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Building Upon the Strong Foundation of National Healthcare Quality

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In 2015, *The American Journal of Managed Care* (*AJMC*) celebrates its 20th year of publication. This laudable milestone affords leaders across the healthcare industry the chance to congratulate *AJMC* on their incredible work spanning 2 decades. Not long after the launch of this journal, we also saw an increased focus on healthcare quality take hold on a national scale. It seems fitting, as such, that we use the anniversary of *AJMC* to assess the progress we have made in building national healthcare quality initiatives, with an eye on the future and the need for continued improvements to provide the best possible care for patients.

The national focus on quality began shortly after *AJMC* began publication, so the two have evolved somewhat in tandem. Reports by the Institute of Medicine (IOM)[1] and other research published 15 years ago first drew attention to the issue of inconsistent healthcare quality, and across the country, consumers faced uncertainty about the quality and safety of hospital care. There were 3 critical points made by the IOM: 1) hospitals needed to improve performance and put greater effort into preventing harm to patients, 2) clinicians and providers needed to be more accountable for the safety of their facilities and the provision of their services, and 3) greater transparency was critical both in the delivery of care and reporting of outcomes.

The IOM reports were our clarion call—there was urgent need to improve hospital quality and performance so that no patient would ever have to worry about substandard care. Hospitals took up the charge, working diligently to establish new national initiatives, building protocols and programs—all with an eye on improving transparency across healthcare for patients. It is a point of pride for hospitals to have led this effort, developing performance measures to help standardize quality efforts for every single hospital in the United States.

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A key development for hospitals was the collaborative effort and creation of the Hospital Quality Alliance (HQA) in 2002. The partnerships of hospital organizations, the HHS, and CMS would serve as a key turning point in organizing these initiatives and bringing these programs to life. Indeed, the HQA's focus on Medicare is what led us, over time, to the pay-for-performance programs that have become a critical facet of our healthcare system today.

The implementation of pay-for-performance programs has already yielded key successes in just a few years' time. A new study[2] published this month provides a thorough overview of 3 of these programs: the Hospital Readmissions Reduction Program, the Value-Based Purchasing (V-BP) Program, and the Hospital-Acquired Condition (HAC) Reduction Program. I am proud to have coauthored this study, which provides perspective on the strengths and weaknesses of the programs to date.

If the IOM reports taught us anything, it is that we must always be improving. As our healthcare system evolves, so too must the programs and policies that support it. We are currently in one of the most exciting, transformative periods in the history of American healthcare. Innovation is occurring at a break-neck pace, and investments in quality measurement and new delivery models are driving key structural changes—not to mention record low hospital price growth—across the country.

Our study revealed that while there are remarkable achievements, like the 10% drop in readmission rates, there are also some facets of the Medicare pay-for-performance programs that limit their potential and hamper hospitals' efforts to improve quality, safety, and performance. Our report revealed issues of redundancy and relevance of measures used in the V-BP and HAC programs. There are substantial concerns about arbitrary penalties that disproportionately impact the same hospitals annually. It is imperative to reshape these programs and policies to be more efficient and effective, in addition to seeking necessary improvements to the Medicare and Medicaid initiatives that utilize pay-for-performance programs. By recalibrating, we will enable the improvements that are the goal of the HQA.

We continue to look to the IOM as a guide, with their most recent "Vital Signs" report[3] suggesting core metrics as the infrastructure by which we can take corrective action, and focus on the most critical components in delivering quality care to patients. By adopting the ongoing recommendations of the IOM and routinely assessing the state of our efforts, we can build upon our current successes and work in earnest toward long-term goals.

We have made great strides, and can achieve much more with proper assessment, focus and dedication to improvement. Just as hospitals took our own initiative to measure performance and seek partnerships like the HQA, so too must we forge ahead in improving the performance measures, programs, and policies if we are to succeed in this endeavor.

Author Affiliation: Federation of American Hospitals, Washington, DC.

Source of Funding: None.

Author Disclosures: Mr Kahn reports no relationship or financial interest with any entity that would pose a conflict of interest with the subject matter of this article.

Authorship Information: Concept and design; drafting of the manuscript.

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