

CMS Progress towards Value Based Purchasing – Hospital Acquired Conditions

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VHQC

Healthcare Consulting

- Quality Improvement Organization (QIO) for Virginia, contracted by CMS
- Work is Medicare focused
- Providers include:
 - Hospitals
 - Nursing homes
 - Home health agencies
 - Physician offices
 - Lead QIO for national physician office activities

CMS Value-Based Purchasing

- Improve quality and avoid unnecessary costs (Deficit Reduction Act of 2005)
 - Hospital acquired conditions provision is a step toward Medicare VBP for hospitals
 - Present on Admissions (POA)
 - Indicators Defined as present at the time the order for inpatient admission occurs. Conditions that develop during an outpatient encounter, including emergency department, observation, or outpatient surgery, are considered POA.
 - Indicator is assigned to the principal and all secondary diagnoses for each inpatient hospital stay

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What does POA mean to Hospitals?

- For discharges occurring on or after October 1, 2008, hospitals will not receive additional payment for cases in which one of the selected conditions was not present on admission
- The case would be paid as though the secondary diagnosis was not present

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8 Conditions for Fiscal Year 2008

- These conditions will have payment implications as of October 1, 2008
 - Serious preventable events
 - Object left in during surgery
 - Air embolism
 - Blood incompatibility
 - Catheter-Associated Urinary Tract Infection
 - Pressure Ulcers
 - Vascular Catheter-Associated Infection
 - Surgical Site Infection – Mediastinitis after Coronary Artery Bypass Graft (CABG) Surgery
 - Falls and Trauma – Fractures, dislocations, intracranial injuries, crushing injuries, and burns

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Fiscal Year 2009

- Additional conditions being considered for FY 2009
 - Ventilator-Associated Pneumonia
 - Staphylococcus aureus Septicemia
 - Deep Vein Thrombosis/Pulmonary Embolism

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Exempt Hospitals

- Hospitals exempt from the POA reporting requirement:
 - Critical access hospitals
 - Maryland Waiver hospitals
 - Long term care hospitals
 - Cancer hospitals
 - Children's inpatient hospitals

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Indicators

- The POA indicators are:
 - Y: Yes – present at time of admission
 - N: No – not present at time of admission
 - U: Unknown – documentation is insufficient to determine if condition was present at admission
 - W: Clinically undetermined.

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Example of Impact to Hospitals

Principal Diagnosis: intracranial hemorrhage or stroke

Secondary Diagnosis: Stage III pressure ulcer

Present on Admission Indicator: Y

Hospital Reimbursement: \$8,030

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Example of Impact to Hospitals

Principal Diagnosis: intracranial hemorrhage or stroke

Secondary Diagnosis: Stage III pressure ulcer

Present on Admission Indicator: N

Hospital Reimbursement: \$5,347

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POA Reporting Timetable

- October 1, 2007 – Hospitals had to start reporting; CMS fiscal intermediaries were monitoring the reporting
- January 1, 2008 – CMS began processing the data and providing feedback regarding reporting errors to hospitals
- April 1, 2008 – Claims without the proper POA indicators returned to providers for correction
- October 1, 2008 – Hospital payment processed based on POA indicators; no payment for conditions not present on admission

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