

# Health Care Quality Watch

MONTHLY NEWS BRIEFS FOR MANAGERS AND OPINION LEADERS

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The Centers for Medicare & Medicaid Services' expectations for Quality Improvement Organizations (QIOs) over the next several years became clearer last month, when CMS released the final draft of its 8th Scope of Work (8SOW) document. Challenging the QIOs to "accelerate the rate of quality improvement and broaden its impact," while enhancing value received by Medicare beneficiaries, the work plan encompasses three tasks: help providers first develop the capacity for excellence in care, then achieve it; create an environment that "promotes, values and rewards quality"; and protect Medicare beneficiaries and the Medicare Program. Hospitals, nursing homes, home health agencies, and physician offices are again targeted for outreach; in a new role reflecting the impact of the Medicare Part D prescription drug benefit, QIOs will work with drug benefit providers on quality improvement activities. The 8SOW contract period begins August 1, 2005, lasts three years, and is expected to put all organizations on the same funding cycle. The final work plan, expected in March, will be posted to [www.fedbizopps.gov](http://www.fedbizopps.gov).

**New York needs a steering committee representing providers, payers,**

**consumers and business that will develop a unified approach to health care quality improvement, according to a report recently released by the Governor's Health Care Reform Working Group.** The report urges that a State Quality Improvement Advisory Group be empanelled and that it include representatives of such national efforts as the Leapfrog Group. Additionally, the Working Group calls for using pay-for-performance strategies for Medicaid and other state-based hospital insurance, requiring pay-for-performance in contracts between managed care plans and hospitals and for employers to reward designated Centers of Excellence by waiving private insurance copays and deductibles. Additionally, the Working Group favors more experimenting with population-based disease management strategies as a means of improving quality and containing costs. A copy of the report is available at [http://www.health.state.ny.us/health\\_care/medicaid/related/health\\_care\\_reform/final\\_report\\_11-17-2004.htm](http://www.health.state.ny.us/health_care/medicaid/related/health_care_reform/final_report_11-17-2004.htm).

**Two New York-based skilled nursing facilities were singled out in materials developed by the Centers for Medicare & Medicaid**

**Services (CMS) for HHS Secretary Tommy Thompson in conjunction with a December 22nd press event in Washington, DC.** The event highlighted strong working relationships developed by nursing homes and QIOs across the nation. Cedar Manor Nursing & Rehabilitation Center of Ossining, NY was recognized for reducing pressure ulcer rates by 12%, reducing pain among long stay residents by 66% and reducing pain among short-stay residents by 73%. Providence Rest, a 200-bed facility in the Bronx, was recognized for reducing the rate of pressure ulcers by 25%. IPRO was recognized as providing "tools, resources, materials, collaborative learning sessions and education conferences" to support these quality improvement programs. For more information regarding IPRO's nursing home quality improvement initiative, visit [www.ipro.org](http://www.ipro.org).

**Empire Blue Cross Blue Shield plans to reward hospitals that meet certain quality standards, while effectively penalizing institutions that don't meet the standards, according to a January 3rd published report in *Crain's New York Business*.** Beginning as early as January 2006, Empire says it will

begin offering employers the opportunity to purchase health plan coverage that uses financial incentives to steer employees away from lower-performing hospitals. "It might be something like an extra \$200 co-pay per hospitalization," if a plan member chooses to be hospitalized in a "second tier" rather than a "first tier" hospital, according to Michael Stocker, MD, chief executive of Empire's parent, WellChoice Inc. He notes that it isn't yet clear whether this strategy will result in cost savings or additional expenses. He says Empire will select its quality measures by this July.

**While only one state and one business coalition are using government quality indicators (QIs) for public reporting of hospital performance, a number of industry trade associations are using them for purposes of internal quality improvement, according to a new report by the U.S. Agency for Healthcare Research and Quality (AHRQ).** The Texas Health Care Information Council and the Niagara Health Quality Coalition of New York are the only two groups engaged in the "off-label" use of AHRQ's QIs for purposes of public reporting, according to AHRQ. On the other hand, hospital trade groups in New York, Missouri, Illinois, Kentucky, Montana, Oregon, West Virginia, Georgia and Dallas-Fort Worth all use the indicators for internal reporting for hospital members. AHRQ cautions against relying solely on risk-adjusted billing

data for purposes of public reporting and hospitals traditionally oppose this use of the information. The National Quality Forum, a public/private organization based in Washington, DC, has so far taken the position that risk-adjustment must be available free-of-charge; the AHRQ mortality QIs use a risk-adjustment method developed by 3M that AHRQ describes as transparent but proprietary. For a copy of "Guidance for Using AHRQ Quality Indicators for Hospital-level Public Reporting or Payment," visit <http://www.qualityindicators.ahrq.gov>.

**CMS has awarded nine contracts under the first phase of the Chronic Care Improvement Program (CCIP) demonstration program.** Authorized by the Medicare Modernization Act, the initial three-year CCIP demonstrations will test whether disease management interventions can simultaneously reduce costs and improve quality for Medicare beneficiaries suffering from chronic conditions. Enrollment will be voluntary and won't require participants to leave existing primary care providers. CMS will calculate the cost of care provided participants versus the experience of chronic care, fee-for-service Medicare beneficiaries who don't participate. Vendors will be at risk financially for the cost of the program. Groups awarded demonstration contracts include Aetna Health Management, CIGNA, Humana and McKesson Health Solutions. Locally, Visiting Nurse

Service of New York was awarded a contract, in partnership with United HealthCare Services, Inc.-Evercare in Queens and Brooklyn.

**While infant mortality in the U.S. has declined dramatically over the last 50 years, there was an increase in 2002 over the previous year — the first such increase since 1958, according to the National Center for Health Statistics (NCHS).** Researchers note a decline of nearly 77 percent in infant mortality between the years 1950 and 2001. But in 2002, the rate increased to seven deaths per 1,000 live births, against a rate of 6.8 deaths in 2001. NCHS attributes the increase to neonatal deaths, which occur in babies who are less than 28 days old. Data for the first nine months of 2003 suggest improvement over the data for 2002. *Health, United States 2004* is available in CD-ROM, print format and via the World Wide Web at [www.cdc.gov/nchs/hus.htm](http://www.cdc.gov/nchs/hus.htm).

*Health Care Quality Watch* is produced by IPRO's **Department of Communications & Corporate Development**. IPRO is a not-for-profit organization that works with public and private sector clients to analyze and improve the quality of health care. For further information, contact:

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