

Private Sector Health Plans Team with HHS to Assist Chartered Value Exchanges

In support of state and local collaborative efforts to measure, report, and improve the quality of health care delivery, CMS has undertaken efforts to generate localized physician practice quality performance information that will be provided to Chartered Value Exchanges (CVEs).

With the financial support of a \$4.2 million Robert Wood Johnson Foundation (RWJF) grant and leadership from the private health plan industry, complementary efforts are underway to provide state and local collaboratives, including CVEs, with parallel performance information based on claims information gathered in the private sector. Private insurance companies are pooling quality measures into a national database for public access to complement the CMS output in order to help the public obtain quality information on physicians in their communities.

The quality measures that are being generated are endorsed by the National Quality Forum and constitute 12 measures on common conditions such as diabetes, heart disease, and arthritis.

It is expected that the measures will be available to CVEs in the beginning of 2009. Read the press release on the grant at www.rwjf.org/pr/product.jsp?id=22371.

New CMS Demonstration Seeks to Align Financial Incentives to Improve Care Coordination

The Centers for Medicare & Medicaid Services (CMS) is now accepting applications for an innovative new demonstration project aimed at more closely aligning reimbursement processes with how care is coordinated. Called the Acute Care Episode (ACE) Demonstration project, the effort is specifically designed to align financial incentives across providers and provide flexibility to hospitals and physicians by bundling all related inpatient services into an "episode of care."

Bundled payment for such episodes should foster coordination of care between hospitals and physicians as well as produce savings to the Medicare program. The focus for this demonstration project is on select orthopedic and cardiovascular inpatient procedures.

Applications are due by August 15, 2008. The ACE demonstration is scheduled to begin operation in January 2009. For more information visit www.cms.hhs.gov/DemoProjectsEvalRpts/MD.



"Every American should have access to a full range of information about the quality and cost of their health care options."

Secretary Michael O. Leavitt

CORNERSTONE IN FOCUS: CMS Names Communities for New Electronic Health Records Demonstration

HHS Secretary Mike Leavitt recently named 12 communities to participate in a five-year, first-of-its-kind demonstration that is expected to improve the quality of care provided to an estimated 3.6 million Americans. The national Medicare demonstration project will provide incentive payments to physicians for using certified electronic health records (EHR) to improve the quality of patient care.



Secretary Leavitt awards the state of Virginia as one of 12 EHR sites.

"The use of interoperable electronic health records, and of health information technology as a whole, has the ability to transform the way health care is delivered in our nation," Secretary Leavitt said.

The 12 communities were selected through a competitive process from a field of more than 30 applicants. Among other criteria, they demonstrated active collaboration among stakeholders, including physicians and other providers, health plans, employers, government and consumers.

Over the five-year demonstration project, financial incentives will be provided to as many as 1,200 primary care physician practices in the selected communities that use certified EHRs to improve quality as measured by their performance on specific clinical quality measures. Total payments under the demonstration for all five years may be up to \$58,000 per physician or \$290,000 per practice.

View a list of the awarded communities online at hhs.gov/news/press/2008pres/06/20080610a.html.

Isn't It Time? Declare Your Support.

Learn more online about Value-Driven Health Care and sign up today to be a part of the movement toward better health care at lower cost at www.hhs.gov/valuedriven/.