LABOR MANAGEMENT PROJECT

An employer and 1199SEIU partnership

Dashing through the Data: Understanding How Nursing Drives Hospital Performance Measures and Resources

NOVEMBER 11, 2014

THIS SESSION

1. Health Care Reform and the Patient Protection & Affordable Care Act
2. Value-Based Purchasing
3. Readmission Penalties
4. Hospital-Acquired Conditions Penalties
5. Delivery System Reform Incentive Payment (DSRIP)
6. Nurses' role
7. Labor/Management Collaboration

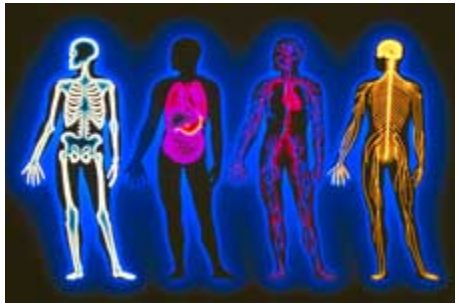
LABOR MANAGEMENT PROJECT
An employer and 1199SEIU partnership

Converging Trends Are Driving the shift to Primary Care and Other Reforms

- Current system:
  - Reactive, fragmented, disease-oriented, fee-for-service driven
  - Soaring health care costs combined with budgetary crises, especially at the State level
  - Rising epidemic of chronic illness

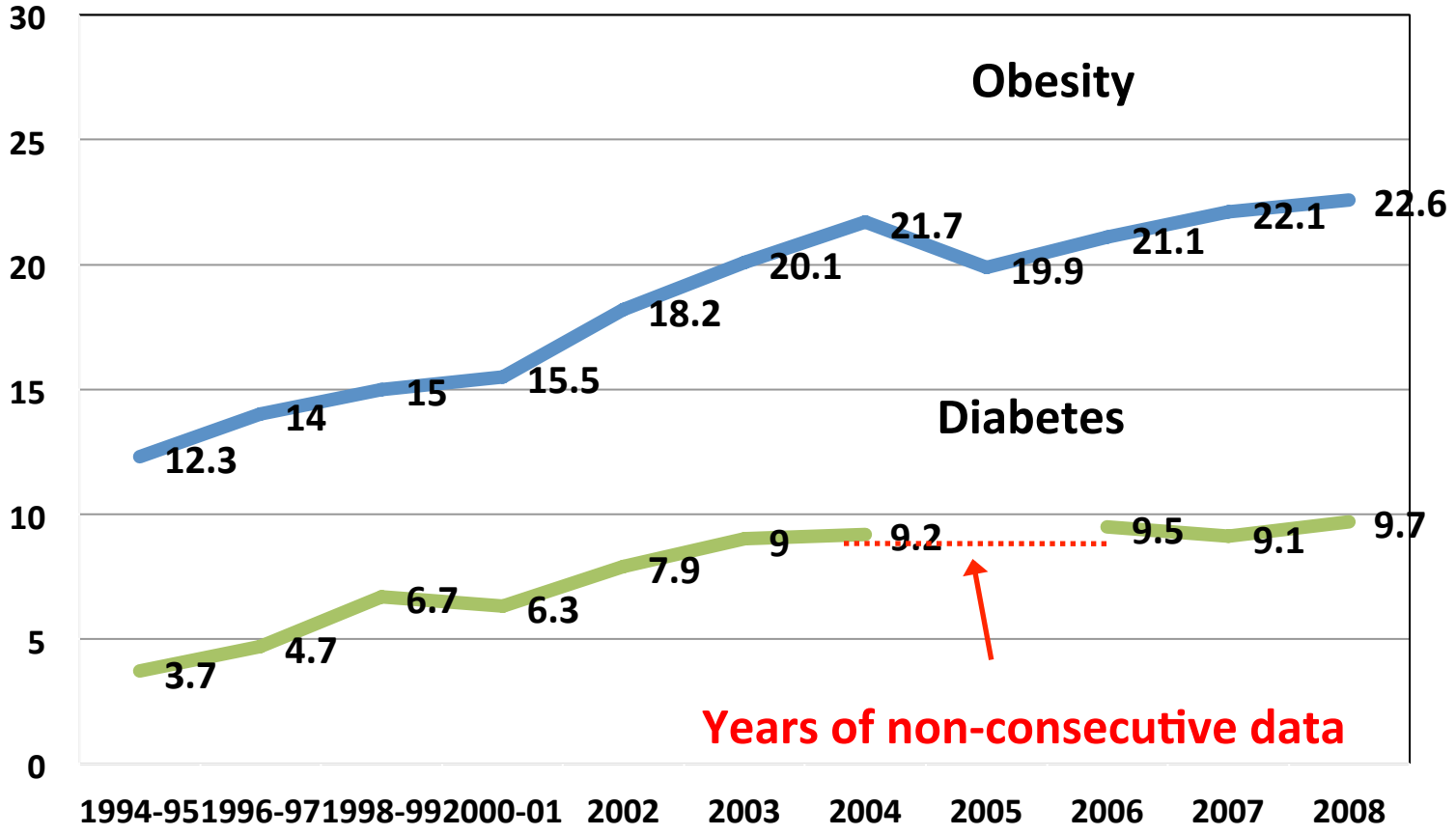
Chronic Diseases

- Chronic diseases are a major contributor to health care costs
- The costs of medical care for people with chronic diseases represent 75 percent of the $2 trillion in U.S. annual health care spending.
- Institute of Medicine Report, January 2012



LABOR MANAGEMENT PROJECT
An employer and 1199SEIU partnership

Adult Obesity and Diabetes on Steady Rise in New York City



Sources: Behavioral Risk Factor Surveillance System (BRFSS), Centers for Disease Control and Prevention, 1994-2001; Community Health Survey (CHS), New York City Department of Health and Mental Hygiene, 2002-2008; New York City Health and Nutrition Examination Survey (NYCHANES), 2004. Adults defined as age 18 and older for BRFSS and CHS, age 20 and older for NYCHANES.
Body Mass Index is calculated based on respondents' self-reported height and weight (BRFSS, CHS) or on measured height and weight (NYCHANES). Obesity defined as Body Mass Index of 30 or greater.

INSTITUTE OF MEDICINE REPORT 2010

LEADING CHANGE
ADVANCING HEALTH

The nursing profession has the capacity to implement wide-reaching changes in the health care system

WITH MORE THAN 3 MILLION MEMBERS

NURSES REPRESENT THE LARGEST SEGMENT OF THE U.S. HEALTH CARE WORKFORCE

LABOR MANAGEMENT PROJECT
An employer and 1199SEIU partnership

WHY IS DATA IMPORTANT?

- Data is critical to achieving the Triple Aim:

- Data is driving health care reforms

FLORENCE NIGHTINGALE – STATISTICIAN!

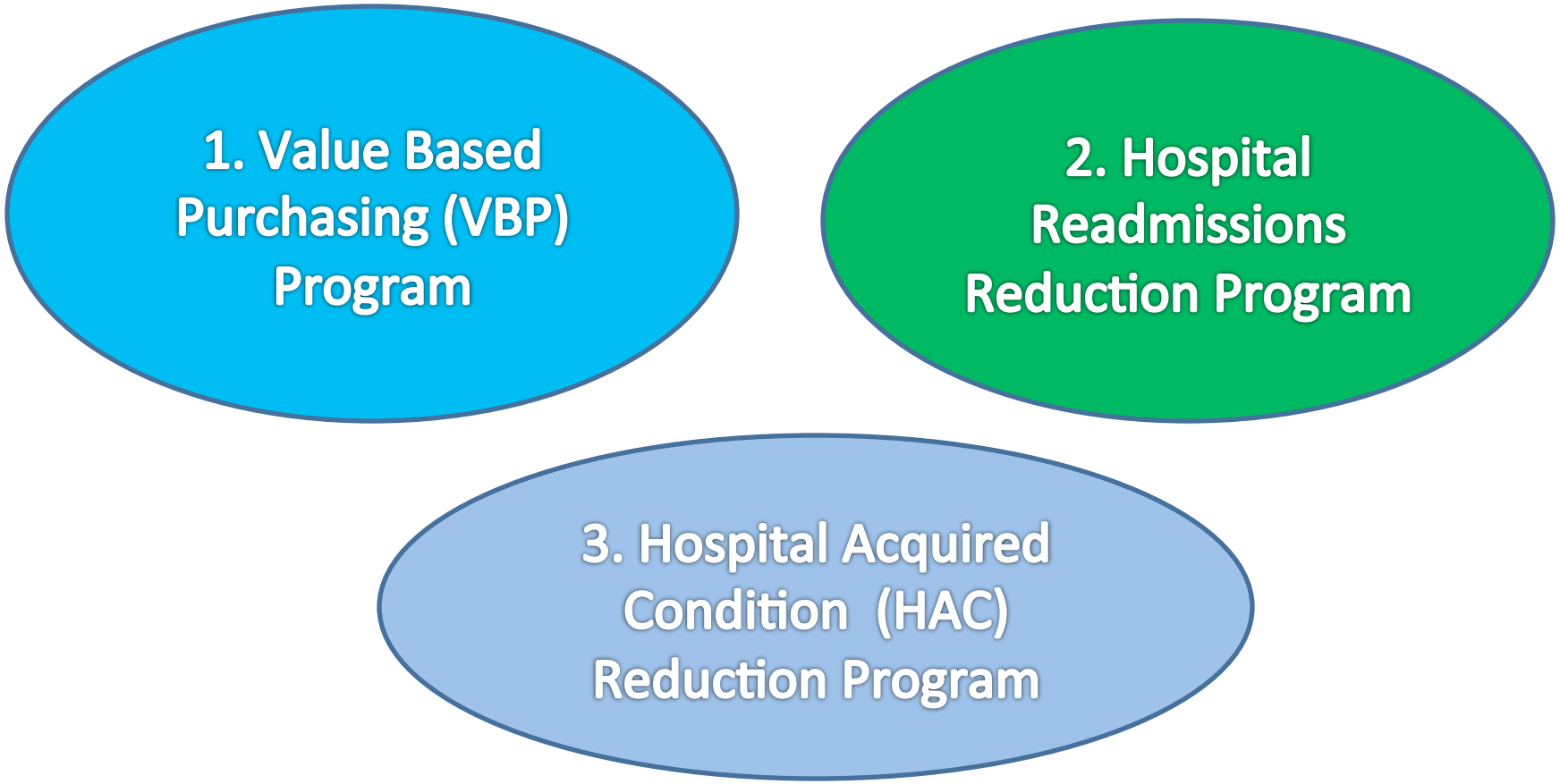
- Collected data on soldier mortality in military hospitals
- In 1855, the mortality rate was 42.7%!

- Her analysis showed that the principal reason was unsanitary conditions
- After improving hygiene and sanitation among the soldiers, the mortality rate significantly dropped
- She developed techniques to present data to make a strong argument for health care reform !

PAYMENT REFORM

- Value Based Purchasing (Pay-for-Performance)
  - Hospital Consumer Assessment of Healthcare Providers & Survey (HCAHPS)
  - Core Measures
  - Outcomes
- Elimination of Payments
  - Select re-admissions
  - Healthcare-Acquired Conditions
  - Disproportionate share hospitals (DSH)

HOSPITAL PAYMENT ELEMENTS OF PPACA*



LABOR MANAGEMENT PROJECT
An employer and 1199SEIU partnership

* Patient Protection and Affordable Care Act

1. VALUE-BASED PURCHASING PROGRAM

- Links hospitals' Medicare payment to quality performance
- Quality measures include:
  - ❑ Clinical Process of Care (FY2013)
  - ❑ Patient Experience of Care (FY2013)
  - ❑ Patient Outcomes (FY2014)
  - ❑ Efficiency (FY2015)

How Does VBP Work?

- Base operating Payments are reduced for all hospitals, creating **a pool of funds for re-distribution** ("Budget neutral")
- The percent reduction increases from 1% in FY 2012 to 2% in FY 2017
- Hospitals can gain or lose, based on their performance on established measures


CMS rewards hospitals based on meeting new Medicare measures
Well done, sweetie. Here's your brother's piggy bank.
A+
D
SEMELROTH ©'11

VBP Domains and Weights

VBP Fiscal Year	2013	2014	2015	2016
Process of Care	70%	40%	20%	10%
Patient Experience (HCAHPS)	30%	30%	30%	25%
Outcome (Mortality, patient safety, HACs, HAIs)	--	25%	30%	40%
Efficiency (Medicare spending per Beneficiary)	--	--	20%	25%

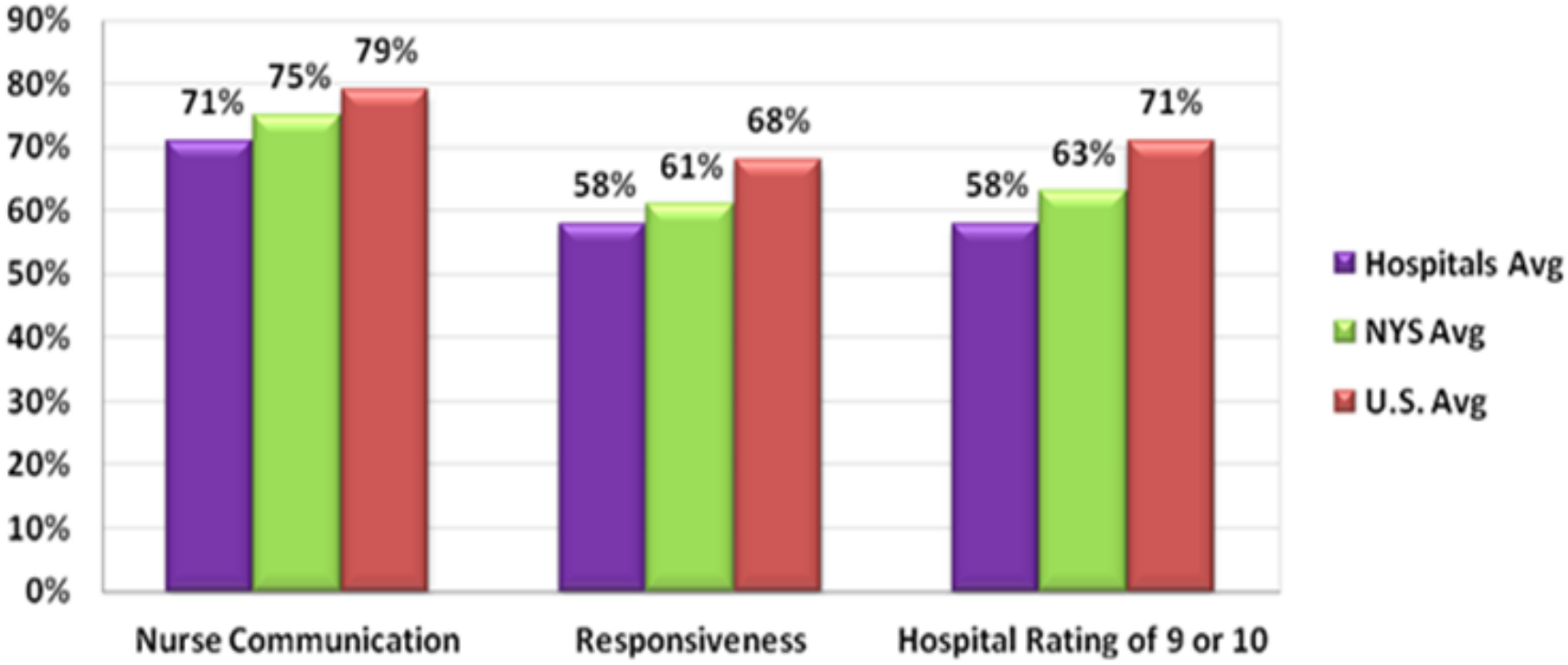
CMS Shift for Quality Measurement:

Clinical Process Measures *(not risk-adjusted)* → Outcomes and Efficiency Measures *(risk-adjusted)*

LABOR MANAGEMENT PROJECT
An employer and 1199SEIU partnership

HCAHPS Scores (14 Hospitals)

(October 1, 2012 through September 30, 2013)



How Did we Do? 2014*

Percent of Hospitals Receiving a Bonus	Average 2014 VBP Bonuses	Percent of Hospitals Receiving a Penalty	Average 2013 VBP Penalties
43%	$ 169,227	57%	($93,155)

BONUS RANGE: $1,016 - $649,902

PENALTY RANGE: $5,917 - $222,719

LABOR MANAGEMENT PROJECT
An employer and 1199SEIU partnership

* 14 Hospitals

FY 2015 Outcome Measures (30% of VBP Score)

Outcome Measure
Acute Myocardial Infarction (AMI) 30-Day Mortality Rate
Heart Failure (HF) 30-Day Mortality Rate
Pneumonia (PN) 30-Day Mortality Rate
AHRQ Patient Safety Indicator Composite
Central Line-Associated Bloodstream Infection (CLABSI)

AHRQ* Patient Safety Indicator Composite

PSI 03 – Pressure Ulcer Rate
PSI 06 – Iatrogenic Pneumothorax Rate
PSI 07 – Central Venous Catheter-Related Bloodstream Infection Rate
PSI 08 – Postoperative Hip Fracture Rate
PSI 12 – Postoperative Pulmonary Embolism or Deep Vein Thrombosis Rate
PSI 13 – Postoperative Sepsis Rate
PSI 14 – Postoperative Wound Dehiscence Rate
PSI 15 – Accidental Puncture or Laceration Rate

* Agency for Healthcare Research and Quality

2. Readmission Penalties Began in FY 2013

- Hospitals with higher-than-average 30-day risk-adjusted readmission rates for **heart failure, acute myocardial infarction, and pneumonia** receive reduced Medicare payments, capped at a maximum of 1% of inpatient payments.

- Penalties increase to a maximum of 2% of inpatient payments in FY 2014 and **3%** from FY 2015 onwards.

- FY 2015 will add COPD, and elective knee and hip replacement

LABOR MANAGEMENT PROJECT
An employer and 1199SEIU partnership

How did we do? 2014*

Average Readmissions Penalties Hospitals 2014	Penalty Range 2014
$345,888	$4,966 to $1,433,264

TOTAL REVENUE LOST:

= $ 6.4 Million

* 14 Hospitals

LABOR MANAGEMENT PROJECT
An employer and 1199SEIU partnership

3. HAC Reduction Program

- In FY 2015, hospitals with HAC incidence rates in top quartile (e.g. worst performers) will receive a 1% reduction in payment

- This HAC program is in addition to the HAC Non-Payment Program that began in 2009

HAC Program Domains and Measures

Domain 1
(AHRQ Measure)

Weighted 35%

AHRQ PSI-90 Composite

This measure consists of:

- PSI-3: pressure Ulcer
- PSI-6: Iatrogenic pneumothorax
- PSI-7: central venous catheter-related blood stream infection rate.
- PSI-8: hip fracture rate
- PSI-12: postoperative PE/DVT rate
- PSI-13: sepsis rate
- PSI-14: wound dehiscence rate
- PSI-15: accidental puncture

Domain 2
(CDC Measures)

Weighted 65%

2015 (2 measures):
CAUTI
CLABSI

2016 (1 additional measure):
Surgical Site Infection (Colon Surgery and Abdominal Hysterectomy)

2017 (2 additional measures):
MRSA
C Diff

How Many Deaths Per Day Occur in US Hospitals Due to Hospital Acquired Infections?

A. 25

B. 50

C. 100

D. 200

721,800 INFECTIONS
75,000 DEATHS
Per Year

HAC Triple Whammy

1. Non-payment – 10 conditions (2009)
2. VBP (2015)
3. HAC Reduction Program (2015)

Up to 8% of CMS Payment "at risk" by FY 2017

	FY14	FY15	FY16	FY17
Hospital Inpatient Quality Reporting	2% reduction for failure to report	2% reduction for failure to report	2% reduction for failure to report	2% reduction for failure to report
Hospital Acquired Conditions	No additional payment for 10 HACs	1% reduction in payment if HAC incidence is in top Quartile	1% reduction in payment if HAC incidence is in top Quartile	1% reduction in payment if HAC incidence is in top Quartile
Hospital Readmissions	2% reduction, AMI, HF, PN	3% reduction , AMI, HF, PN, COPD	3% reduction , AMI, HF, PN, COPD	3% reduction , AMI, HF, PN, COPD
Value Based Purchasing	Up to 1.25% reduction or addition	Up to 1.5% reduction or addition	Up to 1.75% reduction or addition	Up to 2% reduction or addition
TOTAL CMS Payment At Risk	**5.25%**	**7.5%**	**7.75%**	**8%**

NYS – Delivery System Reform Incentive Program (DSRIP)

- Federal waiver – reinvestment of $6.42 billion in federal savings generated by Medicaid Redesign Team (MRT) reforms.
- Statewide initiative open to safety-net providers.
- Payments based on performance on process and outcome milestones.
- Collaboration among community providers required
- Focus on sustainable health care system transformation

DSRIP's Goals

- Increase access to primary care and care coordination
- Improve health outcomes for Medicaid patients
- Prevent avoidable hospitalizations (25% over five years)
- Long-term systemic transformation

DISCUSSION

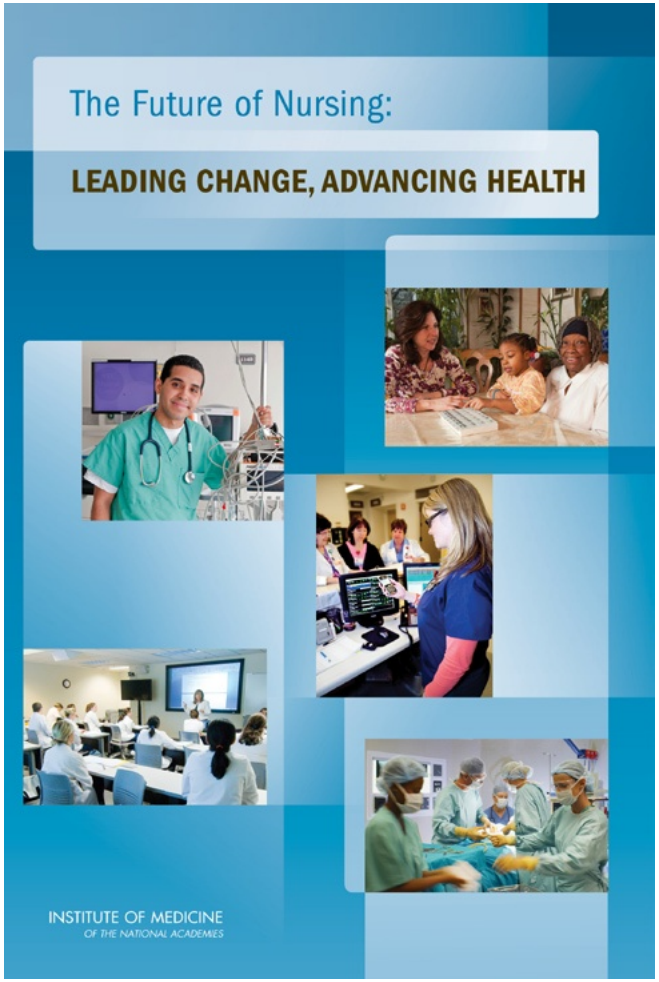
- What Role Do or Can Nurses Play in:
  1) Improving process and outcome measures and their associated penalties?

     (VBP, Readmissions, HAC)
  2) Improving staff understanding of data?

Why is Data Important?
It's role in performance improvement

- *"Being a full partner involves taking responsibility for identifying problems and areas of system waste, devising and implementing improvement plans, tracking improvement over time, and making necessary adjustments to realize established goals."*

IOM Report - 2010



What Can We Do ?

Labor and management have successfully worked together to address and improve infection control, patient experience, HCAHPS, and other measures affecting quality of care and quality of work

LABOR MANAGEMENT PROJECT
An employer and 1199SEIU partnership

LMI Research Resources


LABOR MANAGEMENT PROJECT
Research Bulletin

HCAHPS

What Exactly Does HCAHPS Measure?


LABOR MANAGEMENT PROJECT
Research Bulletin

Hospital Readmissions

Why Do 30-Day Readmission Rates Matter?


LABOR MANAGEMENT PROJECT
Research Bulletin

Hospital-Acquired Conditions and Infections

What are the Consequences of HAIs?

How Many Patients Contract HAIs?

What's at Risk for Hospitals?

What Can Labor and Management Do to Reduce HAIs?


LABOR MANAGEMENT PROJECT
Research Bulletin

Patient Centered Care

LABOR MANAGEMENT PROJECT
An employer and 1199SEIU partnership

THE TAKE AWAY…

- Reforms are underway affecting hospital payments and how we organize and deliver services
- Payment reform includes value-based purchasing, readmissions penalties, penalties for hospital acquired conditions (and DSRIP)
- Union and management can work together to increase VALUE of health care services: maximizing quality, reducing cost and waste, and improving the overall patient experience

QUESTIONS?

Marcia Mayfield, Senior Research Manager
Marcia.Mayfield@Labormanagementproject.org

Samonne Montgomery, Research Analyst
Samonne.Montgomery@Labormanagementproject.org


THANK
YOU