CMS PAY FOR PERFORMANCE PROGRAMS

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What is Quality?

- AHRQ: “Quality health care means doing the right thing at the right time in the right way for the right person and having the best results possible”
  (AHRQ-Agency for Healthcare Research and Quality)
Quality Problems

- Lack of meeting expectations for American health care community
- Incomplete assessment of performance
- Incomplete infrastructure to support ideal provision of quality health care (e.g. I.T.)
Question: Is the perceived lack of a business case for quality an indictment itself of the current failures of the system or is it a barrier for any efforts to improve quality or link it to payment?
WHAT WE CAN DO TO IMPROVE QUALITY

IDENTIFY IMPROVEMENT OPPORTUNITIES AND SELECT APPROPRIATE IMPROVEMENT INTERVENTIONS

MANAGE PROCESS IN PARTNERSHIP WITH STAKEHOLDERS

SELECT PRIORITY AREAS

ADOPT OR DEVELOP MEASURES

COLLECT & ANALYZE DATA

SUPPORT STANDARD METHODS

PROMOTE OR CREATE COLLABORATIONS AND PARTNERSHIPS

GIVE PLANS, DOCTORS & PROVIDERS TECHNICAL ASSISTANCE

GIVE CONSUMERS INFORMATION AND ASSISTANCE TO MAKE CHOICES

STRUCTURE COVERAGE AND PAYMENTS TO IMPROVE CARE

REWARD DESIRED PERFORMANCE

ESTABLISH & ENFORCE STANDARDS
Physicians and Providers

- Issues:
  - Trust or Credibility in measurement
  - Trust in appropriate use of measurement
  - Unintended consequences or perverse incentives if not appropriate methods where needed (e.g. risk adjustment for outcomes)
Issues to Consider in Paying for Performance

- Vehicles for Encouraging Quality
  - Information collection
  - Information dissemination
  - Financial rewards
    (provide incentives, remove hindrances)
Issues to Consider in Paying for Performance

- What to Reward
  - Relative quality
  - Absolute threshold
  - Improvement

- How to Finance Incentives
  - Across-the-board reduction to create pool
  - Offsetting penalties
  - Offsetting savings
Physicians and Providers

**Benefits**

- Rewards superior performance and encourages overall improvement
- Aligns financial model to actual professional goals of improving the quality of health care services
- Focus on volume is diminished as focus on quality is heightened
CMS Current Activities

- Hospital Quality Incentive Demonstration
- Hospital 501(b) Reporting
- Physician Group Practice Demonstration
- Section 649 MCMP Demonstration
- Chronic Care Improvement Program
- Section 646 Medicare Health Care Quality Demo.
- Hospital Quality Alliance – Public Reporting
CMS Current Activities

- ESRD Disease Management Demonstration
- Disease Management for Severely Chronically Ill Medicare Beneficiaries
- Care Management for High Cost Beneficiaries
Premier Hospital Quality Incentive Demonstration

- CMS partnership with Premier, Inc.
- Nationwide organization of not-for-profit hospitals
- Members share information on quality and efficiency
- Uses financial incentives to encourage hospitals to provide high quality inpatient care
- Public reporting on CMS website
Quality Council Strategy For P4P

Focus: Five Major Areas
- Physicians
- Hospitals
- Nursing Homes
- Dialysis Facilities/ ESRD

Framework:
- Organize Short-term Efforts
- DY Setting, Patient Centered
- Long Term Approach Desirable

Five Steps
- Quality and Performance
- CMS Data Infrastructure/ Collection Vehicle for Receipt of Performance Measures
- Payment System and Mechanics
- Validation
- Value