

# Healthcare Quality Watch

AUGUST/  
SEPTEMBER 2010

NEWS BRIEFS FOR  
MANAGERS AND  
OPINION LEADERS



Improving Healthcare  
for the Common Good®

## Are you a Member of IPRO?

If you are an actively practicing NYS-licensed physician, join online at [www.ipro.org/membership](http://www.ipro.org/membership). All new members will receive a personalized certificate of membership via US mail. There is no charge to join. Members of IPRO receive announcements and e-mails, newsletters on a variety of subjects, IPRO eNews, updates on cooperative studies, invitations to conferences, opportunities for collaborations and other useful information.

## IPRO Attacks MRSA

As part of its Patient Safety Theme, the Centers for Medicare & Medicaid Services has contracted with Quality Improvement Organizations (QIOs) across the nation to help healthcare providers reduce Methicillin-resistant Staphylococcus aureus (MRSA) infections in their facilities. MRSA causes approximately 94,000 serious infections and 19,000 deaths in the U.S. each year. Of these, 86% are healthcare associated and 14% are community associated. The QIOs provide technical assistance and educational tools that providers can use to design MRSA interventions. Since August 2008, IPRO has been working with 60 hospitals throughout the state on MRSA—by far the largest number of participating hospitals for any state in the initiative. IPRO provides support to one unit in each of these hospitals, with the goal of achieving a 28% reduction in MRSA infection rates by the end of July 2011. IPRO staff has met with infection control leadership at each participating hospital, conducted medical record audits and examined each hospital's infection prevention policy, in order to help design appropriate interventions. Patient and visitor education are key to this initiative, and IPRO has created educational tools that hospitals can use, such as fact sheets and posters. IPRO has also developed positive reinforcement tools for hospital staff, employee newsletter article templates, videos and other materials. IPRO's Patient Safety page has the aforementioned tools, and more, available at: <http://www.ipro.org/index/patient-safety-hospitals>

## Administration Implements Appeals Law

Health plan enrollees have the right to independent, external reviews of adverse coverage determinations, regardless of which state they live in or what kind of insurance they have, based on an interim final rule published July 23<sup>rd</sup> in the *Federal Register*. The rule implements provisions of the Patient Protection and Affordable Care Act. It applies to employees in self-

insured plans and to fee-for-service medicine as well as managed care. The government estimates that beginning next year, the rule will extend appeals rights to an estimated 31 million Americans enrolled in new employer plans and 10 million Americans in new individual plans. The rule grandfathers existing external appeals procedures in 44 states, provided they meet standards developed by the National Association of Insurance Commissioners. The NAIC standards require clear information on the appeals process for consumers, expedited access to appeals in cases of medical emergency, coverage of costs of appeals by plans, and binding final determinations. States are required to arrange for reviews of appeals by independent entities that are free of conflict-of-interest. IPRO currently performs these independent external appeals in 15 states and the District of Columbia. The rule, which is issued jointly by the Department of Labor, Department of the Treasury and Department of Health and Human Services, is available at [www.hhs.gov](http://www.hhs.gov).

## CMS Develops Payment Plans for ESRD

The Centers for Medicare & Medicaid Services (CMS) is developing what it calls the first Medicare fee-for-service pay-for-performance program, under which end-stage renal disease (ESRD) providers face the prospect of reduced payments for failure to meet quality benchmarks. Under the Medicare Improvements for Patients and Providers Act of 2008, CMS is required to develop a quality incentive payment program for ESRD services. A final rule issued in late July establishes three quality measures that facilities will have to report; one measure of hemodialysis adequacy and two measures of anemia management. Facilities that are unable to reach benchmarks for these three quality measures risk reductions in Medicare reimbursements of up to two percent. The program is set to begin January 1, 2012, using a performance period of calendar year 2010. There are currently 600

hospital-based and 4,300 independent ESRD facilities in the U.S. Simultaneously, CMS has announced that effective next January 1<sup>st</sup>, Medicare will reimburse facilities using single bundled payments rather than the composite rate payment methodology now in use. IPRO is the End-Stage Renal Disease Network contractor for New York, with oversight responsibility for all facilities in the state that are approved by Medicare to provide chronic dialysis treatments and/or kidney transplants. For more information, visit [www.esrd.ipro.org](http://www.esrd.ipro.org).

### **New York Hospitals Pilot Malpractice Reform**

Five New York City-based hospitals will test an innovative approach to medical liability reform under a three year, \$2.9 million grant from the federal Agency for Healthcare Research and Quality (AHRQ). The participating hospitals are Beth Israel Medical Center, Maimonides Medical Center, Montefiore Medical Center, Mount Sinai Medical Center and New York Presbyterian Hospital. Under the program, New York Presbyterian will focus on surgical errors, while the other four institutions will work on reducing errors in obstetrics. Institutions agree to provide early disclosure of medical errors with early offers of compensation to patients and families. Cases that can't be settled outside the courtroom will go before judges who are specially trained in "Judge-Directed Negotiations," with a curriculum based on the pioneering work of Judge Douglas McKeon of the Bronx County Supreme Court. That approach utilized by Health and Hospital Corporation institutions in the Bronx and Manhattan has reportedly saved as much \$50 million annually in "transaction costs" associated with protracted litigation. The pilot project has the support of the New York State Department of Health (NYSDOH), New York State Trial Lawyers Association and the New York State Bar Association. Patients and families participating in the project still have the option of pursuing jury trials. According to NYSDOH, New York has the highest medical malpractice costs in the nation (\$1 billion annually) and led the nation in the number of claims filed with the National Practitioner Data Bank over a 10-year period ending in 2009.

### **White House Estimates Quality Savings**

Improvements in quality are essential elements of a national cost-containment strategy, according to a health reform position paper released August 2<sup>nd</sup> by the Obama Administration. Quality enhancements included in the Affordable Care Act are projected to account for a ten-year cost savings of \$15 billion. The key quality-related provisions are: reducing hospital readmissions (\$8.2 billion), reducing hospital-acquired conditions (\$3.2 billion), bundling payments for end-stage renal disease services (\$1.7 billion) and improving physician quality reporting (\$1.9 billion). In addition to quality improvements, the three other broad cost-containment strategies include delivery system reform, appropriate pricing and modernization of finance and fighting waste, fraud and abuse. Of the ten-year total projected cost savings of \$417.5 billion, the two largest items by far are reductions in payments to Medicare Advantage plans (\$145 billion) and improved productivity/market basket adjustments for most provider settings (\$205 billion). *Affordable Care Act Update: Implementing Medicare Cost Savings* is available at [www.cms.gov](http://www.cms.gov).

### **The Commonwealth Fund Publishes Infection Rates**

The Commonwealth Fund's landmark [www.WhyNotTheBest.org](http://www.WhyNotTheBest.org) website now includes information on the incidence of central-line-associated bloodstream infections (CLABSIs) in intensive care units in hospitals nationwide. These preventable infections occur when catheters are placed in large veins to speed administration of fluids. Experts estimate a mortality rate of between 12% and 25% for each infection, of which there are an estimated 25,000 cases annually in the U.S. The hospital-specific data on the *WhyNotTheBest* site are made available under arrangement between The Commonwealth Fund, Consumer Reports Health and the Leapfrog Group. Data are arrayed by standardized infection rates as defined by the Centers for Disease Control and Prevention and measured against national rates. While 10 states require reporting under state law, voluntary reporting is now taking place in another 34 states. All programming of the website was undertaken by IPRO's e-Services Department.

### **Feds Publish EHR Rule**

The federal government has finalized the objectives that will inform the Electronic Health Record (EHR) Incentive Program, which was established by last year's economic stimulus legislation. Under the terms of the final rule issued July 28<sup>th</sup> by the Centers for Medicare & Medicaid Services, providers demonstrating "meaningful use" of health information technology will be eligible for incentive payments from Medicare and/or Medicaid.

### **IPRO's 25<sup>th</sup> Anniversary Report Wins Second Award**

In addition to the 2009 American Graphic Design Award (*Quality Watch* Oct/Nov 2009), IPRO has been awarded an APEX 2010 Award of Excellence. APEX 2010 is the 22<sup>nd</sup> annual awards program recognizing excellence in publications work by professional communicators. APEX Awards are based on excellence in graphic design, editorial content and the ability to achieve overall communications excellence. The more than 3,700 entries were evaluated by an esteemed group of judges, including well-known and highly respected publishers, writers and editors. A link to IPRO's 25<sup>th</sup> Anniversary Report can be found by visiting the "Publications" page on [www.ipro.org](http://www.ipro.org).

*Healthcare Quality Watch* is published by the Communications Department at IPRO.  
An electronic version of *Healthcare Quality Watch* is available; subscribe at <http://ipro.org/ipro-qw>.

We welcome your comments and suggestions.  
Please forward them to the Editor, Spencer Vibbert, at [svibbert@ipro.org](mailto:svibbert@ipro.org).

IPRO  
1979 Marcus Avenue, Lake Success, NY 11042  
[www.ipro.org](http://www.ipro.org)

IPRO is a national organization providing a full spectrum of healthcare assessment and improvement services that foster more efficient use of resources and enhance healthcare quality to achieve better patient outcomes. Founded in 1984, IPRO is highly regarded for the independence of its approach, the depth of its knowledge and experience, and the integrity of its programs. IPRO holds contracts with federal, state and local government agencies, as well as private-sector clients, operating best-of-class programs in more than 33 states and the District of Columbia. A national not-for-profit organization, IPRO is headquartered in Lake Success, NY and is a 501(c)(3) corporation.