

## **New analysis from the Premier healthcare alliance allows hospitals to calculate scores, financial impact of value-based purchasing**

*CHARLOTTE, N.C. (March 3, 2011)* – The [Premier healthcare alliance](#) has created a new tool to help hospitals and health systems assess the potential impact of value-based purchasing (VBP).

The tool is automatically populated with hospitals' quality and performance data, and can be used to evaluate the financial impact of VBP, projecting possible scores and the dollar amounts at stake, as currently proposed by the Centers for Medicare & Medicaid Services (CMS) as well as three other scenarios.

“We are at a historic juncture in healthcare,” said Susan DeVore, Premier president and CEO. “In a new era of reform, reimbursements will increasingly be linked to outcomes, and hospitals will need to deliver improved, evidence-based results to ensure future financial success. This tool helps hospitals understand where they stand today and areas they may need to improve to avoid penalties.”

Under the proposed VBP rule, CMS proposes a "performance period" that begins July 1, 2011, and ends March 31, 2012, for the fiscal year 2013 hospital VBP payment program. Hospitals that perform poorly during this period will have Medicare inpatient payments reduced by as much as 1 percent in fiscal year 2013, with penalties increasing over time to reach 2 percent by fiscal year 2017.

“The information provided in the VBP analysis is designed to keep an organization's reimbursement staff updated and engaged on the changes impacting their facility's financial health,” said DeVore.

The VBP analysis also allows hospitals to change assumptions related to the percentage of funds at stake and the weighting of scores to discover the possible impact. Also included in the analysis is an optional outcomes domain based on mortality scores for hospitals to anticipate their fiscal year 2014 impact.

CMS and Premier partnered on the [Hospital Quality Incentive Demonstration](#)<sup>™</sup> VBP project, which served as a basis for CMS' proposed VBP regulations. The project was also cited as a test bed for reform by the Senate Finance Committee as part of healthcare reform.

In addition to the VBP impact analysis, there are a number of other Premier resources to help alliance members stay ahead in the new world of performance-based payment:

- Reform impact analysis that help hospitals model the financial implications of key provisions in reform to identify risks and opportunities.
- A [reform readiness assessment](#) to better assess how each healthcare facility may be affected by reform over time, with specific recommendations for changes that will mitigate risk.
- The [Premier Performance Improvement Portal](#)<sup>™</sup>, which offers a variety of strategies and best practices for reform readiness and performance improvement.
- Performance improvement collaboratives, such as [QUEST®: High Performing Hospitals](#), which helps hospitals attain new standards of top performance in key areas that will be measured as part of reform.

**About the Premier healthcare alliance, Malcolm Baldrige National Quality Award recipient**

Premier is a performance improvement alliance of more than 2,500 U.S. hospitals and 72,000-plus other healthcare sites using the power of collaboration to lead the transformation to high quality, cost-effective care. Owned by hospitals, health systems and other providers, Premier maintains the nation's most comprehensive repository of clinical, financial and outcomes information and operates a leading healthcare purchasing network. A world leader in helping deliver measurable improvements in care, Premier has worked with the Centers for Medicare & Medicaid Services and the United Kingdom's National Health Service North West to improve hospital performance. Headquartered in Charlotte, N.C., Premier also has an office in Washington. <http://www.premierinc.com>. Stay connected with Premier on [Facebook](#), [Twitter](#) and [YouTube](#).