

# Physician MEMO

To | All Medical Staff  
From | Bruce Walley, MD SR VP Medical Affairs  
Patrick Healy, MD VP Clinical Improvement  
Date | August 30, 2011  
Re | Value Based Purchasing (VBP)

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We wish to notify you of important changes in hospital reimbursement forthcoming from the Center for Medicare and Medicaid Services (CMS), and to ask for your continued support of Novant's efforts to excel on the CMS quality measures.

CMS has adopted value based purchasing (VBP) as a means of linking hospital reimbursement to measures of quality and efficiency rather than the volume of services. Starting in 2013, CMS will begin a phased-in redistribution of up to 2% of MS-DRG payments to hospitals based on their performance on clinical care measures and patient satisfaction surveys. The amount of payment to a particular hospital will be based 70% on its performance on 12 clinical care measures and 30% on 8 patient satisfaction indicators on the experience of care. The metrics used for this purpose are shown in the addendum to this memo; please note that 7 of the 12 indicators are related to surgical care. Baseline data for all these metrics were gathered from July 1, 2009 through March 31, 2010. The performance measurement period for these metrics began on July 1<sup>st</sup>, 2011 and will end March 31, 2012. CMS will use the results during this 9 month period in comparison to the baseline hospital-specific data to determine future reimbursement. Future performance periods will be based on 12 month results. Hospital performance on quality metrics will continue to be available publically on [www.hospitalcompare.hhs.gov](http://www.hospitalcompare.hhs.gov), but under VBP, performance on these metrics will have a significant impact on hospitals' financial vitality.

The medical staff has played a critical role in maintaining Novant's position among the top performers of all hospitals reporting quality data. We ask for your help in continuing this level of performance. Thank you for your cooperation and please feel free to contact the medical staff office with any questions.

# Hospital Value Based Purchasing (VBP) Measures

## Clinical Care Measures (Account for 70% of Performance Score)

**AMI-7a** - Percent of Heart Attack Patients Given Fibrinolytic Medication Within 30 Minutes Of Arrival

**AMI-8a** - Percent of Heart Attack Patients Given PCI Within 90 Minutes Of Arrival

**HF-1** - Percent of Heart Failure Patients Given Discharge Instructions (Diet, Activity, Medications, Signs and Symptoms, Daily Weight, and Follow Up Appointment)

**PN-3b** - Percent of Pneumonia Patients Whose Initial Emergency Room Blood Culture Was Performed Prior To The Administration Of The First Hospital Dose Of Antibiotics

**PN-6** - Initial Antibiotic Selection for CAP in Immunocompetent Patient

**SCIP-Inf-1** - Prophylactic Antibiotic Received Within One Hour Prior to Surgical Incision

**SCIP-Inf-2** - Prophylactic Antibiotic Selection for Surgical Patients

**SCIP-Inf-3** - Prophylactic Antibiotics Discontinued Within 24 Hours After Surgery End Time

**SCIP-Inf-4** - Cardiac Surgery Patients with Controlled 6AM Postoperative Serum Glucose

**SCIP-VTE-1** - Surgery Patients with Recommended Venous Thromboembolism Prophylaxis Ordered

**SCIP-VTE-2** - Surgery Patients Who Received Appropriate Venous Thromboembolism Prophylaxis Within 24 Hours Prior to Surgery to 24 Hours After Surgery

**SCIP-Card-2** - Surgery Patients on a Beta Blocker Prior to Arrival That Received a Beta Blocker During the Perioperative Period

## Patient Experience of Care Measures (Account for 30% of Performance Score)

Scoring is based on the percentage of patients that gave the highest rating for the questions: “Always” for the first 6 questions, “yes” for discharge instructions and “9 or 10” (10-point scale) for overall satisfaction.

- How well nurses communicated with patients
- How well doctors communicated with patients
- How responsive hospital staff were to patients’ needs
- How well caregivers managed patients’ pain
- How well caregivers explained patients’ medications to them
- How clean and quiet the hospital was
- How well caregivers explained the steps patients and families need to take to care for themselves outside of the hospital (i.e., discharge instructions)
- Overall satisfaction rating for hospital stay