DATE

Name
Address

If you don't receive all 11 pages of this fax, please contact AHA Member Relations at (800) 424-4301.

Dear (Personalized letter):

What is The Quality Initiative? And why is your voluntary participation so important?

Last December, the American Hospital Association (AHA), the Association of American Medical Colleges (AAMC) and the Federation of American Hospitals (FAH) publicly agreed to take a leadership role on one of the most important issues facing our field: making information public about the quality of hospital care. With the strong support of Health and Human Services Secretary Tommy Thompson and many other agencies and organizations, we announced that we would ask hospital leaders to voluntarily permit patient care data already being collected as part of hospital accreditation to be displayed, with accompanying information, on a public Web site. We've titled this effort *The Quality Initiative: A Public Resource on Hospital Performance.*

Since that announcement, you've received two Quality Advisories from us detailing progress toward the day when we would ask hospitals to pledge to participate in this groundbreaking national initiative. That time has come! Enclosed is the form you need to authorize your hospital's participation, along with information explaining the process, timelines and other details. The data – about various aspects of hospitals' treatment of pneumonia and cardiac illness – first will be analyzed and explanatory materials developed. Then, it will be displayed initially on a government Web site designed for health care professionals so that we can be certain it is clear and helpful to the public, and later on a Web site that is oriented to the general public.

Why is your participation so important? First, hospitals should be leaders in sharing quality information with the public – it's the right thing to do in an era when we must do everything we can to underscore public trust and confidence in us. Second, if we want patients and families to be active partners in health care decision-making, we must give them the tools. It is not acceptable to let others communicate our quality information to those we serve.

Read the enclosed information carefully and, please, pledge your organization's support. The public, government, media, business and advocacy organizations will judge our commitment by our response to this first, very basic voluntary initiative. To be included in the first public release of information, you must return your form before the end of May.

Thank you in advance for your leadership on this important issue.

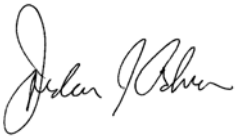
If you have questions about the pledge of participation process, need another enrollment form or have other administrative questions, please call AHA Member Relations at (800) 424-4301.

If you have technical or policy-related questions, please call:

- At the AHA: Nancy Foster, senior associate director for policy, (202) 626-2337.
- At the AAMC: Robert Dickler, senior vice president, (202) 828-0490.
- At the FAH: Susan Van Gelder, senior vice president, strategic policy, (202) 624-1528.

Again, thank you. We are confident we will all be proud of the results.

Sincerely,



Dick Davidson	Chip Kahn	Jordan Cohen, M.D.
President	President	President
AHA	FAH	AAMC

Quality Advisory

The Quality Initiative: A Public Resource on Hospital Performance

Call for Action on Collaborative Effort

May 2, 2003

Overview

The American Hospital Association (AHA), the Association of American Medical Colleges (AAMC) and the Federation of American Hospitals (FAH) are sharing this advisory with all hospitals to bring you up-to-date on our efforts to develop a common framework for the public disclosure of quality measures of hospital care and to solicit your participation. Please share it with:

- Your medical director
- Your medical executive committee
- The hospital's governing board
- The director of nursing services
- The head of media relations for your organization
- The leaders of your quality improvement activities
- Your risk manager

The advisory provides updated information about the national voluntary initiative to publicly disclose quality data and offers you the opportunity to voluntarily participate. Those choosing to participate can do so by completing the attached form (Attachment A) and faxing it to (800) 874-1802.

Background

On December 12, 2002, hospitals' efforts to create a more unified approach to collecting hospital performance data and sharing that information with the public were announced by the leaders of the AHA, AAMC and FAH, with the support of the U.S. Department of Health and Human Services, particularly the Centers for Medicare & Medicaid Services (CMS), and the Agency for Healthcare Research and Quality (AHRQ), the Joint Commission on Accreditation of Healthcare

Organizations (JCAHO), the National Quality Forum (NQF), AARP and the AFL-CIO.

Previous Quality Advisories on this issue (November 25, 2002; December 12, 2002; and January 22, 2003) are available at www.aha.org under "Quality and Patient Safety," at www.fah.org, under "Issues/Advisories," and at www.aamc.org by going to "Government Affairs," "Teaching Hospitals" and then "Quality."

Beyond the Announcement – How the Program Will Work

Since December 2002, additional organizations have joined the effort, and work has focused on implementation of the first phase of the initiative. The initial effort will ask hospitals to voluntarily report the results of their performance on 10 quality measures for three medical conditions – acute myocardial infarction, heart failure and pneumonia. These 10 measures are common to JCAHO's ORYX program and CMS' 7th statement of work. They also have been endorsed by the NQF as national standards of hospital quality measurement. Since the initial measure sets are largely focused on adult general acute care, hospitals predominantly serving children or psychiatric patients are not being asked to submit data for the first phase of the initiative.

Subsequent phases will add measures on selected new conditions, aspects of care and patients' perspectives of their care. These measures will be added in a process that enables input from a broad array of interested parties, including consumers, purchasers and health care providers. The measures will be added as soon as agreement has been reached on what aspects of hospital care should be measured next, and the NQF has attained consensus on valid and reliable measures that can be used to assess those aspects of care.

Implementation of phase one has been divided into the following components:

- Hospital enrollment
- Data collection and submission
- Data analysis and validation
- Public reporting on www.cms.hhs.gov
- Public reporting on www.medicare.gov
- Pilot testing in three states (Arizona, Maryland and New York)

Hospitals' Pledge to Participate

The AHA, AAMC and FAH strongly urge you to participate in this important initiative. As you know, the pressure for more and better publicly available information about the quality of hospital care is coming from every direction. The potential to confuse the public with incomplete, poorly analyzed and conflicting or misleading information is enormous. By working together, the organizations named above have pledged to coordinate these efforts for all parties involved – hospitals, consumers and purchasers. Hospitals must continue to improve quality internally and be publicly proactive. The issue no longer is whether quality data are to be made public – that is already happening. For hospitals, this is an opportunity to be leaders in forging a shared national strategy for quality measurement and public accountability.

Data Collection and Submission

As described in previous communications, we are beginning by asking hospitals to submit the following data:

- For adult patients with heart attack – whether aspirin was prescribed on admission and discharge, whether beta-blockers were prescribed on admission and discharge, and whether ACE inhibitors were prescribed for those with left ventricular systolic dysfunction.

- For adult patients with congestive heart failure – whether left ventricular function was assessed and whether ACE inhibitors were prescribed for those with left ventricular systolic dysfunction.

- For patients with pneumonia – the timing of the initial antibiotic, whether an assessment was done of the patient's oxygenation and whether the patient received a pneumococcal vaccination.

There will be two data collection pathways available to hospitals that wish to participate in this initiative – one for those accredited by JCAHO that would like to use their ORYX vendor as the vehicle for this data collection, and one for other hospitals.

For JCAHO-accredited hospitals

Hospitals that wish to use their ORYX vendor must authorize JCAHO to transmit their calculated performance rates for up to 10 clinical measures to the Quality Improvement Organization's (QIO) data warehouse. Hospitals must also authorize their vendor to transmit the original patient-level data abstraction information to the QIO data warehouse under contract with CMS to collect and analyze such data. We recognize that for JCAHO accreditation, hospitals currently are collecting and reporting data on only one or two of the three selected medical conditions. We are asking that hospitals signify their willingness to participate in this effort by authorizing the transmission of the third and fourth quarter 2002 performance measures that already have been reported to JCAHO by the ORYX vendors. If you agree, JCAHO will transmit those performance rates to the QIO data warehouse for display on the public Web site. In order to protect you from communication errors and to allow you access to the data your vendor submits to the warehouse, you will want to register with the data warehouse. Information on how to register will follow when we get your pledge of participation. We also are asking that hospitals begin to collect and submit data on all 10 measures beginning with the first quarter of 2003.

Upon your hospital's consent, JCAHO will transmit the performance rates that have been calculated, using JCAHO's algorithm and abstracted information, directly to the CMS QIO data warehouse. The performance rates calculated by your vendor will be the performance information that is posted to the Web site. Hospitals that volunteer also will authorize their ORYX vendor to send the complete file of patient-level data to the CMS data warehouse. These patient-level data will be used to validate that information was properly abstracted and that the vendors correctly calculated hospital performance.

For other hospitals

If your hospital is not JCAHO-accredited, you are asked to agree to submit data on the 10 quality measures beginning with the first quarter of 2003. Data can be abstracted using the CMS-developed CART software and submitted directly to the QIO data warehouse

and the Web-based reporting system called Q-Net. Hospitals are able to obtain both the CART software, free of charge, and technical assistance from their QIO.

To address the myriad of issues that hospitals have raised regarding the submission of clinical data, CMS has formed a technical work group comprised of CMS, JCAHO, QIO, ORYX vendors and hospital representatives. An important objective of the work group has been to design a process with maximum efficiency for hospitals while maintaining the integrity of the data. Questions about the data collection can be directed to your QIO.

Hospitals need to know that the transmission of the patient-level data to the QIO data warehouse is going to be done in compliance with the Health Insurance Portability and Accountability Act (HIPAA). The Department of Health and Human Services Office of Civil Rights, which is charged with enforcing HIPAA, has affirmed that the QIOs, including the data warehouse, are oversight entities within the meaning of HIPAA. Therefore, the data can flow to these organizations. A copy of the statement in which the Office of Civil Rights makes this affirmation is enclosed for your records (Attachment B).

Data Analysis and Validation

Both JCAHO and CMS-QIO staff will conduct various validity checks on the reported data. These checks are described in a paper prepared by JCAHO and CMS-QIO staff and available on the AHA's Web site at www.aha.org, under "Quality and Patient Safety." Additionally, CMS plans to conduct patient-level data review to provide even greater assurance of uniformity in data reporting across hospitals.

Public Reporting on www.cms.hhs.gov

The data will be reported initially on the Web site www.cms.hhs.gov. The information will be presented primarily for clinicians, rather than the general public. However, anyone will be able to view the information, and the public will be encouraged to look at the data and discuss its significance with their physicians. July 2003 is the target date for sharing the initially submitted data (i.e., quality measures from the third and fourth quarters of 2002 for JCAHO-accredited hospitals). Hospitals will be given 30 days to review the data to be included on the CMS Web site, prior to its being made publicly available.

Public Reporting on www.medicare.gov

It is expected that by the summer of 2004, the hospital quality data will be reported on the Web site www.medicare.gov, the CMS site for Medicare beneficiaries and the general public. To make the data useful to the public, CMS has taken the lead for our collaborative effort in bringing together experts familiar with explaining clinical concepts to the public at large, portraying statistical information so that it is readily understandable to the public, and supporting quality improvement activities. This work group, which includes representatives from the AHA, AAMC and FAH, will help guide how the quality data will be presented to consumers in the three state pilot project described below. The hospital Web site is likely to resemble, in some respects, CMS' nursing home and health plan comparison sites. They include explanations of the importance of the information and composite quality indicators.

Pilot-testing in Three States

How the information is described and explained on www.medicare.gov will be based in large part on pilot-testing conducted in Arizona, Maryland and New York during 2003. In these

states, QIOs have begun to ask hospitals to participate in the reporting of the initial 10 clinical measures. Hospitals in these three states also will be testing a draft of a hospital patient perceptions on care survey, although the results from tests of the draft survey will *not* be made public.

Volunteer Today – Pledge of Participation Attached

The pledge of participation form and all necessary instructions and explanatory documents are attached. All involved organizations, both public and private, are working hard to make this collaborative effort successful. It is voluntary, and as such, depends on you and your hospital to make it happen.

If you have questions about the pledge of participation process, need another enrollment form or have other administrative questions, please call AHA Member Relations at (800) 424-4301.

If you have technical or policy-related questions, please call:

- At the AHA: Nancy Foster, senior associate director for policy, (202) 626-2337.
- At the AAMC: Robert Dickler, senior vice president, (202) 828-0490.
- At the FAH: Susan Van Gelder, senior vice president, strategic policy, (202) 624-1528.

Attachment A

THE QUALITY INITIATIVE

A Public Resource on Hospital Performance

PLEDGE OF PARTICIPATION

Hospital Name: _____

Medicare Provider Number: _____

Street Address: _____

City, State, Zip Code: _____

ORYX Performance Measurement System Vendor (If JCAHO accredited):

_____

JCAHO Health Care Organization Identifier _____
Performance Measurement System Identifier (ORYX) _____

Quality Improvement Organization _____

On December 12, 2002, the American Hospital Association (AHA), the Federation of American Hospitals (FAH) and the Association of American Medical Colleges (AAMC) launched The Quality Initiative: A Public Resource on Hospital Performance, to make information about hospital performance accessible to the public and to inform and invigorate efforts to improve quality. Voluntary reporting is essential to the success of this initiative.

My hospital and I support the twin goals of making more information about health care quality available to the public and improving performance. Therefore, we support the initiative and will begin sharing our data as part of it.

I understand that the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), the National Quality Forum (NQF), the Centers for Medicare & Medicaid Services (CMS) and the Agency for Healthcare Research and Quality (AHRQ) support this initiative, and that they plan to provide technical assistance in making the information accessible, understandable and relevant to the public, and to assist hospitals in their efforts to improve. I realize that my hospital can take advantage of this assistance as we see fit to aid our improvement efforts. Further, when we have superior performance and innovations in practice that can help other hospitals, we will share information on these practices with our colleagues at other hospitals and our CMS-sponsored Quality Improvement Organization (QIO).

Please check the appropriate boxes

My hospital is accredited by JCAHO. I hereby authorize the JCAHO to transmit the calculated rates and my hospital's ORYX vendor to transmit data on any and all of the specified measures in this initiative for which we have already begun to collect data to the QIO data warehouse from our data submissions, beginning:

third quarter, 2002
fourth quarter, 2002
first quarter, 2003
other (please specify) _____

Further, my hospital will begin submitting data to our ORYX vendor on the rest of the specified measures as indicated on the attached sheet and authorizes the vendor to transmit these data to the QIO data warehouse beginning in the indicated quarter.

first quarter, 2003
second quarter, 2003
other (please specify) _____

I understand that there may be a charge by the ORYX vendor to cover the administrative costs of processing these data and the costs of creating and maintaining information in compliance with HIPAA on which data are transmitted. I also understand that the performance rates calculated by my ORYX vendor will be displayed on the Web site for this project, along with the data from other hospitals as soon as we have reported a sufficient number of qualifying cases for the data to be a reliable representation of our performance. I authorize the QIO data warehouse to transmit our performance rates for the measures that are part of this Initiative to CMS to be placed on the Web site for this project.

OR

My hospital is not accredited by JCAHO. To participate in this effort, my hospital will register on Qnet Exchange, which will enable us to transmit data to the QIO data warehouse. We agree to use the CART tool, available from CMS, to abstract the appropriate data, and will begin submitting data on the measures indicated on the attached sheet to the QIO data warehouse beginning in the indicated quarter:

first quarter, 2003
second quarter, 2003
other (Please specify) _____

I understand that HIPAA regulations require that we maintain a record of the data that were transmitted. Further, I understand that the warehouse will calculate my hospital's performance rate on these measures by using the same algorithm as that the ORYX vendors use for other hospitals. I authorize the warehouse to calculate those rates and transmit them to CMS so they can be placed on the public Web site used for this project.

I understand that my staff and I will have 30 days to review our hospital's calculated performance rates before that data is made public. I understand that this is a voluntary system of collecting and reporting data, and that if necessary, my hospital may withdraw from this effort by faxing a letter stating that intent to the AHA (fax number indicated below).

Hospital/health system CEO (or designee):

Name (please print): _____

Title: _____

Date: _____

Signature _____

Please identify your hospital's point of contact for the Quality Initiative:

Name _____

Title: _____

E-mail: _____

Phone:_____ Fax:_____

If you have questions about the pledge of participation process, need another enrollment form or have other administrative questions, please call AHA Member Relations at (800) 424-4301

Please FAX this response to the American Hospital Association at:

(800) 874-1802

Department of Health and Human Services
Q & A on Quality Improvement Organizations and HIPAA

When Can Covered Entities Disclose Information on Medicare Beneficiaries to QIOs?

Medicare Quality Improvement Organizations (QIOs) perform certain review and other functions for the Centers for Medicare & Medicaid Services (CMS) under contracts with CMS. These functions are required under Part B of Title XI of the Social Security Act. Part B of Title XI also requires that covered entities disclose information on Medicare beneficiaries to QIOs so that QIOs can perform the requirements under their Medicare contracts. Covered entities that conduct certain electronic transactions and are subject to the Privacy Rule of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) generally cannot disclose protected health information on Medicare beneficiaries or other patients without permission of the patients, unless the rule otherwise allows disclosure. If a covered entity's disclosure is required by law, the rule allows disclosure without the patient's permission under 45 CFR § 164.512(a). Therefore, when a covered entity discloses to a QIO information on Medicare beneficiaries that the QIO needs in order to perform under its contract with CMS, patient permission is not required.

When Can Covered Entities Disclose Information on Non-Medicare Patients to QIOs?

Covered entities may also disclose protected health information about non-Medicare patients without their permission when the information involves the QIO's quality-related activities under its contract. Generally, when QIOs receive this information, they are functioning as health oversight agencies under §164.512(d).

The HIPAA Privacy Rule defines a health oversight agency to include a Federal or other governmental agency or authority that is authorized by law to oversee the health care system (whether public or private), or government programs in which health information is necessary to determine eligibility or compliance with program standards (45 CFR § 164.501). Oversight agencies also include a person or entity acting under a contract with the public agency. Part B of Title XI requires Medicare QIOs, as CMS' contractors, to conduct activities necessary for appropriate oversight of the health care system. Specifically, Medicare QIOs *are health oversight agencies* to the extent that they are acting under contract with Medicare to oversee the health care system in general or compliance with quality standards under Medicare. This includes collecting and reviewing quality performance measures from hospitals regarding Medicare and non-Medicare patients, such as reports on surgical infection prevention, acute myocardial infarction and influenza and pneumococcal immunization. When a QIO is acting as a health oversight agency, disclosures to them for health care oversight purposes are permissible without patient permission.

Are Covered Entities Protected When They Make Disclosures to QIOs?

The Social Security Act provides certain protections to those who disclose information to the QIOs, as described in §1157 of the Act. Under §1157, no person providing information to a QIO will be held, by reason of having provided such information, to have violated any criminal law or to be civilly liable under any State or Federal law, unless the information provided is unrelated to the performance of the contract of the QIO or the information is false and the individual knew or had reason to believe that the information was false.