
*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)

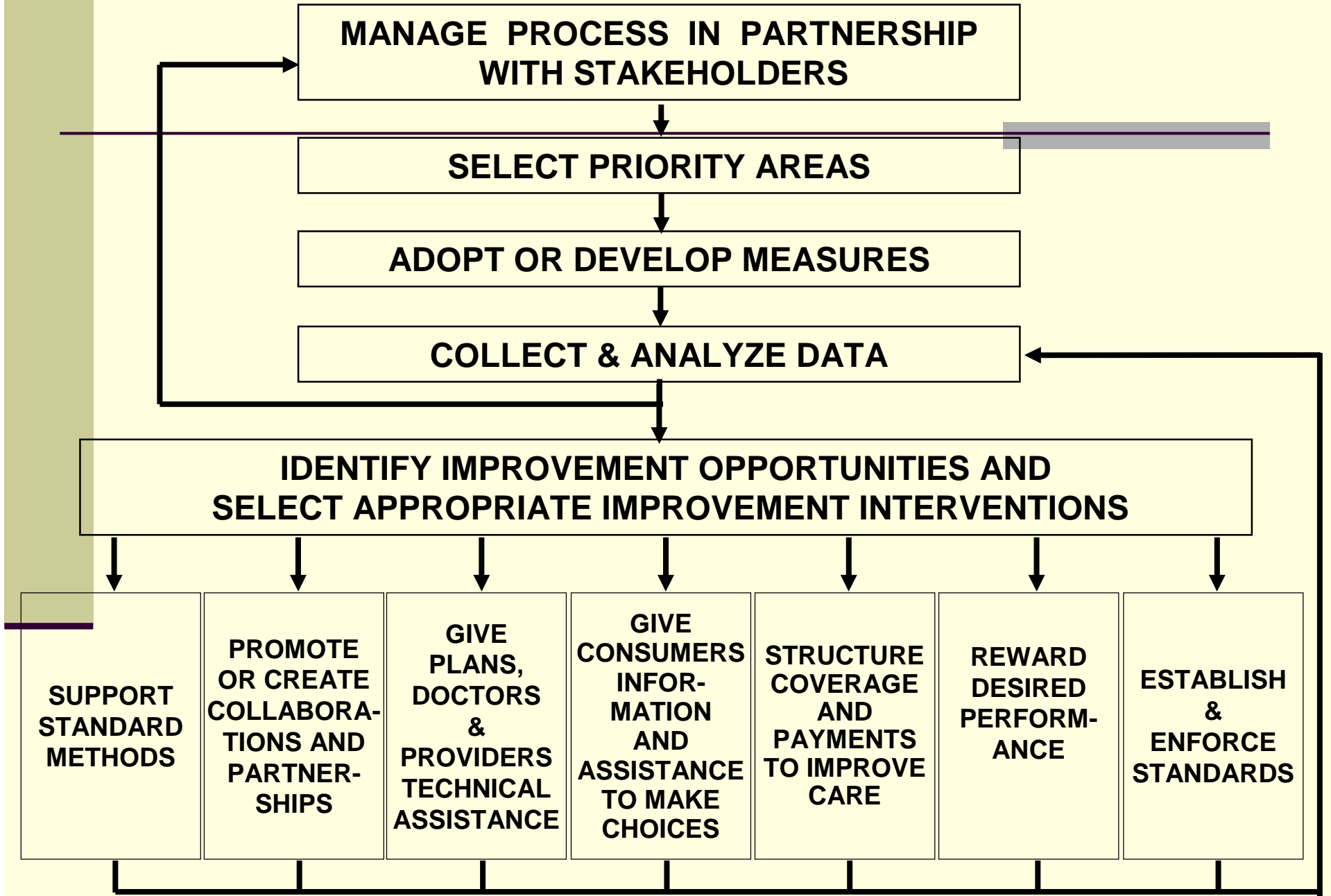
Quality Problems

- 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.)

Big Quality Problem

- 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



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