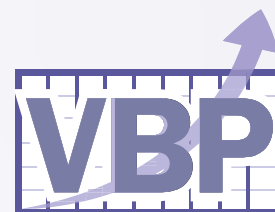


DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



FACT SHEET

Hospital Value-Based Purchasing Program

<http://www.cms.gov/Hospital-Value-Based-Purchasing>

How Does Hospital Value-Based Purchasing Work?

Starting in October 2012, Medicare rewards hospitals that provide high quality care for their patients through the new **Hospital Value-Based Purchasing (VBP) Program**. For the first time, hospitals across the country will be paid for inpatient acute care services based on care **quality**, not just the **quantity** of the services they provide.

This Hospital VBP Program, established by the Affordable Care Act, will implement a pay-for-performance approach to the payment system that accounts for the largest share of Medicare spending, affecting payment for inpatient stays in over 3,500 hospitals across the country.

Under the Hospital VBP Program, Medicare will make incentive payments to hospitals beginning in Fiscal Year (FY) 2013 based on either:

- 1) How well they perform on each measure, or
- 2) How much they improve their performance on each measure compared to their performance during a baseline period.

The Hospital VBP Program is designed to promote better clinical outcomes for hospital patients as well as improve their experience of care during hospital stays.

Under Medicare's Hospital VBP Program, hospitals will receive incentive payments based on how well they perform on **12 Clinical Process of Care Measures** and **8 Patient Experience of Care Measures** or on how much their performance improves relative to a baseline performance.

Performance Periods

Hospitals will earn scores for their performance on measures and dimensions in two domains during the performance period of July 1, 2011, to March 31, 2012. The FY 2013 Baseline Performance Period is July 1, 2009, to March 31, 2010.

"Instead of payment that asks, 'How much did you do?' the Affordable Care Act clearly moves us toward payment that asks, 'How well did you do?' and more importantly, 'How well did the patient do?'"

Dr. Don Berwick, Centers for Medicare & Medicaid Services (CMS) Administrator
April 11, 2011

Scoring

Measure scores are added to determine the **Clinical Process of Care** domain score. **Dimension** scores are added to the **Consistency** score to determine the **Patient Experience of Care** domain score.

Each hospital may earn two scores on each measure — one for achievement and one for improvement. The score that is awarded to a hospital for each measure is the higher of these two scores.

- **Achievement points** are awarded by comparing an individual hospital's rates during the performance period with all hospitals' rates from the baseline period:

- Hospital rate at or above benchmark:
10 achievement points
- Hospital rate below the achievement threshold:
0 achievement points
- If the rate is equal to or greater than the achievement threshold and less than the benchmark:
1–9 achievement points

- **Improvement points** are awarded by comparing a hospital's rates during the performance period to that same hospital's rates from the baseline period:

- Hospital rate at or above benchmark:
9 improvement points
- Hospital rate at or below baseline period rate:
0 improvement points
- If the hospital's rate is between the baseline period rate and the benchmark:
0–9 improvement points

Clinical Process of Care Measures

- 1) AMI-7a – Fibrinolytic Therapy Received Within 30 Minutes of Hospital Arrival
- 2) AMI-8 – Primary PCI Received within 90 Minutes of Hospital Arrival
- 3) HF-1 – Discharge Instructions
- 4) PN-3b – Blood Cultures Performed in the Emergency Department (ED) Prior to Initial Antibiotic Received in Hospital
- 5) PN-6 – Initial Antibiotic Selection for Community-Acquired Pneumonia (CAP) in Immunocompetent Patients
- 6) SCIP-Inf-1 – Prophylactic Antibiotic Received within One Hour Prior to Surgical Incision
- 7) SCIP-Inf-2 – Prophylactic Antibiotic Selection for Surgical Patients
- 8) SCIP-Inf-3 – Prophylactic Antibiotics Discontinued within 24 Hours After Surgery



- 9) SCIP-Inf-4 – Cardiac Surgery Patients with Controlled 6:00 a.m. Post-operative Serum Glucose
- 10) SCIP-Card-2 – Surgery Patients on a Beta Blocker Prior to Arrival Who Received a Beta Blocker During the Perioperative Period
- 11) SCIP-VTE-1 – Surgery Patients with Recommended Venous Thromboembolism Prophylaxis Ordered
- 12) SCIP-VTE-2 – Surgery Patients Who Received Appropriate Venous Thromboembolism Prophylaxis within 24 Hours

Patient Experience of Care Dimensions

- 1) Nurse Communication
- 2) Doctor Communication
- 3) Hospital Staff Responsiveness
- 4) Pain Management
- 5) Medicine Communication
- 6) Hospital Cleanliness and Quietness
- 7) Discharge Information
- 8) Overall Hospital Rating

How Will Hospitals Be Rewarded?

- The Hospital VBP Program is funded by a 1 percent withhold from participating hospitals' Diagnosis-Related Group (DRG) payments.
- The law requires that the total amount of value-based incentive payments in aggregate be equal to the amount available for value-based incentive payments.
- CMS has finalized a linear exchange function to translate Total Performance Scores into value-based incentive payments.

Resources

CMS already posts information about how well America's hospitals are doing on a number of measures and dimensions on two websites: the Hospital Compare website at http://www.cms.gov/hospitalqualityinits/11_hospitalcompare.asp and the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey website at <http://www.hcahpsonline.org> on the Internet.

For more information, visit <http://www.cms.gov/Hospital-Value-Based-Purchasing> on the CMS website.

CMS encourages you to review the relevant portions of the law and regulations. Refer to the Social Security Act Section 1886(o) at http://www.ssa.gov/OP_Home/ssact/title18/1886.htm on the Internet and to the Final Rule (76 Federal Register [FR] 26490) at <http://www.gpo.gov/fdsys/pkg/FR-2011-05-06/pdf/2011-10568.pdf> on the Internet.



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