

Department of Health Policy Hosts CMS Presentation on Value-Based Purchasing

On October 15, 2007, the Department of Health Policy hosted a three-hour presentation and policy discussion with representatives from the Centers for Medicare and Medicaid Services (CMS) on the topic of Value-Based Purchasing.

Leading the discussion on behalf of CMS was Thomas Valuck, MD, JD. Dr. Valuck is the Director of the Special Program Office for Value-Based Purchasing. He was accompanied by the chief medical officers from the Philadelphia, New York, and Chicago CMS offices. Attending on behalf of Jefferson were representatives of leadership from Thomas Jefferson University Hospital, Jefferson University Physicians, the Jefferson Clinical Care Committee, and the Department of Health Policy.

The meeting was initiated by an invitation from David Nash, MD, MBA, Chairman of the Department of Health Policy at Jefferson, to Dr. Valuck. Dr. Nash thought the meeting would provide a useful forum for Jefferson leadership and the CMS team to interact and discuss proposed changes in the reimbursement models for health care services.

The presentations and discussions were organized around three main themes: "Value-Based Purchasing Initiatives," "Hospital Acquired Conditions-Not Paying for not Performing," and "Measuring Physician Resource Use: The Next Frontier."

The message of the "Value-Based Purchasing" portion of the presentation was that it is the goal of CMS to transform Medicare from a passive payer to an active purchaser of high quality, efficient health care. The tools that will be utilized to achieve that include pay for reporting (the current Physician's Quality Reporting Initiative-PQRI), pay for performance, and gain-sharing. All of these are part of the roadmap as Medicare transitions its approach to paying for provider services. Another key take-away message was that quality must be improved, unnecessary costs must be avoided, and all of this must be documented.

In the "Hospital Acquired Conditions-Not Paying for not Performing" portion, the discussion centered around the conditions selected for non-reimbursement from Medicare and the rationale for the initiative. Jefferson physicians provided feedback regarding some of the conditions chosen that had the potential to be controversial; this feedback was taken under advisement by the CMS team.

The last presentation, "Physician Resource Use: The Next Frontier," centered on a methodology called "episode groupers." This is a technique to evaluate and compare the cost implications of clinical decision making patterns of physicians, to determine which physicians use resources most efficiently. While the methodology is complicated, CMS believes it holds promise for reining in costs and improving quality in the future.

In conclusion, it was clear from the meeting that we are in the early stages of what will turn out to be no less than a revolutionary change in how Medicare pays for provider services, and that CMS was seeking input from as many stakeholders in healthcare as possible.