HCAHPS and VBP: The Patient Experience *Today* is Your Hospital’s Reimbursement *Tomorrow*

Tim Smith, MPH  
Senior Vice President and Chief Executive Officer

Cindy Murphy, MPH  
Director, Customer Operations

California Hospital Association  
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Looking for Johnny

The Simple Truths of Service

Inspired by Johnny the Bagger

By Ken Blanchard & Barbara Glanz
Overview

- Tim Smith
  - What is Value-Based Purchasing?
  - Relevance to Hospitals

- Cindy Murphy
  - VBP Calculations Methodology and Examples
  - Relevance to Volunteers

- Program Development (Tim and Cindy)
  - Mobilizing Commitment

- Q&A
Why VBP?

• CMS wants to improve:
  – Clinical Outcomes
  – Patient Experience

...without paying more money
VALUE = QUALITY + SERVICE
VBP Trends

CMS believes that focusing on outcomes and patient experience will be important drivers to improvement in patient safety and quality of care.
The Timeline

January 13, 2011  Proposed Rule released by CMS for public comment

March 8, 2011  Public Comment Period Ends

April 29, 2011  CMS Releases Final Rule

July 1, 2011  Hospital Performance on HCAHPS and CMS Core Measures Subject to VBP Calculations
The Basics

Value Based Purchasing is a competition (some would say blood sport) in which every hospital is pitted against the entire market.

It is a zero sum game.
New Payment Methodology: Medicare Reimbursement at Risk

Percent Reimbursement

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013</td>
<td>1.00%</td>
</tr>
<tr>
<td>FY 2014</td>
<td>1.25%</td>
</tr>
<tr>
<td>FY 2015</td>
<td>1.50%</td>
</tr>
<tr>
<td>FY 2016</td>
<td>2.00%</td>
</tr>
<tr>
<td>FY 2017</td>
<td>2.25%</td>
</tr>
</tbody>
</table>
FY2013 VBP Domains

Clinical Process of Care Domain (12 measures)
- AMI (2)
- Heart Failure (1)
- Pneumonia (2)
- Surgical Care Improvement (7)

Patient Experience of Care Domain (8 measures)
- HCAHPS measures
- 7 composites & 1 global measure
- Does not include Likelihood to Recommend
- Quiet at Night and Cleanliness rolled into one composite

70% of Score

30% of Score
Proposed FY2014 VBP Domains

Clinical Process of Care Domain
- 13 measures
- Adding: Postoperative Urinary Catheter Removal on Post Op Day 1 or 2

Patient Experience of Care Domain
- 8 HCAHPS Measures

Patient Outcomes Domain (13 measures)
- Hospital Acquired Conditions
- AHRQ Patient Safety Indicators, Inpatient Quality Indicators
- 30-Day Mortality Measures

Efficiency Domain
- Medicare Spending per Beneficiary Measure

Score breakdown:
- Clinical Process of Care Domain: 20% of Score
- Patient Experience of Care Domain: 30% of Score
- Patient Outcomes Domain (13 measures): 30% of Score
- Efficiency Domain: 20% of Score
# Hospital Comparison

<table>
<thead>
<tr>
<th></th>
<th>Sharp Memorial Hospital</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical Process Domain Score</td>
<td>73%</td>
<td></td>
</tr>
<tr>
<td>HCAHPS Domain Score</td>
<td>86%</td>
<td></td>
</tr>
<tr>
<td>VBP Total Performance</td>
<td>77%</td>
<td></td>
</tr>
<tr>
<td>VBP Payment Percentage</td>
<td>141%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>California Hospitals</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical Process Domain Score</td>
<td>36%</td>
<td></td>
</tr>
<tr>
<td>HCAHPS Domain Score</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>VBP Total Performance</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td>VBP Payment Percentage</td>
<td>90.1%</td>
<td></td>
</tr>
</tbody>
</table>

Based on CHA Data Suite 2011
Relevance to Hospitals

• VBP elevates importance of patient experience measures (HCAHPS) to unprecedented levels

• Potential for both high-performers and low-performers to earn money back through VBP
  – Emphasis on Achievement, Improvement and Consistency (HCAHPS)

• VBP on the minds of all hospital leaders – or it should be
This is not a *Future* Concern; VBP Matters NOW

- FY2013 payments based on performance from **July 1, 2011** to **March 31, 2012**

- Baseline period for comparative purposes: **July 1, 2009** to **March 31, 2010**
VBP HCAHPS Definitions

• *Achievement threshold*: Beware not to fall below
• *Benchmark*: OUR TARGET!

• *Improvement Score*: scale of 0 to 9 points, based on improvement from baseline performance
• *Achievement Score*: scale of 0 to 10 points, based on performance from the *Benchmark*
• *Consistency Score*: scale of 0 to 20 total points, based on composites at or above the 50th percentile
CMS Report Calculations

• Overall percentage score calculated by 100 total possible points
  – Eight Indicators (10pts each):
    • Nurses communication composite
    • Doctors communication composite
    • Responsiveness of hospital staff composite
    • Pain composite
    • Medication communication composite
    • Noise and Room cleanliness composite (reported separately but combined for VBP formula)
    • Discharge composite
    • Overall rating 9 and 10
  – Consistency Score (20 pts)
    • If indicator below Achievement Threshold (50th percentile) lowest index composite will be used to allocate 0 to 19 points
    • If indicator at or above Achievement Threshold (50th percentile) 20 pts earned
### Final Score Calculation
#### Baseline Period Jul 2009 to Mar 2010

<table>
<thead>
<tr>
<th>Composite</th>
<th>Floor Minimum</th>
<th>Achievement (50th percentile)</th>
<th>Benchmark (mean of top decile)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nurse always communicated well</td>
<td>38.98</td>
<td>75.18</td>
<td>84.70</td>
</tr>
<tr>
<td>Doctors always communicated well</td>
<td>51.51</td>
<td>79.42</td>
<td>88.95</td>
</tr>
<tr>
<td>Patient always received help quickly</td>
<td>30.25</td>
<td>61.82</td>
<td>77.69</td>
</tr>
<tr>
<td>Pain was always well controlled</td>
<td>34.76</td>
<td>68.75</td>
<td>77.90</td>
</tr>
<tr>
<td>Staff always explained about medicines</td>
<td>29.27</td>
<td>59.28</td>
<td>70.42</td>
</tr>
<tr>
<td>Rooms and bathrooms were always kept clean</td>
<td>36.88</td>
<td>62.80</td>
<td>77.64</td>
</tr>
<tr>
<td>Area around room was always quiet at night</td>
<td>50.47</td>
<td>81.93</td>
<td>89.09</td>
</tr>
<tr>
<td>Information about discharge</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall rating of hospital (9&amp;10)</td>
<td>29.32</td>
<td>66.02</td>
<td>82.52</td>
</tr>
</tbody>
</table>
Score Calculations

Achievement Score = \[ 10 \times \frac{(\text{performance score} - \text{baseline score})}{(\text{benchmark} - \text{baseline score})} - 0.5 \]

Improvement Score = \[ 9 \times \frac{(\text{performance score} - \text{achievement score})}{(\text{benchmark} - \text{achievement score})} + 0.5 \]

Consistency Score = \[ \frac{(\text{hospital performance score} - \text{floor score})}{(\text{achievement threshold} - \text{floor score})} \]

Consistency Score = \[ (20 \times \text{consistency score multiplier}) - 0.5 \]
Converting Scores to Payment

Overall VBP score calculated by weighting the clinical score 70% and the satisfaction score 30%.
Monitoring Progress

• Create a report that compares your data and percentile ranking to the published baseline period
• Partner with hospital leadership to identify areas below the 50th percentile for action planning
• Review progress monthly
• Celebrate improvements
Kindness Video
Volunteers Leading the Way

• Personal experiences shape our commitment
• Commitment to our community
• Innovation and creativity
• Storytelling
Personal Experiences

• Assessment of Current Practice: Recommitment Ceremonies
  – Reflective Practice
    • To be a patient
    • To be a family member or guest
  – Celebrating dreams, hopes, desires and gifts of each team member
  – Share the story
Commitment to Community

• Investing in volunteers
  – Training
  – Education
  – Mentoring
  – New technology
  – Communication

• Patients and Families as Advisors
  – Formal committee structure
  – Focus groups
Innovation and Creativity

• Health Information Ambassadors
• Care Partners
• Integrative Healing
  – Comfort hand massage
  – Reiki
  – Healing Touch
  – Aromatherapy
  – Pet therapy
• Arts for Healing
  – Music therapy
  – Art at the bedside
  – Storytellers
  – Magicians
  – Entertainers
  – Clowns
• My Health Record
• Patient Navigators
Storytelling: How to Tell a Story

• Patient visits
• Newsletters
• Emails
• In your actions
  – You are in someone’s story everyday
  – What will you choose as your role
    - Protagonist
    - Hero
    - Talent Scout
    - Antagonist
    - Backstage
    - Producer or Creative Director
The patient and family experience today will impact your bottom-line tomorrow.
Lollipop Moment Video
How are you moved?

How will you transform?

How can we help?