

ALIGNING PAYMENT WITH QUALITY: VALUE-BASED PURCHASING

- Beginning October 1, 2012, establishes a Medicare value-based purchasing program for hospitals that ties a percent of payments to performance on quality
- Hospitals will be rewarded for attainment and improvement
- Incentive funding comes from reductions that apply to all MS-DRGs

2013	2014	2015	2016	2017
1.0%	1.25%	1.5%	1.75%	2.0%

- Year 1
 - VBP will redistribute \$850 million
 - 12 clinical process measures for Acute Myocardial Infarction, Heart failure, Pneumonia care, surgery infection prevention, infection rates and 8 HCAHPS patient experiences
- Year 2
 - Add heart attack, heart failure and pneumonia mortality measures, 8 HAC measures and 2 patient safety and inpatient quality indicators & Medicare spending per beneficiary