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Medicare's "Value-Based" Purchasing

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Within two months, October 1, 2012 to be precise, Medicare’s “value-based” purchasing program (VBP) is to take effect. Many have concerns in regards to Medicare’s new VBP, as well they should. The VBP, mandated by the Patient Protection and Affordable Care Act (PPACA) is a performance-based program designed to improve not only the cost of care yet the quality of care for Medicare recipients. The VBP is a performance-based initiative designed to cut costs and improve quality by rating the care of patients. The ratings are based on outcomes, readmission rates (70%), and HCAHPS surveys (30%).

The purpose of Medicare’s “value-based” purchasing program is to bring a higher quality care to the patient. The VBS program’s focus is to reduce readmission rates and provide improved outcomes for patients. Moreover, HCAHPS surveys are intended to rate patient’s perspectives on their care that they received at the hospital. The US Department of Health & Human Services has provided an online website http://www.hospitalcompare.hhs.gov/ that patients’ can click to in order to compare hospitals.

The hospital’s challenge is to educate and measure their staff’s response to the new standards for providing quality of care by CMS (Centers for Medicare & Medicaid Services). Each CMS participating acute hospital will be able to measure itself against other hospitals within their practicing state, regionally, or nationally by going to the US Department of Health & Human Services Hospital Compare online website http://www.hospitalcompare.hhs.gov/.

The focus of CMS is two-fold. First, it desires to provide improved quality of care for the patient. Second, it will lower its costs by providing higher quality of care. This to CMS is a win-win situation.

My job is to educate the hospital employees including physicians, nurses, admissions, transport, food service, and all departments and aspects of providing care including medical records for the patient. Moreover, I must remain well informed to changes that CMS will ultimately bring to the program.