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Value-based purchasing demonstration achieves continued improvements in quality and patient outcomes

Results from six years of the nation's largest hospital value-based purchasing (VBP) demonstration show annual improvements in patient outcomes across six high volume [clinical areas](http://www.premierinc.com/about/news/11-nov/hqid110811.jsp#quality-improvements) (<http://www.premierinc.com/about/news/11-nov/hqid110811.jsp#quality-improvements>). With VBP now law under health reform, the 250 hospitals that participated in the Centers for Medicare & Medicaid Services (CMS)/Premier healthcare alliance [Hospital Quality Incentive Demonstration](http://www.premierinc.com/quality-safety/tools-services/p4p/hqi/index.jsp)[™] (HQID) (<http://www.premierinc.com/quality-safety/tools-services/p4p/hqi/index.jsp>) are providing lessons that can help others save lives and better craft rules to govern the new national program. During the six years of the project, HQID participants raised their overall quality by an average of 18.6 percentage points based on delivery of more than 30 nationally standardized and widely accepted quality measures, such as the proper administration of beta blockers and antibiotics, to patients in six clinical areas.

Results from demonstration show linking payment to quality improves care and saves lives

- Performance improvements saved the lives of an estimated 8,500 heart attack patients, according to a Premier analysis of mortality rates.
- Participating hospitals administered approximately 962,540 additional evidence-based clinical measures to 2.7 million patients treated in the six clinical areas at the 216 participating hospitals.
- These hospitals received incentive payments of more than \$60 million from CMS for performance, improvement and attainment of quality goals.
- In addition, 18 hospitals moved from the bottom to the top 20 percent of hospitals in one or more clinical areas, improving quality scores by an average 29.2 percentage points.

Medicare project served as test-bed for bipartisan provision in reform law

- Due in part to evidence from HQID and widespread bipartisan support for moving to a performance-based payment system, the Affordable Care Act requires a Medicare hospital VBP program to be established for all hospitals beginning in fiscal year (FY) 2013, at which time a portion of a hospital's payment will be linked to its performance on measures related to common and high-cost conditions.
- HQID served as a basis for CMS' proposal to Congress for this national VBP, or pay-for-performance (P4P), program. With six years of experience as part of the program, participants helped to inform the legislation and implementing regulations for VBP.
- HQID informed the public policy debate on VBP by testing:
 - The new process and outcome measures that are used in the Medicare Hospital Compare public reporting program;

- The attainment and improvement incentive structure that was incorporated in the final VBP law;
- The need to first post new measures so hospitals can understand them and identify issues before basing hospital pay on these measures; and
- Removing from eligibility for the program measures that have "topped out" or where the vast majority of hospitals are performing at a level statistically indistinguishable from each other and have achieved nearly complete compliance with the measures.

For a list of the six-year top-performing hospitals in the HQID program, [click here](http://www.premierinc.com/about/news/11-nov/hqid110811.jsp#top-performers-yrs1-6) (<http://www.premierinc.com/about/news/11-nov/hqid110811.jsp#top-performers-yrs1-6>). Additional information about HQID is available at www.qualitydemo.com.

What's being said?

"While the recognition and economic incentives are substantial, as healthcare providers we are motivated by making sure that patient care continues to improve. The evidence of the care delivered is the true reward."

- Michael Dowling, president and CEO of North Shore-Long Island Jewish Health System

"Providing outstanding patient care has always been our primary mission. Our continued successes in this project are a testament to our ongoing efforts to improvement the quality of care we offer, and to provide an overall exceptional experience to every patient, every person, every time."

- Peggy Naleppa MS, MBA, PhD, FACHE, president and CEO of Peninsula Regional Medical Center in Salisbury, MD

"HQID was the first major scalable Medicare demonstration project proving it was possible to improve evidence-based care in an inpatient setting. The hospitals and health systems that volunteered to participate in the project years ago deserve the utmost credit for taking the initiative to test this pay-for-performance model to benefit providers nationwide. As we move our reimbursement system from paying for volume to paying for value, HQID participants will have extensive experience with this type of a model. And most importantly, they have made significant improvements in providing care to the patients they serve."

- Susan DeVore, president and CEO of the Premier healthcare alliance

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 78,000-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](#).