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Madison hospitals part of expanding 'pay for performance' trend

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John Maniaci -- State Journal

Dr. George Arndt, an anesthesiologist at UW Hospital, prepares to give an antibiotic to patient Ken Kelleher, of Madison, before Kelleher's recent hip surgery. With them is nurse Heidi Sinnet. Hospitals give antibiotics shortly before surgeries and take other steps to prevent surgical infections. Medicare, starting Oct. 1, will refuse to pay for the extra costs of some surgical infections and other hospital-acquired conditions.

IMAGES
(2 images)

Penalties for bedsores and surgical infections. Rewards for having few patient deaths and few Cesarean-section births.

Hospitals in Madison and around the country are being paid more for good care and less when problems arise.

The trend is called "pay for performance." It will expand next week when Medicare, the federal health plan for the elderly and the disabled, starts refusing to pay the extra costs of 10 hospital-acquired conditions. The conditions include falls, wrong blood transfusions, bedsores and certain infections after surgeries or from catheters.

Advertisement:

LINKS

- List of hospital-acquired conditions Medicare will not pay for
- Medicare changes
- Medicare hospital data
- Wisconsin Hospital Association data
- Graphics: Madison hospital mortality ratings (668KB)

Insurance companies generally follow Medicare's lead. A business coalition and a health plan in Madison already give bonuses to hospitals and doctors who perform well on measures such as mortality and C-section rates, pneumonia treatment and diabetes control.

It's a major shift in a health-care system that has traditionally rewarded poor care and mistakes by paying for their complications, said Cheryl DeMars, chief executive officer of The Alliance. The Madison-based group of 160 companies collectively purchases health care.

"We're trying to realign financial incentives in health care so we're recognizing and encouraging high performance," DeMars said.

Hospitals embrace the concept but not all of the details, said Dana Richardson, vice president for quality at the Wisconsin

Hospital Association. Not all infections can be prevented, so hospitals shouldn't be blamed for them if staff took steps to try to ward them off, Richardson said.

"There are patients who, due to their compromised immune systems or medication they take, may contract an infection regardless of what we do," she said.

Penalties and rewards

Medicare, starting Oct. 1, will no longer pay for complications from the 10 conditions the federal government considers preventable. It won't let hospitals bill patients for the extra costs.

Wisconsin's Medicaid program, for the poor, will do the same for enrollees who also receive Medicare.

The hospital association, responding to Medicare and private insurers who plan to similarly adjust their payments, asked its members in June to stop seeking payment for certain conditions. The group's list essentially matches Medicare's, with a notable exception: surgical infections.

The Alliance, which contracts directly with hospitals and doctor groups in south-central Wisconsin, has taken a different approach.

Since 2004, the group has paid hospitals more if they do well on certain measures. The list includes overall mortality rates, certain surgery complications, use of computers to order drugs and low rates of C-sections and vaginal cuts during regular births.

For doctors at Dean Health System and UW Health, the group's reward program targets diabetes control, cholesterol screening and back pain.

"Our focus is on things that occur frequently," DeMars said.

Dean Health Plan, an HMO, started paying hospitals more last year if they properly treat patients with pneumonia and report certain measures to the hospital association's public database, said Dr. Tom Hirsch, medical officer of the health plan.

Dean bases 3 percent of its doctors' salaries on scores from quarterly patient satisfaction surveys, an effort that started three years ago, said Dr. Mark Kaufman, medical officer of the health system.

Some physicians have complained, Kaufman said, but "we need to make the case that improving service to our patients is a very high priority."

Adjusting to the trend

Hospitals seem to be most concerned about one of Medicare's 10 conditions: urinary tract infections from catheter.

Some patients enter hospitals with the infections, but screening everyone upon admission to prove the hospital didn't cause the problem could be cumbersome and expensive, said Kirsten Albers, director of quality resources at Meriter Hospital.

Meriter might use bedside dipstick tests to determine which new patients should get a more complete urine analysis, Albers said.

Chris Baker, director of quality and safety systems at St. Mary's Hospital, said many health-care workers balked at Medicare's focus on the urinary infections.

But St. Mary's responded by updating its guidelines for when antibiotics should be given to patients and when catheters should be removed.

"It caused us to look at a problem in a new way," Baker said.

Mark Kirschbaum, senior vice president for quality and information at UW Hospital, said pay for performance programs are bringing more attention to steps many hospitals have been taking for years to improve the quality and safety of health care.

But Kirschbaum said efforts like Medicare's are too specific too soon. Even with the recent surge in the use of electronic medical records, it's difficult to quantify every detail needed to show whether a hospital caused a problem or not, he said.

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"They're wanting to make payment decisions on what I would say is an immature science at this point," he said.

All indications are that Medicare and private insurers will keep expanding the trend.

Said Albers of Meriter: "I suspect we'll face a larger list of conditions every October."

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"Some patients enter hospitals with the infections, but screening everyone upon admission to prove the hospital didn't cause the problem could be cumbersome and expensive, said Kirsten Albers, director of quality resources at Meriter Hospital."

tiggaroo
Forumite
Joined: 05/08/2008
Total posts: 6

Way back in the 1990's it was part of the routine hospital admission (at least the hospital that I worked at in Milwaukee) to get blood and urine samples. There are much better reasons to routinely check for infection upon admission than just to cover your a$$. How about to better treat the patient? The hospitals shouldn't be allowed to use the additional cost excuse. This response just goes to show that they put money first and the patient second (if they even rank that high).....still.

We all know health care in this country is a mess. Quit making excuses and just do your jobs better already.

svetlana_banana
Forumite
Joined: 03/04/2005
Total posts: 1218

I think this is an excellent idea, although it's a shame that such incentives are often necessary to improve the quality of care. Personally speaking, I've had mostly very good experiences at Meriter and less than good experiences at UW Hospital. Fortunately, I am also a very educated consumer, and on one occasion corrected a nurse who was going to give me a medication the night before a procedure that was prohibited due to the procedure.

Do you want an accountant making life or death decisions? Using economics to make medical decisions is dangerous to the provision of good ethical care.

weyrduo
Forumite
Joined: 09/26/2008
Total posts: 1

Do you want prophylactic antibiotics before every procedure if it means you greatly risk culturing resistant organisms? Do you want your doctor insisting on antibiotics because insurance says so?

"Bedsores (substitute your complication of choice here) are always the hospital's fault". Sometimes and sometimes not. Does anyone believe that complications and liability are that simplistic? Obviously insurance does

Medicare says "reward" but I hear punitive and finding clever ways of saving insurance money.

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