Council for Clinical Quality, Safety, &amp; Service Goals FY 2014</th>
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<tbody>
<tr>
<td><strong>Quality &amp; Safety</strong></td>
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<td><strong>Productivity &amp; Efficiency</strong></td>
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<td><strong>Service &amp; Reputation</strong></td>
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<td><strong>Workplace of Choice</strong></td>
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### Quality and Safety Scorecard

<table>
<thead>
<tr>
<th>Type of Event</th>
<th>FY 2014 Goal</th>
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<tbody>
<tr>
<td>Retained Foreign Bodies</td>
<td>0</td>
</tr>
<tr>
<td>Wrong Site Events</td>
<td>0</td>
</tr>
<tr>
<td>Medication Events with Harm (Severity E-I)</td>
<td>Reduce 10%</td>
</tr>
<tr>
<td>Falls with Harm (Injury Level 2-4)</td>
<td>Reduce 50%</td>
</tr>
<tr>
<td>Hospital Acquired Pressure Ulcer (Stage 2 and above)</td>
<td>Reduce 10%</td>
</tr>
<tr>
<td>Central Line Blood Stream Infections</td>
<td>Reduce 10%</td>
</tr>
<tr>
<td>Ventilator Associated Events (Probable Only)</td>
<td>Reduce 25%</td>
</tr>
<tr>
<td>Hospital Acquired Surgical Site Infections</td>
<td>Reduce 15%</td>
</tr>
<tr>
<td>Hospital Acquired Clostridium Diffilce Infection</td>
<td>Reduce 10%</td>
</tr>
<tr>
<td>Catheter Associated Urinary Tract Infections</td>
<td>Reduce 25%</td>
</tr>
<tr>
<td>Total Potentially Avoidable Events</td>
<td>Reduce 15%</td>
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### CMS Quality-Based Payment Initiatives

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<tbody>
<tr>
<td>%</td>
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<td></td>
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</tr>
<tr>
<td>The Hospital Inpatient &amp; Outpatient Quality Reporting Program</td>
<td>2% of APU</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Value Based Purchasing</td>
<td>1.0%</td>
<td>1.25%</td>
<td>1.5%</td>
<td>1.75%</td>
<td>2.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospital Readmission Reduction Program</td>
<td>1%</td>
<td></td>
<td></td>
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<tr>
<td>Hospital-Acquired Conditions</td>
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<tr>
<td>Meaningful Use*</td>
<td>1%</td>
<td></td>
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*Medicare payments are reduced by 1% starting in 2015 with an increasing percentage point each year thereafter up to 5% in 2018.

### Timeline: CMS Quality Measures Number of Measures

### No. | Measurement | Implementation | Type |
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>OP-1</td>
<td>Median time to fibrinolysis</td>
<td>2008</td>
<td>A</td>
</tr>
<tr>
<td>OP-2</td>
<td>Fibrinolytic therapy received within 30 minutes</td>
<td>2008</td>
<td>A</td>
</tr>
<tr>
<td>OP-3</td>
<td>Median time to transfer to another facility for acute coronary intervention</td>
<td>2008</td>
<td>A</td>
</tr>
<tr>
<td>OP-4</td>
<td>Aspirin on arrival</td>
<td>2008</td>
<td>A</td>
</tr>
<tr>
<td>OP-5</td>
<td>Median time to ECG</td>
<td>2008</td>
<td>A</td>
</tr>
<tr>
<td>OP-6</td>
<td>Timing of antibiotic prophylactic</td>
<td>2008</td>
<td>A</td>
</tr>
<tr>
<td>OP-7</td>
<td>Prophylactic antibiotic selection for surgical patients</td>
<td>2008</td>
<td>A</td>
</tr>
<tr>
<td>OP-8</td>
<td>MRI lumbar spine for low back pain</td>
<td>2009</td>
<td>C</td>
</tr>
<tr>
<td>OP-9</td>
<td>Mammography follow-up rates</td>
<td>2009</td>
<td>C</td>
</tr>
<tr>
<td>OP-10</td>
<td>Abdomen CT-use of contract material</td>
<td>2009</td>
<td>C</td>
</tr>
<tr>
<td>OP-11</td>
<td>Thorax CT-use of contrast material</td>
<td>2009</td>
<td>C</td>
</tr>
<tr>
<td>OP-12</td>
<td>Providers with HIT to receive laboratory data electronically</td>
<td>2011</td>
<td>S</td>
</tr>
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CMS Hospital Readmission Reduction Program

- Heart Failure (HF), Heart Attack (AMI), or Pneumonia (PN)
- COPD and Joint Replacements added
- Penalty for having readmission rate that is statistically higher than expected. Up to 1% of total Medicare reimbursement
  - 1% Reduced payments begin FY 2013
  - Percentage increase to 2% in FY 2014,
  - 3% in FY 2015

Value Based Purchasing (VBP) Program

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Percent Reduction</th>
</tr>
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<tbody>
<tr>
<td>2013</td>
<td>1.0</td>
</tr>
<tr>
<td>2014</td>
<td>1.25</td>
</tr>
<tr>
<td>2015</td>
<td>1.5</td>
</tr>
<tr>
<td>2016</td>
<td>1.75</td>
</tr>
<tr>
<td>2017</td>
<td>2.0</td>
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</table>

- Move from pay-for-reporting to pay-for-performance beginning July 1, 2011
- Hospitals will receive incentive payments based on performance for certain clinical processes (Core Measure), patient experience (HCAHPS measures), and outcome measures
- The incentive payments will be funded by a 1.25% reduction in hospitals’ base DRG payments. Up to 2% by 2017.
- The Medical Center will have nearly $1.3 million at risk as part of this program (The James is excluded).
- Better Performance = Higher Reimbursement

Scoring – FY 2013

\[
\text{Total Performance Score} = \text{Process Domain Score} + \text{HCAHPS Domain Score}
\]

Scoring – FY 2014

\[
\text{Total Performance Score} = \text{Process Domain Score} + \text{HCAHPS Domain Score} + \text{Outcomes Domain Score}
\]

New Measures:
- SCIP - Postoperative Urinary Catheter Removal POD 1,2
- AMI 30-Day Mortality Rate
- HF 30-Day Mortality Rate
- Pneumonia 30-Day Mortality Rate
Value Based Purchasing – FY 2015

**Managed Care Payors - Anthem**

- Anthem annual Request for Information every May
  - Structure (patient safety program)
  - Core Measures
  - Outcomes (Cardiac Registries)
  - Patient Experience
- Reimbursement bonus of 0.5% of total if threshold achieved (approx $1.1 million for health system)
- OSUWMC achieved bonus in 2013

**Managed Care Payors – Blue Cross/Blue Shield**

- Multiple Center of Excellence Programs asking for structure and outcomes of specific procedures/patient populations
  - Cardiac
    - OSUWMC earned distinction in 2013
  - Transplant
    - OSUWMC currently has distinction in Heart Transplant Program
  - Joint Replacement
    - OSUWMC will re-apply for this program in 2014

**Managed Care Payors – United Healthcare**

- UHC initiated a Hospital Performance Based Compensation program in 2013
- A 0.5% bonus can be earned based on improvement from a baseline period in 4 areas for their patient population
  - All Cause Readmissions
  - LOS
  - ER to OBS/IP Escalation Rate
  - Radiology Service Utilization in the ER
- OSUWMC in active discussions
External Reporting – Advocacy Groups

- Leapfrog
  - Initiative started by large purchasers of healthcare
  - Ensure they are receiving value for their money
  - Mission: To trigger giant LEAPS forward in the safety, quality and affordability of health care by:
    - Supporting informed healthcare decisions by those who use and pay for health care
    - Promoting high-value health care through incentives and rewards

Leapfrog

- Use of Computerized Physician Order Entry
- Evidence Based Hospital Referral Standards
- Maternity Care
- ICU Physician Staffing
- Follow Safe Practices
- Managing Serious Errors

Leapfrog Patient Safety Score: Employer initiatives

Current Registries at OSUWMC

- STS: Adult Cardiac Surgery
- STS: General Thoracic Surgery
- ACC: Cath/PCI
- ACC: Implantable Cardioverter-Defibrillator
- ACC: Action (AMI and ACS)
- ACC: Transcatheter Aortic Valve Replacement
- INTERMACS: LVAD patients
- ELSO: ECMO Patients
- ACS: National Surgical Quality Improvement Program

Current Registries at OSUWMC

- Society of Vascular Surgery (New)
- American Society of Anesthesiology (New)
- American Joint Replacement Registry (New)
- American Heart Association Get With the Guidelines: Primary Stroke Care
- Coverdell: Primary Secondary Stroke Care
- Vermont Oxford Network: High risk newborns
- eRehab: Inpatient Rehab patients
- IT Health Trac: Rehab patients 90 days post discharge
- Focus on Therapeutic Outcomes: Outpatient Rehab patients
**Additional Publicly Reported Data**

- US News & World Report
- Healthgrades
- Consumer Reports
- Top 100 Hospitals

“There are 700 top 100 hospitals”
Paul Keckley

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**Summary of Issues**

- Increasing number of internal and external customers for data reporting
- Increased amount of data availability with EMR
  - Reporting structure of information was secondary focus with development of EMRs
- Conflicting information available to the public
- Reimbursement dependent on performance and accuracy of reports
- Importance of Documentation and Coding

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**Poor quality care is due not to a lack of effective treatment, but to inadequate health care delivery systems that fail to implement these treatments.**

-Institutes of Medicine, 2001

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**Transformation Road Map**

- Establish the Vision
- Articulate and Build the Culture
- Align Performance Measures and Incentives
- Access and Allocate Capital
- Develop the Resources and Tools
- Develop Leadership Structure and Talent
- Create the Structure
Value-Based Clinical Transformation

1. Double population served
2. Refine our care delivery model to deliver a continuum of care
3. Develop products and services for target markets
4. Create integrated financial payment mechanisms that are in alignment with hospital and physicians
5. Invest in data analytics

Increasing the population served

- Partnerships
- Referrals
- Alliances/Affiliations
  - Hospital – Hospital
  - Acute - Physician
  - Acute – Post Acute
  - Acute – Alternative Health
  - Wellness/healthy living – targeted to employers
  - Retail health and acute sector

Primary care growth

- Grow our own
- Partner with existing practices
- Employ new models for support (NP’s)

The Traditional Primary Care Practice Model is Changing

Past

- Single or small group practice primary care clinic
- no longer economically sustainable.

Future

- Patient Centered Medical Home

Shared patient medical record
- Shared scheduling system
- Success measurements/results proprietary
<table>
<thead>
<tr>
<th>Refine our care delivery model to deliver a broad continuum of care</th>
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<tbody>
<tr>
<td>• Define a relationship (build/buy/partner) with post-acute, long-term care, hospice, SNF</td>
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<tr>
<td>• Create health and wellness service line</td>
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<tr>
<td>• Coordination of acute care (reduce readmissions and LOS, employ patient navigator/extensivist concepts) – test concepts in innovation unit</td>
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<tr>
<td>• Refine the inpatient model of care</td>
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<tr>
<td>• Support innovative population management programs like “Healthy at Home Columbus”</td>
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<thead>
<tr>
<th>Develop products and services for target markets</th>
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<tbody>
<tr>
<td>• Medicaid Advantage</td>
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<tr>
<td>• Innovation grants</td>
</tr>
<tr>
<td>• Population management</td>
</tr>
<tr>
<td>• Wellness programs to employers and municipalities</td>
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<tr>
<td>• Idea Studio</td>
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<thead>
<tr>
<th>Preparing for new payment models</th>
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<tr>
<td>• Cardiac bundled payments</td>
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<tr>
<td>• Capitated payments models</td>
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<tr>
<td>• Reimbursement based on value not volume</td>
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<thead>
<tr>
<th>Invest in data analytics tools</th>
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<tbody>
<tr>
<td>• Electronic Medical Record data analytics</td>
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<tr>
<td>• Operational systems to improve throughput</td>
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<tr>
<td>• New nurse call systems</td>
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Operational Efficiency

- What can we stop doing?
- Remove variance in process
- Grass roots ideas (Operational Councils)

Merge Divergent Committees into One Operations Council

Future State

- Quality and Safety
- Patient Experience
- Operational Logistics/Efficiency
- Faculty/Staff Satisfaction
- Finance

Paradigm Shift

Senior Leaders
  ▲
  Leaders
    ▲
    Managers
      ▲
      Faculty and Staff
        ▲
        Managers
          ▲
          Leaders
            ▲
            Senior Leaders

Operations Council A
  Operations Council B
  Operations Council C
  Operations Council D
  Operations Council E
  Operations Council F

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<thead>
<tr>
<th>Council Mission</th>
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<tr>
<td>Patient Quality &amp; Safety Patient Satisfaction Operational / Process standardization Financial Responsibility Teaching &amp; research</td>
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<tr>
<th>Council Composition</th>
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<tr>
<td>Nurse Lead Physician Lead Administrative Lead Process Improvement Facilitator Frontline MD's and RN's Pharmacy, PT, OT, etc. Case Management &amp; Social work</td>
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The ultimate objective: The ultimate objective for healthcare, whether it is academic or community-based, is to keep people healthy, prevent chronic illnesses that consume healthcare dollars, use medical interventions appropriately and create an economically sustainable approach to healthcare delivery.