Shared Risk Model to Incentivize the Elimination of Preventable Medical Errors

Problem

• Preventable medical errors are the third-leading cause of death causing between 200,000 – 400,000 unnecessary deaths each year in our hospitals and many more suffer preventable permanent or long-term serious harm that should never have occurred.
• Despite the “Never Events” program, most of these preventable patient deaths and permanent harm events are outside the scope of the program and still being reimbursed by CMS and other third party payers. That is, hospitals and physicians are still billing and getting paid for sub-standard care that results in preventable patient deaths or serious preventable harm.
• Estimates put the cost to CMS for these preventable medical deaths and permanent harm events at tens of billions of dollars.

Solution

• Medicare should not pay for any care provided, if the patient was harmed AND there was no process in place to avoid the harm.
• In 2010, the Agency for Healthcare Research and Quality (AHRQ) awarded $20 million in Medical Liability Reform & Patient Safety Initiative demonstration grants to better understand how to address and begin reducing the preventable medical death crisis facing US Healthcare today.
• The demonstration grants provided additional evidence regarding the impact on patient safety and litigation rates of programs that featured improved communication with patients, transparency, disclosure of all preventable harm events, apology, early offers of compensation, waiving all hospital and professional fees, and learning from mistakes. This is the basis of the CANDOR (Communication and Optimal Resolution) program designed by Dr. McDonald and Dr. Mayer of MedStar Health.
• These demonstration sites achieved successful results including:
  o 80 percent decrease in self-insured fund set-aside ($40 million to $8 million)
  o 40 percent decline in the number of malpractice claims
  o 80 percent reduction in time to settle cases
  o 20 percent reduction in services associated with defensive medicine

Administrative Changes
• Direct CMS to not pay for care if patient as harmed AND no process was in place to avoid the harm.
• Direct CMS to prioritize Alternative Payment Models (APMs) that include CANDOR as a basis of their shared risk model.
• Direct CMS to prioritize funding for Centers for Open and Honest Communication using a “hub-and-spoke” model that incorporates a national outcomes registry using the CANDOR model.

Legislative changes

• The Deficit Reduction Act of 2005 eliminated secondary payments in Medicare for specific hospital acquired conditions but hospitals can still charge Medicare for the initial procedures, even if in the process of the care, they harmed the patient.
• Update the law to eliminate the payment to hospitals for harming patients, unless they have a preventative program in place. Eliminating primary payments in cases of hospital-acquired conditions would save the Medicare Program $19.17 billion dollars annually.
• Create a payment safe harbor so that organizations could still seek reimbursement for the primary DRG if they have a clinically validated process in place to mitigate the specific error that has occurred.
• Legislation should direct the Secretary to provide additional guidance for healthcare professionals on acceptable clinically validated mitigation strategies.

Specifically, (Changes Bolded):

Amend Section 1886(D)(4)(D)(i) to read:

“For discharges occurring on or after October 1, 2008-October 1, 2016, the no diagnosis-related group shall be assigned under this paragraph for a discharge described in clause (ii) shall be a diagnosis related group that does not result in higher payment based on the presence of a secondary diagnosis code described in clause (iv) unless a clinically validated mitigation strategy has been implemented to prevent that secondary diagnosis.”
This change would change the law so it would neither reimburse for HAC or the primary DRG in the event of an HAC or preventable patient harm event.

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  \item Original calculation based on the following:
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      \item 13.2 percent of Medicare Part A discharges in 2012 acquired an HAC (AHRQ).
      \item $145.3$ billion was spent in Medicare Part A in 2013 (MedPAC).
      \item Eliminating the primary payment in cases of HAC would reduce Part A spending by 13.2 percent, which is $19.2$ billion.
    \end{itemize}
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Improving Healthcare Quality and Improving Patient Trust Through CandOR

Communication and Optimal Resolution (CandOR) at MedStar hospital is a truly comprehensive approach to medical harm that is fully implemented and trained up within a hospital/care facility.

Formerly known as the Seven Pillars Program created at the University of Illinois at Chicago, the program has led to:

- 80 percent decrease in self-insured fund set-aside ($40 million to $8 million)
- 40 percent decline in the number of malpractice claims
- 80 percent reduction in time to settle cases
- 20 percent reduction in services associated with defensive medicine
- 40 percent reduction in preventable medical harm events

The tenets of the CandOR Program include:

- **The immediate reporting of all serious unanticipated outcomes within 15 minutes when appropriate**, which includes any serious and unanticipated turn in a patient’s health status regardless of whether it is considered preventable or not.

- **Immediate activation of a patient/family communication team, a discovery and learning team, and a care for the caregiver team.** The communication team openly and honestly shares what they know at that time (many times not much is known immediately but staff promise to find out what happened), promises to continue to share additional information as they learn more about what happened until a cause is determined by the discovery and learning team.

- **All bills are held and if preventability is determined, the bills are waived for the individual, CMS, and third-party payers.** In addition, CandOR always strives to meet the acute and long-term emotional and financial needs of our patients and families arising from the preventable harm event including any subsequent treatment needs.

- **Continuous Quality Improvement.** To qualify for the program (and protections), the hospital must learn from the event and make measurable changes that ensure the preventable harm has a much less chance (if any) from occurring again. New processes/systems have been put in place to show they are a safer
hospital. Without this last program requirement, we will continue to harm patients over and over again.
Through implementation of the National Quality Strategy, the Agency for Healthcare Research and Quality is leading the integration of quality improvement efforts across the Federal Government, States, and the private sector. At the Federal level, the Agency for Healthcare Research and Quality guides other U.S. Department of Health and Human Services Agencies in developing Agency-Specific Plans for the National Quality Strategy, coleads a U.S. Department of Health and Human Services-wide Measurement Policy Council to harmonize measures across the Department, develops an Annual Progress Report to Congress on the Strategy’s implementation, and leads an Interagency Working Group on Health Care Quality to ensure all relevant Federal Agencies are playing a role in implementing the National Quality Strategy. The Agency for Healthcare Research and Quality also coordinates with States that have or are seeking to implement the National Quality Strategy framework into their own statewide quality plans. The Agency for Healthcare Research and Quality plays a role in private-sector engagement through its oversight of the Working for Quality Web site and related materials and activities, which includes identifying public- and private-sector programs that are successfully implementing the National Quality Strategy’s priorities and featuring them on the Working for Quality Web site as “Priorities in Action.” This engagement also includes holding Webinars with participants from across the private sector to introduce the National Quality Strategy and describe how private-sector partners can help support its implementation. Agency for Healthcare Research and Quality leaders also regularly speak about the National Quality Strategy at conferences and events, using external speaking engagements as an opportunity to introduce the Strategy to new stakeholders.

Beyond leading National Quality Strategy implementation efforts for Federal, State, and private-sector stakeholders, the Agency for Healthcare Research and Quality also implements the National Quality Strategy within its own Agency programs and priorities. The Agency for Healthcare Research and Quality’s newly revised mission is to produce evidence to make health care safer, higher quality, more accessible, equitable, and more affordable, and to work with U.S. Department of Health and Human Services and other partners to make sure that the evidence is understood and used. This mission guides new Agency priorities, which directly align to the National Quality Strategy priorities, and will inform how the Agency for Healthcare Research and Quality prioritizes its programmatic efforts in the coming years.

To improve health care quality, the Agency for Healthcare Research and Quality focuses on accelerating the implementation of Patient-Centered Outcomes Research, with a focus on improving performance on ABCS (aspirin use among people with heart disease, blood pressure control, high blood cholesterol control, and smoking cessation advice and support). From a programmatic perspective, this means the Agency for Healthcare Research and Quality improves health care quality and patient health outcomes by investing Patient-Centered Outcomes Research Trust Fund dollars in supporting small- and medium-sized primary care practices in two areas: 1)
improving performance on cardiovascular care and 2) improving primary care practices’ capacity to incorporate new Patient-Centered Outcomes Research findings in the delivery of care.

To make health care safer, the Agency for Healthcare Research and Quality translates the results of patient safety research into practical tools for providers. This includes the implementation of a multifaceted initiative focused on preventing healthcare-associated infections (HAIs), accelerating patient safety improvement in hospitals, reducing harm associated with obstetrical care, supporting medical liability reform, and accelerating patient safety improvements in nursing homes. In collaboration with the Centers for Medicare & Medicaid Services and the Assistant Secretary for Planning and Evaluation, the Agency for Healthcare Research and Quality will lead U.S. Department of Health and Human Services’ efforts to evaluate the effects of coverage expansions in Medicaid and the Health Insurance Marketplace.

Finally, the Agency for Healthcare Research and Quality focuses on improving health care affordability, efficiency, and cost transparency, including workforce issues. This includes exploring measures that can be used with all-payer claims databases for price and quality transparency efforts, and developing and disseminating evidence and tools to measure and enhance the efficiency of health systems, including gaining a better understanding of the contributions of variations in the workforce practitioners to efficiency and quality.

In the past year, the Agency for Healthcare Research and Quality laid the groundwork for the strategies, action steps, and performance measures it has established to support National Quality Strategy implementation in the upcoming year. Examples of these foundational programs include the Agency for Healthcare Research and Quality’s successful efforts to implement proven methods to reduce HAIs in hospitals; existing patient safety tools to reduce hospital-acquired conditions; and the TeamSTEPPS® program, designed for health care professionals to improve communication and teamwork skills. Many of the Agency for Healthcare Research and Quality’s successes in the past year relate to efforts to make health care safer. For example, the Agency’s nationwide project employing the Comprehensive Unit-based Safety Program (CUSP) reduced central line-associated bloodstream infections (CLABSIs) by 41 percent and reduced catheter-associated urinary tract infection (CAUTI) rates by 16 percent in approximately 300 hospital units. A recent Agency for Healthcare Research and Quality-supported project achieved a 50 percent reduction in the incidence of pressure ulcers and avoided 2.6 pressure ulcers per 100 nursing home residents each month. In addition, the Agency for Healthcare Research and Quality’s efforts to support medical liability reform through a recent pilot demonstration grant achieved successful results, including:

- An 80 percent decrease in self-insured fund set-aside ($40 million to $8 million)
- A 40 percent decline in the number of malpractice claims
- An 80 percent reduction in time to settle cases
- A 20 percent reduction in services associated with defensive medicine

In the upcoming year, the Agency for Healthcare Research and Quality plans to build upon its previous successes to implement the strategies, action steps, and performance measures identified to support National Quality Strategy implementation. For example, the Agency for Healthcare Research and Quality plans to expand the Comprehensive Unit-based Safety Program
for catheter-associated urinary tract infections project to more hospital units, allowing the Agency to reach more providers and improve health care safety for more patients. In addition, the Agency plans to award competitive 3-year grants to up to eight regional collaboratives to disseminate Patient-Centered Outcomes Research evidence directly to primary care practices and support them in implementing clinical and organizational evidence in practice. The grantees will improve patient health through focusing on improving implementation of the Million Hearts® ABCS. The collaborators will work directly with primary care practices, using evidence-based quality improvement techniques such as practice assessment, benchmarking and feedback, expert consultation, local peer learning, clinical decision support, and practice facilitation (a type of organizational coaching). A second grant will establish an external evaluation to study improvements in the delivery of the ABCS. The evaluation will also examine whether and how quality improvement techniques allow for rapid and sustainable dissemination and implementation of Patient-Centered Outcomes Research evidence, including building capacity for evidence use by primary care practices.

To help improve health care affordability, as announced in Special Emphasis Notice (NOT-HS-14-005), the Agency for Healthcare Research and Quality has been seeking to develop and disseminate evidence and tools to measure and enhance the efficiency of health systems—the capacity to produce better quality and outcomes while avoiding overutilization. This includes analyzing variations in quality and resource use, and identifying the factors that differentiate higher-performing from lower-performing systems, with special emphasis on understanding the policy-relevant effects of different workforce configurations, organizational strategies, and compensation methods. The Agency for Healthcare Research and Quality also is working with Stanford University and the National Association of Health Data Organizations to explore and advance the use of all-payer claims databases for transparency efforts by developing an inventory of price, utilization, quality, and episode-of-care measures.

In the upcoming year, ARHQ will also be advancing heart health in primary care through EvidenceNOW. This grant initiative to transform health care delivery will build critical infrastructure to help smaller primary care practices, which often do not have internal resources for quality improvement, apply the latest medical research in the care they provide. Aligned with broad U.S. Department of Health and Human Services efforts for Better Care, Smarter Spending, and Healthier People and Million Hearts®, this initiative will focus on helping thousands of primary care practices use the latest evidence to improve the heart health of millions of Americans.

Collectively, these efforts will allow the Agency for Healthcare Research and Quality to not only achieve the strategies, action steps, and performance measures it has identified for supporting National Quality Strategy implementation in the upcoming year but also help contribute to achieving the overall National Quality Strategy aims and priorities. The Agency for Healthcare Research and Quality serves as an example for how all stakeholders, including Federal Agencies and external organizations, can incorporate the National Quality Strategy priorities into their organizations’ mission statements, priorities, and programmatic focus areas. As the Agency for Healthcare Research and Quality leads these internal and external efforts to support National Quality Strategy implementation, it will continue to play a strong role in helping the Nation achieve the three-part aim of better care, healthy people/healthy communities, and affordable care.