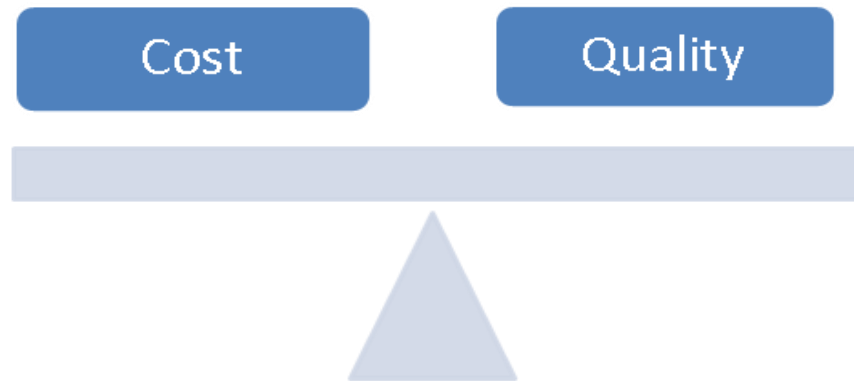


Medicare Cost Saving Initiatives

The Impact of Health Care Reform

The Situation

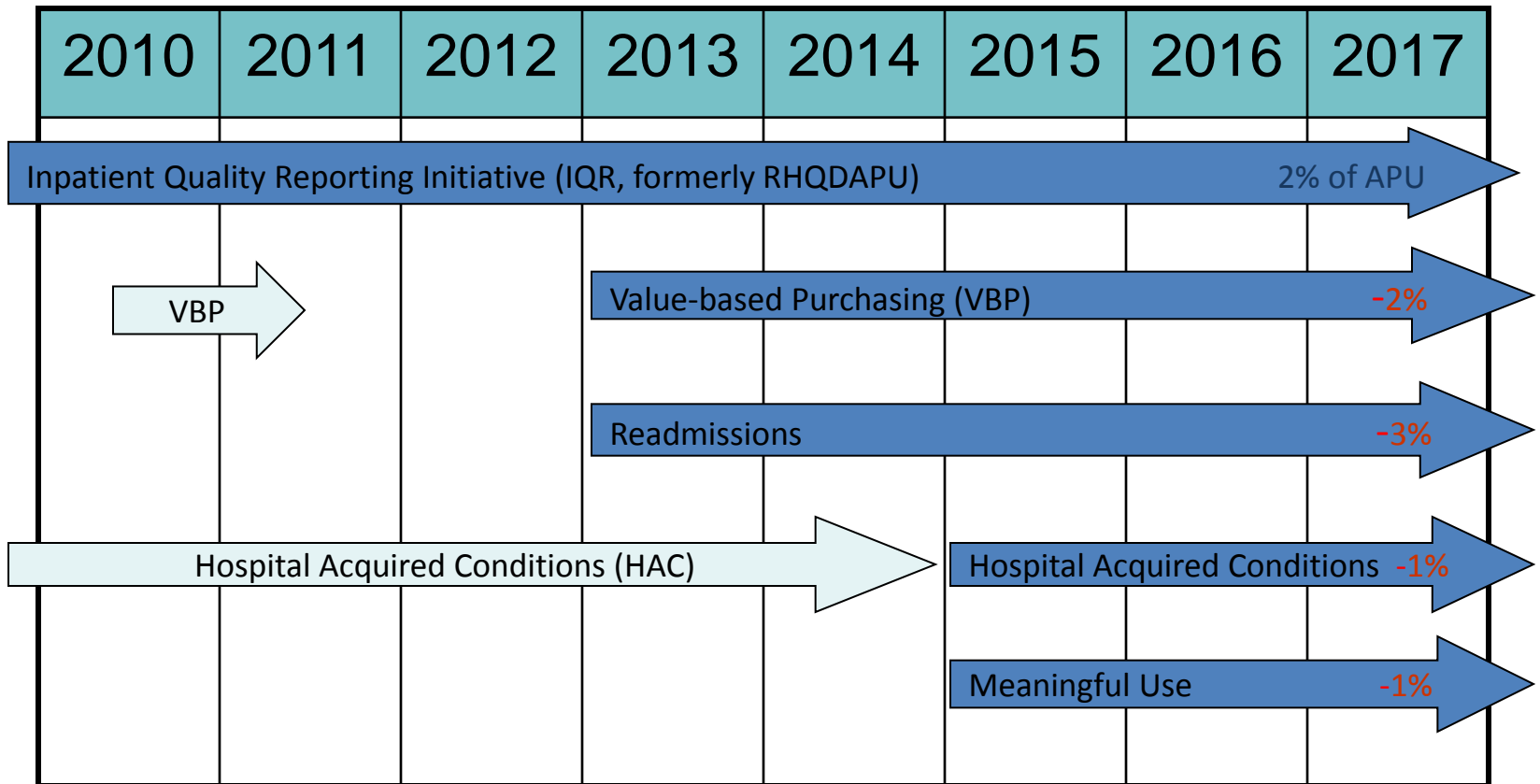
- Dwindling Medicare fund
- Increasing demand, fewer “paying in”
- Need to control cost, ensure quality
- Move to align payment with performance



Health Care Reform Strategies

1. Improve the quality of care
2. Reform our health care delivery system
3. Appropriately price services and modernize financing systems
4. Fight waste, fraud and abuse

CMS Payment Reform Initiatives



Value Based Purchasing

- Zero Sum Gain – Medicare does not save money with this initiative
- Payment based on our performance on 12 clinical quality measure and 8 Patient Experience domains – all are already publically reported
- Medicare takes away up to 2% of our total inpatient payment (approximately \$1.3 million) and we earn it back based on performance on these measures – FFY 2013 is a 1% take back

Inpatient Process of Care Measures

AMI (Heart Attack)

AMI-7a: Thrombolytic Agent Received within 30 min of Hospital Arrival

AMI-8a: PCI received within 90 min of Hospital Arrival

HF (Heart Failure)

HF-1: Discharge Instructions

Pneumonia

PN-3b: Blood Culture Before 1st Antibiotic Received in Hospital

PN-6: Initial Antibiotic Selection for CAP Immunocompetent Patient

SCIP (Surgical Care Improvement Project)

SCIP-1: Antibiotic within 1 hour Before Incision

SCIP-2: Received Prophylactic Antibiotic Consistent with Recommendations

SCIP-3: Prophylactic Antibiotic Discontinued within 24 hours of Surgery End Time

SCIP-4: Controlled 6 AM Postoperative Serum Glucose – Cardiac Surgery

SCIP-VTE1: Recommended VTE Prophylaxis Ordered During the Admission

SCIP-VTE2: Received VTE Prophylaxis within 24 hours Prior to or After Surgery

SCIP-CARD2: Pre-admission Beta-blocker and Peri-operative Beta-blocker

Patient Experience Measures

HCAHPS Survey Dimensions

Communication with Nurses (% “Always”)

Communication with Doctors (% “Always”)

Responsiveness of Hospital Staff (% “Always”)

Pain Management (% “Always”)

Communication About Medications (% “Always”)

Cleanliness and Quietness of Hospital Environment (%
“Always”)

Discharge Information (% “Yes”)

Overall Rating of Hospital (% “9 or 10”)

Scoring

- Every time we pass a measure, or a patient scores us as “always” we earn points
- Our points are compared to all other hospitals in the country
- High performing hospitals get all their money back and some extra
- Low performing hospitals get less money back or none

Readmissions Reduction Program

- “Goal is to help hospitals smooth transitions for patients and reward hospitals that are successful in reducing avoidable readmissions”
- Three diagnoses included
 - Acute Myocardial Infarction
 - Heart Failure
 - Pneumonia
- 30-day readmissions for ANY cause are included
- Hospitals will be penalized if their readmission rates are worse than the national average
- Everyone is working to reduce their rates
- 3% of Medicare inpatient payment is at stake (\$1.95 million)

Our Readmissions

July 2007 – June 2010

Measure	Harrison's Comparative Performance	US National Rate
AMI Readmissions	No different than the US National Rate	19.8%
HF Readmissions	No different than the US National Rate	24.8%
PNA Readmissions	No different than the US National Rate	18.4%

Hospital Acquired Conditions

- Medicare has identified conditions that are
 1. High cost or high volume or both
 2. Result in a higher payment when present
 3. Could “reasonably” have been prevented through the application of evidence-based guidelines
- If these conditions occur while the patient is hospitalized we currently do not get reimbursed at the higher payment
- Beginning 2015 our rates of these conditions will be compared to other hospitals. We will be penalized if our rates are higher than the national average
- 1% of our Medicare inpatient payment is at risk (\$650,00)

Hospital Acquired Conditions

1. Foreign object retained after surgery
2. Air Embolism
3. Blood Incompatibility
4. Stage III and IV pressure Ulcers
5. Falls with Trauma or Injury (Fractures, Dislocations, Intracranial & Crush Injuries, Burns, Electric Shock)
6. Manifestations of Poor Glycemic control
7. Catheter-Associated Urinary Tract Infection
8. Vascular Catheter-Associated Infection
9. Surgical Site Infections
10. Deep Vein Thrombosis/Pulmonary Embolism

Meaningful Use

- Goal is for the “meaningful use” of certified Electronic Health Record (EHR) technology to achieve health and efficiency goals
- Expectation is:
 - Reduction in errors
 - Availability of records and data
 - Reminders and alerts
 - Clinical decision support
 - E-prescribing/refill automation

Meaningful Use

- Three main components
 1. The use of a certified EHR in a meaningful manner, such as e-prescribing
 2. The use of certified EHR technology for electronic exchange of health information to improve quality of health care
 3. The use of certified EHR technology to submit clinical quality and other measures

Meaningful Use

- Rolled out in three stages (we are in stage 1 now) from 2011-2015.
- Goals are set for each stage
- Substantial financial incentives are available for implementation – over \$2 Million for stage 1
- If EHR implementation is not complete by 2015 there will be a penalty of 1% of total Medicare inpatient payment (\$650,000)

Summary

- Medicare is trying to cut expenses and improve quality
- There is great financial risk for not complying with these incentive programs
- Other payers will likely develop similar programs
- We must provide high quality care to our patients at every encounter

Our Mission and Core Values

We make a positive difference in patients' lives
through exceptional health care

Accountability

Empathy

Innovation