



# Medicare: Issue of the Day

September 9, 2004

## ***BETTER BENEFITS – MORE CHOICES***

***Good News about the Medicare Prescription Drug, Improvement and Modernization Act of 2003!***

### **NEARLY ALL ELIGIBLE HOSPITALS ARE REPORTING QUALITY OF CARE DATA**

*New Era of Consumer Information with MMA Payment Incentive*

- Nearly all of the nation's eligible hospitals have begun **reporting data on the quality of care they deliver**, a vital first step in improving patient care, the Centers for Medicare & Medicaid Services (CMS) announced recently.

**"Improving the quality of health care in America is one of our primary goals at HHS,"** said Health and Human Services Secretary Tommy G. Thompson. **"Making information available on care delivered provides people with the tools necessary to make decisions on where to go for their health care.** That's why we're **asking hospitals, nursing homes and home health care agencies provide information on the care they deliver and making it publicly available."**

- The Medicare Modernization Act of 2003 (MMA) provided a **financial incentive for hospitals to report quality of care data by linking it to the payments they will receive for treating Medicare beneficiaries.** Almost 100 percent of covered hospitals reported data by the August 15 deadline.

**"When it comes to quality reporting, payment incentives are nearly 100 percent effective – and in turn, quality information will provide further incentives to improve the quality of care available to millions of Americans,"** McClellan said. **"As patients and doctors start using this quality information to help them make decisions about hospital care, hospitals will start using it to improve their performance."**

- Under the MMA, **hospitals that submit quality information to CMS will be eligible to receive the full Medicare payment for health care services in 2005.** Although reporting is voluntary, those inpatient acute care *hospitals that do not report will receive a 0.4 percentage point reduction in their annual Medicare update rate.*

- **Among the nation's 3,906 inpatient acute care hospitals eligible to report quality data under MMA, 3,839 (98.3 percent) met all of CMS's requirements and will receive the full annual payment update** from Medicare in 2005.

- *Beginning early in 2005, the hospital quality data will be available to consumers at [www.medicare.gov](http://www.medicare.gov), the CMS web site for consumers, or by calling 1-800-MEDICARE (800-633-4227).*

⇒ Currently, CMS publishes quality information on [www.medicare.gov](http://www.medicare.gov) for Medicare and Medicaid-certified nursing homes and Medicare-certified home health agencies.

- *Reporting of quality data began in 2003 under the National Voluntary Hospital Reporting Initiative, a public-private effort on quality reporting that supported the development of Medicare's Hospital*

Quality Initiative. Reported hospital data is currently posted on [www.cms.hhs.gov](http://www.cms.hhs.gov). As of the last update, **more than 3,000 hospitals were reporting data voluntarily for this website.**

- The Hospital Quality Initiative is designed to improve the quality of hospital care across the nation. The program is part of the U.S. Department of **Health and Human Services' (HHS) national Quality Initiative** that also focuses on improving the quality of care in home health agencies and nursing homes using hands-on training and resources from Medicare's Quality Improvement Organizations (QIOs).
- The data on quality of care that participating hospitals report will **give consumers information about performance in three medical conditions** – heart attack, heart failure and pneumonia. These conditions can result in hospital stays and are common among people with Medicare.
- The quality data are reported as **ten quality measures** (standards of care) for these three conditions and have gone through years of extensive testing for validity and reliability by CMS and QIOs, the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), and researchers. The National Quality Forum (NQF), a voluntary standard-setting, consensus-building organization representing providers, consumers, purchasers, and researchers, has endorsed these measures as valid, reliable indicators of health care quality.
- **The measures in each condition address key aspects of appropriate care:**
  - ❖ **Heart attack (Acute Myocardial Infarction)**
    - Was aspirin given to the patient upon arrival at the hospital?
    - Was aspirin prescribed when the patient was discharged?
    - Was a beta-blocker given to the patient upon arrival at the hospital?
    - Was a beta-blocker prescribed when the patient was discharged?
    - Was an ACE Inhibitor given to the patient with heart failure?
  - ❖ **Heart failure**
    - Did the patient get an assessment of his or her heart function?
    - Was an ACE Inhibitor given to the patient?
  - ❖ **Pneumonia**
    - Was an antibiotic given to the patient in a timely way?
    - Had a patient received a Pneumococcal vaccination?
    - Was the patient's oxygen level assessed?
- The current **reports provide 10 measures involving common, serious conditions for Medicare beneficiaries.** CMS is working with hospitals and other groups to build on this information to provide a more comprehensive view of the quality of health care services provided at hospitals. Next year, *CMS anticipates gathering and displaying additional measures of clinical quality as well as measures related to patient satisfaction with the care they received.* There are no payment incentives currently associated with these additional measures.
- Most of the nation's hospitals are subject to the annual payment update provision under MMA. The provision does not impact some specialty, rural, and certain other hospitals.