



August 2007

Mission: to transform the health care system through information and technology to improve patient safety and health care quality, lower costs, and coordinate care.

In this issue:

1. [Medicare Will No Longer Pay for Preventable Hospital Errors](#)
2. [Google, Microsoft Prepare Patient-Centered Care Initiatives Online](#)
3. [Senators Grassley and Baucus Sponsor Bill to Refocus Medicare QIOs](#)
4. [Mixed Reports on the Effectiveness of CMS Nursing Home QIO Program](#)
5. [Plans Underway to Transition AHIC](#)
6. [HHS Report Summarizes State Medicaid HIT and HIE Initiatives](#)
7. [Premier Launches QUEST – a Voluntary Hospital Incentive Program](#)
8. [New York Attorney General Continues to Question Quality Rankings](#)
9. [UnitedHealth Pilots Medical Home Model in Florida](#)
10. [ONC Releases EHR Recommendations](#)
11. [2008 Presidential Candidates' Health IT Proposals](#)
12. [IHI Promising Practice of the Month: Spread Best Practices, Not Infections](#)

Medicare Will No Longer Pay for Preventable Hospital Errors, Effective October 2008

The Centers for Medicare and Medicaid Services (CMS) recently issued [new rules](#) that would [end payments to hospitals for infections](#) that patients acquire in the hospital; including catheter associated urinary infections and bloodstream infections, as well as surgical site infections. CMS would also withhold payment for other complications considered preventable, including injuries resulting from falls, bed sores, and objects left in patients during surgery. A spokesperson for CMS stated that “we are transforming Medicare from a passive payer simply processing claims to an active purchaser with a stake in quality and efficiency.”

Google, Microsoft Prepare Patient-Centered Care Initiatives Online

As reported in the [New York Times](#), Google and Microsoft continue to [develop their plans to introduce web initiatives](#) creating a new approach to health care. Both plans will

give patients more control over their health information; however, privacy concerns remain an obstacle to transferring personal data over the Internet. Details of the plans have not been released, but Microsoft is scheduled to announce their plan this fall and Google's plan will be introduced sometime next year. According to a Harris poll, 52 percent of adults sometimes or frequently go to the Web for health information and 58 percent of those who look online for health information discussed what they found with their doctors.

Senators Grassley and Baucus Sponsor Bill to Refocus Medicare QIOs

Senators Chuck Grassley (R-Iowa) and Max Baucus (D-Mont) introduced legislation (S. 1947) that would require Medicare's Quality Improvement Organizations (QIOs) to put greater focus on technical assistance for quality improvement and performance measurement and to have other entities take on responsibilities for complaint investigations. An Institute of Medicine study, [*Medicare Quality Improvement Organization Program: Maximizing Potential \(2006\)*](#), included this recommendation, among others, for a shift in emphasis towards quality improvement. The QIO program is funded by the Centers for Medicare and Medicaid Services (CMS) at about \$300 million per year, with 53 QIOs in all states, the District of Columbia, Puerto Rico, and the Virgin Islands to improve the quality of care in hospitals, nursing homes, home health agencies, and doctors' offices. The bill also supports more competition among QIOs and holds them more accountable for results.

Mixed Reports on the Effectiveness of CMS Nursing Home QIO Program

Two recently published reports have presented different conclusions on the effectiveness of the Centers for Medicare and Medicaid Services (CMS) Quality Improvement Organization (QIO) program for nursing home quality improvement.

- Research conducted by Commonwealth Fund and published in the [*Spring 2007 issue of Health Care Financing Review*](#) finds that the CMS investment in the QIO program for nursing home quality improvement represents a good value. The researchers estimated the total cost of investment in the QIO program over the course of the study period (\$100,895,928). They then calculated the cost per quality-adjusted life year (QALY) gained due to QIO involvement and found that CMS paid between \$2,063 to \$7,667 for each QALY gained. When compared with the common valuation of a QALY, which ranges from \$50,000 to \$100,000 or more, the researchers concluded that the QIO nursing home quality improvement program is a very sound investment.
- The U.S. Government Accountability Office (GAO) issued a [*report on the effectiveness of QIOs in improving quality for deficient nursing home care \(GAO-07-979\)*](#). GAO concluded that it was difficult to attribute improvements in nursing home quality to the QIOs because of shortcomings in the measures of

nursing home quality, the selection of targeted nursing homes, the reliability of resident assessment data, and concurrent improvement programs that some of the QIOs be involved with. GAO recommends that: 1) the QIOs work intensively with a larger number of low-performing homes on improving care, 2) CMS improve its monitoring and evaluation of QIO activities, and 3) the QIOs share with CMS the identity of homes they have intensively assisted in order to facilitate evaluation.

Plans Underway to Transition AHIC

Plans are being made by the Department of Health and Human Services (HHS) to transition the American Health Information Community (AHIC) to an independent and sustainable [public-private partnership](#) in the private sector. The AHIC's successor in the private sector will strive to bring together the best attributes and resources of public and private entities. Full transition from the AHIC to the successor will be completed by Fall 2008.

HHS Report Summarizes State Medicaid HIT and HIE Initiatives

An August 2007 HHS Office of the [Inspector General Report](#) (OEI-02-06-00270) summarizes State Medicaid agencies' initiatives on health information technology (HIT) and health information exchange (HIE). Medicaid has been one of the fastest growing items in Federal and State budgets, with costs totaling more than \$317 billion in FY05. HIT and HIE have the potential to reduce healthcare costs resulting from inefficiency, medical errors, inappropriate care, and incomplete information. These potential benefits of HIT and HIE adoption could be particularly important for Medicaid and its beneficiaries.

Premier Launches QUEST – a Voluntary Hospital Incentive Program

On July 26, [Premier healthcare alliance](#) and a group of healthcare leaders announced the launch of “[QUEST: High Performing Hospitals](#)” aimed at improving patient safety and quality in the nation's hospitals, while also reducing healthcare costs. The three-year project will involve the collection of quality data, sharing of best practices, and the provision of incentives for top-performing hospitals. The project will employ five areas of quality measurement, including mortality ratio, appropriate care, efficiency, harm avoidance, and patient satisfaction. This project is building upon the success of the earlier [Premier/CMS Hospital Quality Incentive Demonstration Project](#), as well as the [Institute for Healthcare Improvement's \(IHI\) 5 Million Lives Campaign](#)—and IHI will be providing technical assistance and improvement expertise to QUEST. Premier will be recruiting hospital participants until September 30, 2007—to date, approximately 60 hospitals have expressed their intent to participate.

New York Attorney General Continues to Question Quality Rankings

After [warning UnitedHealth](#) to cancel its plan to release physician rankings based on quality-of-care and cost data or face legal action in July, New York Attorney General Andrew Cuomo (D) [warned health insurers Aetna and Cigna](#) on August 16th that their planned physician ranking programs would likely confuse or deceive customers because of the program's design. In the letters to Aetna and Cigna Healthcare, Attorney General Cuomo described the rankings as problematic because they are based on claims data which is known to carry significant risks of error when used to rank individual physicians. He also raises the concern that insurers have a profit motive to recommend doctors who cost less, not necessarily those who are most qualified. UnitedHealth, Aetna, and Cigna have all agreed to respond to Attorney General Cuomo's concerns.

UnitedHealth Pilots Medical Home Model in Florida

UnitedHealth Group will be the [first private insurer to pilot](#) a "patient-centered medical home" model in six Florida primary care practices, using IT to coordinate care across providers and measure performance. The model will also promote preventive medicine and improved management of chronic conditions. More information is available on the medical home model is available [here](#).

Last month, [a report](#) by the Commonwealth Fund found that medical homes resulted in quality and efficiency gains and reduced health disparities for minority populations.

ONC Releases EHR Recommendations

The Office of the National Coordinator for Health Information Technology (ONC) released a [report](#) prepared by RTI International which recommends requirements for electronic health record systems to prevent and detect fraud and improper payments. The report also identifies technical standards that will need to be harmonized to implement the requirements, and maps the antifraud requirements to certification criteria. "The overwhelming majority of clinicians do not commit fraud and should not be burdened by mechanisms aimed solely at the few who do," the report notes. "Therefore, the recommended requirements also are directed at helping the majority, as they support quality of care through reduced errors and promote good documentation practices, as well as assist in fraud management, including protections against unmerited accusations of fraud and strengthened proofs of legitimacy."

2008 Presidential Candidates' Health IT Proposals

With 47 million Americans lacking health insurance and the cost of health care outpacing the rate of inflation, health care reform will be a top issue in the 2008 Presidential election for all candidates. [The Huffington Post created side-by-side comparisons of both Republican and Democratic Candidates HIT agendas.](#) As noted in the post, HIT has the potential to save the health care industry over \$77 billion each year.

IHI Promising Practice of the Month: Spread Best Practices, Not Infections

Concerns about highly drug-resistant bacterial infections are giving rise to highly coordinated strategies to limit or stop their spread –in both hospital and community settings. One encouraging sign is the degree to which health care organizations are sharing what they know about best practices and constantly adding to their arsenal of infection reduction protocols. Methicillin-resistant *Staphylococcus aureus* (MRSA) [is a case in point](#) and it's high on the agenda of the Institute for Healthcare Improvement's 5 Million Lives Campaign.

The House 21st Century Health Care Caucus thanks the following organizations for their contributions to this newsletter:

HIMSS (Healthcare Information and Management Systems Society) is the healthcare industry's membership organization exclusively focused on providing leadership for the optimal use of healthcare information technology and management systems for the betterment of human health. HIMSS frames and leads healthcare public policy and industry practices through its advocacy, educational and professional development initiatives designed to promote information and management systems' contributions to ensuring quality patient care. On the web at www.himss.org. (Items 5,6,10)

The Institute for Healthcare Improvement (IHI) is a not-for-profit organization leading the improvement of health care throughout the world. Founded in 1991 and based in Boston, MA, IHI is a catalyst for change, cultivating innovative concepts for improving patient care and implementing programs for putting those ideas into action. Thousands of health care providers participate in IHI's groundbreaking work. To find out more, go to www.ihl.org. (Item 12)

The National Quality Forum (NQF) is a private membership organization created to develop and implement a national strategy for healthcare quality measurement and reporting. NQF's mission is to improve the quality of American healthcare by setting national priorities and goals for performance improvement, endorsing national consensus standards for measuring and publicly reporting on performance, and promoting the attainment of national goals through education and outreach programs. NQF, a non-profit organization with diverse stakeholders across the public and private health sectors, was established in 1999 and is based in Washington, DC. To find out more, go to www.qualityforum.org. (Items 1,3,4,7)