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Hospitals struggle with federal standards

By Andrew Oxford

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Most New Mexico hospitals will be subject to fines from the federal government in the coming year as they struggle to meet guidelines for patient outcomes instituted under the Affordable Care Act.

Holy Cross Hospital will face a small fine under the Medicare incentive scheme known as Value-Based Purchasing but data published Nov. 14 suggests the local provider is improving in its efforts to meet new standards for patient care.

Under the initiative, now in its second year, Medicare took 1.25 percent of its payments to roughly 3,000 hospitals and will either pay that sum back to each provider with a bonus or deduct from that sum based on the health outcomes of certain patients and the quality of care those patients report.

“Acute-care hospitals across the country not only are paid more for higher quality care, they also have skin in the game,” Center for Medicare and Medicaid Services chief medical officer Dr. Patrick Conway wrote on the agency’s blog Nov. 14, adding that results from across the country suggested most providers were altering their practices to meet the new federal criteria. A combination of factors contributed to each hospital’s bonus or fine.

The speed with which staff provided certain treatments to patients suffering from heart conditions and the medications administered prior to surgery were among the 13 “clinical process of care measures” used to calculate the largest facet of each hospital’s bonus or penalty.

The responsiveness of staff as well as communication with doctors and nurses were among the eight “patient experience” criteria that also contributed to the federal government’s scoring of each hospital.

Providers were also rated on the mortality rates of patients with pneumonia, heart failure and acute myocardial infarction within 30 days of their admission to hospital.

About half of participating hospitals across the country will break even in that they will see their Medicare payments increase or decrease by no more than .2 percent, Dr. Conway wrote. More than a quarter — 778 hospitals — will be subject to fines and 630 hospitals will receive bonuses.

Holy Cross Hospital’s marginal penalty of a .04 percent reduction in Medicare payments place it in that first and largest group. The local hospital was fined with a .11 percent reduction in its Medicare payments during fiscal 2013, the initiative’s first round of such fines and bonuses.

As federal officials had hoped, the carrot-and-stick approach has prompted hospital administrators to change practices to meet the new guidelines.

“Generally speaking, the Value Based Purchasing measurements are the right clinical thing to do and none of us can afford to have any more reductions in payments,” Taos Health Systems CEO Peter Hofstetter stated in email. “So we have all learned to change.”

Holy Cross was among seven New Mexico hospitals this year that progressed towards meeting the initiative’s standards. Thirteen providers in New Mexico slipped in their ratings under the Value Based Purchasing scheme.

One New Mexico hospital, Gallup Indian Medical Center, received the largest penalty of any hospital in the country and will consequently see its Medicare payments reduced by .74 percent this year. The second-largest fine in the state was issued to Rehoboth McKinley Christian Health Care Services, also in Gallup, which will see its payments reduced by .94 percent this year. Thirdly, Presbyterian Medical Center in Espanola will see its payments cut by .73 percent.

The largest bonus in the state was awarded to MountainView Regional Medical Center in Las Cruces. Medicare payments to the hospital will be boosted by .51 percent. Plains Regional Medical Center in Clovis and Lovelace Regional Hospital in Roswell were the only other providers in the state to receive bonuses. Payments to those hospitals will be increased by .35 percent and .32 percent respectively.