Consumer-Purchaser
ALLIANCE
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FACT SHEET: Hospital Value-Based Purchasing (HVBP) Program

WHY THE PROGRAM IS IMPORANT

- Provides financial incentives for hospitals to demonstrate performance improvement and the delivery of high quality care that is not based on the volume of services provided

HOW THE PROGRAM WORKS

- Implementation of the Hospital Value-Based Purchasing (VBP) Program began in FY 2013, at which time participating hospitals had their base operating payments reduced by 1% in order to fund incentive payments for hospitals with the strongest performance on select quality measures.
- Net gains or losses for participating hospitals are based on a "Total Performance Score," which is calculated based on either performance or improvement over a specified period[1] (whichever score is more beneficial) across multiple domains (see Table 1 for most up-to-date domains and measures for FY 2017).
- Measures included in this program must have previously been in the Hospital Inpatient Quality Program and have had performance data posted on Hospital Compare for a full year.

FINANCIAL IMPACT

- In FY 2014 most hospitals experienced negligible changes, in that half of hospitals only gained or lost 0.2% in their base operating payments.
- The average bonus in FY 2014 was 0.24 percent, almost the same as FY 2013's 0.23 percent
- Looking forward, the program will expand to reallocate 1.5% of base operating payments in FY 2015 (equal to $1.4 billion), 1.75% in FY 2016, and 2% in FY 2017 and beyond
- Based on the results of this program to date we can anticipate more hospitals to experience bonuses in FY 2015 and beyond but the affect will likely continue to be negligible.

WHERE WE WANT THE PROGRAM TO GO

- C-P Alliance is supportive of the program's increasing focus on measures of patient safety, (e.g., MRSA, *C. difficile* infection, Complication Rate Following Elective Primary Total Hip and Knee Arthroplasty, etc)
- The program needs additional measures to strengthen the Efficiency and Patient- and Caregiver-Centered Experience of Care/Care Coordination domains in order to ensure hospitals are appropriately incentivized for improvements in affordability and person-centered care.
- The program should continue to align with other federal programs that support increased incentives for high value outcomes.

[1] The specified data collection period includes the collection of initial data during a baseline time period, as well as the collection of performance data at a later date for comparison and evaluation of improvement

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Table 1. Finalized Measures for FY 2017

Domain	Individual Measures	When data is collected
Safety** *(weighted 20%)*	• Catheter-Associated Urinary Tract Infection (CAUTI) • Central Line-Associated Blood Stream Infection (CLABSI) • *C. difficile* Infection* • MRSA* • PSI-90 • Surgical Site Infections (SSI)	Collection varies[2]
Clinical Care- Outcomes *(weighted* 25%)	• AMI 30-day mortality rates • HF 30-day mortality rates • PN 30-day mortality rates	Performance: October 2013 – June 2015 Baseline: October 2010 – June 2012
Clinical Care- Process *(weighted at 5%)*	• Fibrinolytic Therapy Received Within 30 Minutes of Hospital Arrival • Influenza Immunization • Elective Delivery Prior to 39 Completed Weeks Gestation*	Performance: CY 2015 Baseline: CY 2013
Efficiency and Cost Reduction *(weighted 25%)*	• Medicare Spending per Beneficiary	Performance: CY 2015 Baseline: CY 2013
Patient and Caregiver Centered Experience of Care/Care Coordination *(weighted 25%)*	• HCAHPS	Performance: CY 2015 Baseline: CY 2013

*new measures for FY 2017
**new domain for FY 2017

[2] Data collection for all measures are performance: CY 2015 and Baseline: CY 2013, except PSI-90 performance: October 2013 – June 2015, baseline: October 2010 – June 2012