MHA MONTANA HOSPITAL ASSOCIATION

Striving For Quality

Maximizing the Effectiveness, Structure and Policy Approach

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"Large healthcare institutions may be the most complex in human history, and even small healthcare organizations are barely manageable."

Peter Drucker

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Overview

A. Increasing Emphasis on Quality
B. Sources of Guidance
C. Purpose of Policies
D. Policy and Procedure Content
E. Best Practices in Policy and Procedure Development
F. Policy Pitfalls to Avoid

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If nothing else, remember:

1) QA/PI programs will continue to take on a greater significance
2) Think about whether you actually need a policy
3) There's a big difference between a policy and a good policy
4) Details matter
5) Be consistent
6) "If a policy is sitting on shelf and no one knows it exists, do you have a policy?"
7) A best practice you follow is better than a policy that you don't
8) Policies are not the law but they play one on TV
9) It's not a problem until it's a problem – policies and procedures should be logical

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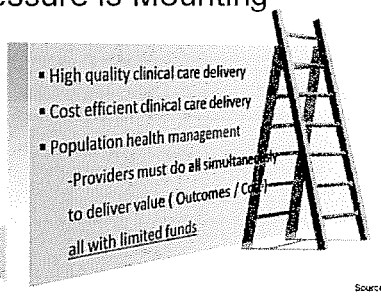
Pressure is Mounting



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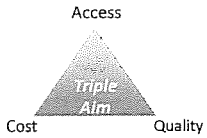
Source: Coker Group

Health Care – *A Road to Value?*

- Innovative Delivery Models
- Population Health
- Bundled Payments
- Accountability and Shared Risk
- Market Consolidation
- Gainsharing Initiatives
- Provider-Sponsored Health Plans
- Self-Funded Employer Arrangements
- And so on



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A Perfect Storm

- Institute of Medicine's "To Err is Human" and "Crossing the Quality Chasm"
- Trust Fund Insolvency
- CMS's Hospital Quality Initiative programs
- National Patient Safety Goals
- Dramatic advancements in HIT
- Advent of the Triple Aim
- Increased fraud & abuse compliance enforcement
- Corporate negligence/negligent credentialing
- Market trends and Patient expectations

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Shifting Focus

- Most early efforts at tackling utilization and quality did not emphasize quality or value-adjusted reimbursement ... until the Affordable Care Act*
- Today, annual healthcare spending in the U.S. is greater than $3.2 trillion
- This spending is projected to increase 5% per year over the next few years, reaching nearly 20% of the nation's total economic output
- The U.S. healthcare system is often ranked at or near the bottom of most developed nations

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The Broader HHS Quality Strategy

- **Goal #1: Medicare Payments Tied to Quality Through Alternative Payment Models**
  - 2016 – Goal of 30%
  - 2018 – Goal of 50%
- **Goal #2: Medicare FFS Payments Tied to Quality or Value**
  - 2016 – 85%
  - 2018 – 90%
- **Development of the "Quality Payment Program"**
- **CMS Commentary from the Proposed Rule:**
  - *This rule is needed to propose policies to improve physician payments by changing the way Medicare incorporates quality measurement into payments and by developing new policies to address and incentivize participation in alternative payment models.*

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It's All About Value (-Based)

- Focus is on incentive payments* to Traditional Medicare
  - Hospital Value-Based Purchasing (HVBP) Program
  - Hospital Readmission Reduction (HRR) Program
  - Value Modifier (VM) Program (also called the Physician Value-Based Modifier or PVBM)
  - Hospital Acquired Conditions (HAC) Program
  - End-Stage Renal Disease (ESRD) Quality Initiative Program
  - Skilled Nursing Facility Value-Based Program (SNFVBP)
  - Home Health Value Based Program (HHVBP)

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CMS's Quality Strategy

- CMS Quality Strategy guides the activities of all agency components working together toward transformation
  - Using incentives to improve care
  - Tying payment to value through new payment models
- Changing how care is given through:
  - Better teamwork
  - Better coordination across healthcare settings
  - More attention to population health
  - Putting the power of healthcare information to work

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Quality Strategy cont.

- Sweeping strategy affects all provider types
- CMS's current Quality Strategy has 6 priorities:
  1) Make care safer by reducing harm caused in the delivery of care
  2) Strengthen patient engagement
  3) Promote communication and coordination of care
  4) Promote prevention and treatment of chronic conditions
  5) Promotes best practices for health living
  6) Make care affordable

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Reimbursement policy **drives** delivery system change

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Golden Strategy

- To deliver high-quality, cost-effective care, that produces value for patients and payers
- Harness information to the collective advantage of physicians, hospitals, patients, providers and the finance department
- Individually and collectively become a "Preferred Provider"

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The **Ask** is a Paradigm Shift

Providers will be forced to improve/maintain quality for business purposes, not just for patient care

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Sources for QA/PI Policy Guidance

- Medicare Conditions of Participation
- State Hospital Licensure Laws and Regulations
- State Professional Licensure Laws and Rules
- Accrediting organization Elements of Performance (e.g., Joint Commission, HFAP, DNV, etc.)
- State Case Law
- Local Standard of Care/Recognized Best Practices
- Prior Mistakes

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Common Approaches To Quality

- There are few basic ways to accomplish the quality related goals being imposed on hospitals and other providers (standardize clinical processes, simplify operational processes, establish uniform high standards and improve care coordination, etc.):
  - Hope and coincidence that providers agree or land on the best way to deliver and manage care, implement evidenced-based processes, etc.
  - Providers voluntarily and/or contractually agree, i.e., CIN participation
  - Pay $$$ for it
  - Medical Staffs facilitate it
- All but one of these approaches requires a policy-based framework

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Context: A Starting Point

Traditional Approach

Generally speaking, today we focus on a broad concept of "standard of care" – not exactly medical malpractice but not what an increasing emphasis is seeking to accomplish

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Culture Eats Strategy (and Ideals) for Lunch

- Progressive quality/peer review projects are typically well intentioned and based on sound principles
- But many of these projects are doomed before they begin because of lack of education, cultural hurdles or unwillingness to change or be transparent
- Credibility of quality champion(s)
- The goal is to lift all boats – this needs to be known and believed

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Policies and Procedures

- 746 references to policy and policies (347 for CAHs) with the Medicare Conditions of Participation
- From Administrative to Human Resource to Information Management, Hospitals are policy factories
- Not all are required

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Purpose of Policy and Procedures

- Formalized, written policies and procedures fulfill a number of important purposes:
  - Simplify complexity of health care
  - Promote compliance with applicable law and accreditation requirements (e.g. CMS Conditions of Participation, HIPAA, EMTALA, JC, DNV, etc.)
  - Reduce practice variability that results in substandard care and patient harm
  - Facilitate adherence to recognized practices

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Purpose cont.

- Important purposes cont.:
  - Standardize practices across multiple providers and entities within a single a health system or across disparate care sites
  - Serve as a resource for staff
  - Reduce reliance on memory or need to make it up every time
  - Punishment for getting it wrong the first time

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Policy and Procedure Development

- Consider the following questions prior to developing or revising a policy procedure:
  - ❑ Is this policy required?
  - ❑ Does compliance with this policy create risk to the organization or patients?
  - ❑ Can this policy be monitored and reported on?
  - ❑ Is there a clear responsible party for implementing the policy?
  - ❑ Can compliance with this policy be investigated?
  - ❑ Can employees be trained on this?

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Policy Structure

- Create a template
- Establish a recognizable outline
  - ❑ Responsible office, department or location
  - ❑ Purpose statement
  - ❑ Policy statement
  - ❑ Definitions
  - ❑ Procedures
  - ❑ Allowed/Prohibited conduct
  - ❑ Reporting requirements
  - ❑ Sources

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Policies and Procedures Definitions

- <u>There is no required format and definitions are not uniform</u>
- **Policy statement**: A concise statement outlining the context, goal, or purpose of a specific policy or procedure – this speaks to the "spirit" of the policy or procedure
- **Procedure**: The preferred action steps to be taken by specific individuals or roles to achieve a stated objective in a defined scenario or set of circumstances

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Definitions cont.

- **Protocol**: Synonymous with procedure. Often used for addressing clinical and patient care-related subject matter
- **Guideline**: Recommended actions for a specific situation or type of case

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Specific Advice

- Your goal: Reaching your intended audience with a policy that that is clear, easily read, and provides the right level of information to the individuals specifically affected by its content
- Purpose: A purpose statement should answer the question as to why the policy exists:
  - Legal or regulatory reasons, e.g.., specific law
  - Description of conflict or problem the policy will resolve
  - Overall benefits
  - Do not include not include the history or procedural steps

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Advice cont.

- Policy: A policy statement is often considered the most important section of a policy as it should provide specific direction to the intended audience:
  - Who is the primary audience
  - What situation(s) does the policy apply and not apply
  - Any major conditions or restrictions
  - What action is requested, required or prohibited
  - Exclusions
  - Do not include background details or procedural steps

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Policy Development Best Practices

- Use simple titles
- Be mindful of absolutes, e.g., shall, must, etc. – is it a mandate or is there a choice?
- Avoid use of subjective descriptors and superlatives, e.g., highest, best – "I'm begging you to hold me accountable"
- Use active voice
- Identify specific responsibility for each action item

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Best Practices cont.

- Combine same subject policies
- Track adoption and revision dates
- Cite applicable regulatory and industry sources and authority
- Use disclaimers to allow for situational application (aka consistent application of good judgment)
- Consider use of policy czar – a central reviewing resource

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Best Practices cont.

- Stakeholder buy-in – who does this touch?
- Stress test the policy, procedure or protocol

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Implementing Policies

- Distribution plan (post approval)
  - ❑Distribute the policy for feedback and iteration
  - ❑Distribute the policy to all staff, employees, part-time, PRN, etc.
  - ❑Maintain evidence of training

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Policy Pitfalls to Avoid

- Narrative heavy
- Duplication and redundancy
- Prioritizes ease of compliance over patient safety
- Does the policy primarily fulfill a regulatory requirement or does it actually advance your organization?

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Policy Pitfalls cont.

- Avoid cross-referencing guidelines not incorporated into policy
- Exceeding recognized standard of care
- Carefully apply priority classifications
- It's 10:00 p.m., do you know where your policies are?

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Please visit the Hall Render Blog at http://blogs.hallrender.com for more information on topics related to health care law.

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