



Dear Colleague:

Less than a year ago, hospitals were invited, for the first time, to take part in a groundbreaking effort to create a single, reliable resource on hospital quality. Such a resource would give the public the information it is seeking on the quality of care in communities nationwide, enable caregivers to better assess and improve the quality of care they deliver, and standardize data collection activities, therefore reducing onerous, duplicative data collection requirements for hospitals.

The Quality Initiative enjoyed immediate, widespread collaboration from federal agencies, accrediting bodies, employer organizations and consumer groups, but many thought hospitals would be reluctant to share their quality data with the public. Hospitals quickly proved the skeptics wrong. Within the first few weeks, 500 hospitals had volunteered to take part in the initiative. And today, more than three-quarters of all eligible hospitals have pledged their participation.

Despite our initial success, the initiative will only fulfill its promise to the public if it continues to grow. If you haven't yet done so, we ask that you take a few moments to fill out the pledge of participation form that follows this advisory: 75 percent participation is impressive, but we are aiming for 100 percent. The partners in the Quality Initiative also have agreed to expand the effort with additional clinical measures, which we'll be asking hospitals to start sending in later this year, to provide a more complete picture of hospital care. This advisory outlines those measures and the timetable for implementing them.

We know that many of you have unanswered questions about the data reporting required by the recently enacted Medicare Modernization Act for a full inpatient Medicare market basket update in 2005-07. How does it relate to the Quality Initiative, and how can you be sure you are taking the necessary steps to qualify for the update? This advisory aims to clarify those questions for you and also points you in the direction of further guidance from CMS. There are three tasks hospitals must complete to get their full update: 1) register on QualityNet Exchange, 2) collect and successfully submit the data on 10 measures of quality, and 3) complete and submit a "Notice of Participation" form. While the first deadline for action is weeks away, each of these actions requires time to complete. **It is critical that your hospital begin now to take the required actions**, which are described in this advisory. The advisory contains a timetable for completing each of these steps.

Hospitals have taken a giant leap forward in the past year. We applaud you for your leadership and thank you for continuing to make this voluntary effort a success.

Sincerely,

Handwritten signature of Dick Davidson in black ink.

Dick Davidson  
President  
AHA

Handwritten signature of Chip Kahn in black ink.

Chip Kahn  
President  
FAH

Handwritten signature of Jordan Cohen in black ink.

Jordan Cohen, M.D.  
President  
AAMC



# *Quality Advisory*

*(Call 202-626-2298 if you do not receive all nine pages of this advisory.)*

## **The Quality Initiative**

### **Full Medicare Inpatient Update Requirements and New Measures**

April 8, 2004

#### **Overview**

On behalf of all the partners in the Quality Initiative, the American Hospital Association (AHA), the Association of American Medical Colleges (AAMC) and the Federation of American Hospitals (FAH) are sharing this advisory with hospitals to bring you up-to-date on the progress we've made in our effort to create a public resource on hospital quality. We thank you for your continued support of the Quality Initiative and ask that you read this advisory, which has important information on:

- Reporting requirements for a full market basket Medicare inpatient prospective payment system (PPS) update in fiscal years 2005-07;
- New clinical measures of care being added to the Quality Initiative;
- Hospital participation in the initiative; and
- Continued development of the patient perception of care survey instrument.

#### **Goals of the Quality Initiative**

On December 12, 2002, leaders of the AHA, AAMC and FAH announced hospitals' effort to create a more unified approach to collecting and sharing hospital performance data with the public. The initiative was developed with the collaboration of federal agencies, consumer and employer organizations and accrediting bodies alike, including the Department of Health and Human Services (HHS) and its Centers for Medicare & Medicaid Services (CMS) and Agency for Healthcare Research and Quality (AHRQ), the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), the National Quality Forum (NQF), the AARP and the AFL-CIO.

The national, hospital-led initiative aims to:

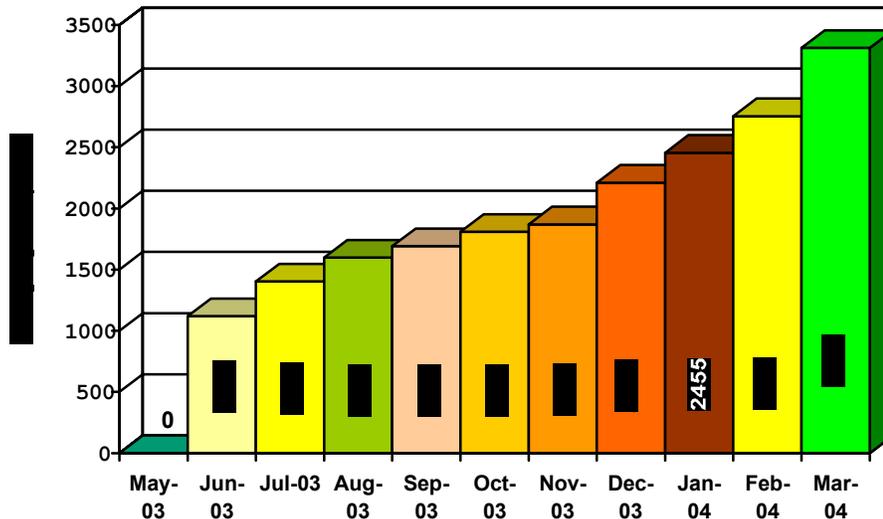
- Provide the public with meaningful, relevant and easily understood information about hospital quality;
- Bolster hospital and physician efforts to improve care;
- Standardize data collection priorities and streamline duplicative and burdensome hospital reporting requirements;
- Give hospitals a sense of predictability about public reporting expectations; and
- Enable hospitals to demonstrate their leadership and commitment to accountability and quality improvement.

*If you've not yet pledged to take part in the Quality Initiative, please fill out the attached enrollment form (Attachment A) and fax it to the AHA at (800) 874-1802.*

### Current Hospital Participation

From the beginning, participation in the initiative has grown steadily, demonstrating hospitals' leadership, commitment to openness and accountability, and desire to see a unified, standardized approach to data collection. As of March 26, more than 3,300 hospitals have pledged to share their data as part of the initiative, and a rapidly growing number of hospitals already have made good on their promise: In October 2003, when data was first displayed on the CMS clinical Web site, [www.cms.hhs.gov/quality/hospital](http://www.cms.hhs.gov/quality/hospital), an initial group of 417 hospitals had successfully submitted their data and allowed it to be shared. By February 2004, that number had more than tripled to 1,407 hospitals, and we're expecting to see it jump to 2,000 hospitals when the site is updated in May. Our partners in the Quality Initiative have been impressed by hospitals' willingness to step forward and share these data.

**The Quality Initiative: Hospital Participation**



### Qualifying for a Full Medicare Inpatient PPS Update

In December 2003, President Bush signed into law the Medicare Prescription Drug, Improvement and Modernization Act (MMA). One provision of this law stipulates that, in order to receive their full Medicare inpatient PPS market basket update in FYs 2005-07, **acute care hospitals paid under the inpatient PPS must submit data for 10 specific measures of care.** These 10 measures are the

same measures that currently make up the Quality Initiative. They are:

For Heart Attack

- Aspirin prescribed upon admission
- Aspirin prescribed upon discharge
- Beta blocker prescribed upon admission
- Beta blocker prescribed upon discharge
- ACE Inhibitor prescribed for left ventricular systolic dysfunction (LVSD)

For Heart Failure:

- Assessment of left ventricular function
- ACE inhibitor prescribed for LVSD

For Pneumonia:

- Antibiotic timing (prescribed within four hours)
- Oxygenation assessment
- Delivery of pneumonia vaccine

Hospitals failing to share this data for public reporting will receive an update of market basket minus 0.4 percentage points.

CMS has created explicit instructions for hospitals to follow in order to receive their full market basket update. Key points of the CMS instructions are:

- The 10 measures hospitals must report to receive the full update are the same as the initial 10 measures used by the Quality Initiative.
- The pathways for transmitting data to receive the full market basket update are identical to the pathways hospitals use for the Quality Initiative.
- Hospitals' performance on the 10 measures will be displayed on the same Web site. Performance information currently appears on [www.cms.gov](http://www.cms.gov) in a format designed for clinicians, but those involved in the Quality Initiative are working to create a more consumer-friendly Web display. CMS plans to launch that site on [www.medicare.gov](http://www.medicare.gov) by early 2005.
- Hospitals already submitting data on all 10 measures for the Quality Initiative need only take a few additional steps to qualify for the full update. They must continue to submit data as they are currently, and also must meet the established deadlines, which are described below.

**Additional Deadlines, Requirements for Full Update**

- **All hospitals that want their full Medicare inpatient PPS update must be registered on QualityNet Exchange (QNet Exchange) by June 1.** QNet Exchange is a free Web-based service for transmitting data into the Quality Improvement Organization (QIO) data warehouse. The QIO data warehouse is a central repository for data used by all QIOs – the organizations with which CMS contracts in each state to assist health care organizations with quality improvement activities.

**Most hospitals participating in the Quality Initiative already are registered for QNet Exchange and do not need to re-register.** Hospitals that are not yet registered or are not sure if they are registered should contact the QIO for their state. (Contact information for each QIO can be found at [www.aha.org](http://www.aha.org) under “The Quality Initiative.”) The registration process is not difficult, but it does require some time to process the forms. *Hospitals are urged to contact their QIO before May 1 to initiate the registration process.*

- **To receive the full Medicare market basket update, all hospitals also must complete a Notice of Participation form, and have it processed by their QIO by August 1.** CMS is distributing these forms to all hospitals through the QIOs. The forms are needed to permit the QIO data warehouse to transmit the performance rates calculated for each hospital, based on the data submitted by the hospital, to HHS for purposes of making it public. By law, the QIO data warehouse cannot transmit your data to HHS without your consent, and if it is not transmitted to the department, your hospital’s Medicare inpatient PPS update will be reduced by 0.4 percentage points. Although the form is not due until August 1, it can be completed and returned at any time before then. *Hospitals are urged to complete it and return it at their earliest possible convenience.*
- **All hospitals must begin to transmit data on all 10 measures to the data warehouse by July 1 in order to be eligible for the update. All of the data – which, for most hospitals, will be for patients admitted in the first quarter of 2004 – must be in the data warehouse by August 1.** Data must be submitted for all patients, not just Medicare patients.

**EXCEPTION:** Some hospitals participating in the Quality Initiative already have begun to send in their data on all 10 of the measures; if these hospitals send in a complete set of data by May 15 on all 10 measures for patients admitted during the fourth quarter of 2003, and commit on the Notice of Participation form to submitting data on all 10 measures for the patients admitted during the first quarter of 2004, CMS will grant them an extended deadline of August 15 to submit this first quarter data. Again, these hospitals will not have to begin the submission of their first quarter 2004 data by July 1 or complete it by August 1; they simply have to have this data submitted by August 15.

#### **Deadlines for Full Update**

<b>DEADLINE</b>	<b>ACTION</b>
May 1, 2004	<ul style="list-style-type: none"> <li>• Hospitals not registered for QualityNet Exchange are urged to contact their QIO to begin the registration process.</li> </ul>
June 1, 2004	<ul style="list-style-type: none"> <li>• Hospitals must be registered on QualityNet Exchange.</li> </ul>
July 1, 2004	<ul style="list-style-type: none"> <li>• Hospitals must begin transmitting data on all 10 quality measures to the data warehouse for patients admitted <u>first quarter 2004</u>.</li> </ul>
August 1, 2004	<ul style="list-style-type: none"> <li>• Hospitals must have CMS’ Notice of Participation form completed <u>and</u> accepted by QIO.</li> <li>• Data transmission must be complete. Data on all 10 measures must be in the data warehouse.</li> </ul>

<b>EXCEPTION: Quality Initiative participants already submitting data on all 10 measures</b>	
May 15, 2004	<ul style="list-style-type: none"> <li>• Submit complete set of data for all 10 measures for patients admitted <u>fourth quarter 2003</u>.</li> </ul>
August 15, 2004	<ul style="list-style-type: none"> <li>• Complete data submission on all 10 measures for patients admitted <u>first quarter 2004</u>.</li> </ul>

CMS has prepared a checklist of actions to be taken so that hospitals get their full Medicare inpatient PPS update. This “RDQPADU Checklist” is available at [www.qnetexchange.org](http://www.qnetexchange.org) under the “HDC” tab.

### **The Future of the Quality Initiative**

Creating a truly meaningful resource on hospital quality, one that will arm consumers with information they need to make the most appropriate decisions about their care, and clinicians with a tool for continued quality improvement, requires data on a broad range of hospital services. From the beginning, we’ve noted that the 10 measures of care with which we began were just a starting point. It is our mutual goal to build on this foundation to ensure the public has a broad picture of the quality of care hospitals provide. As promised, we want to share with you the most recent decisions made by the Quality Initiative partners to add new measures and the new timetable for doing so.

### **New Measures**

To avoid creating undue burden for hospitals, the Quality Initiative partners have chosen 12 new measures that are among those that CMS has selected for QIO quality improvement activities, that JCAHO has included in its ORYX core measure sets, and that are endorsed by the NQF:

- Beginning with data for patients admitted during the **second quarter of 2004**, hospitals are asked to share data on seven additional measures of the care of heart attack, heart failure and pneumonia patients. The measures are listed in the second column of Attachment B. **By November 15**, the hospital or its Performance Measurement System vendor is asked to submit data on these seven measures to the QIO data warehouse.
- **By February 15, 2005**, the Quality Initiative partners also will be asking hospitals to submit data on an additional five measures, including two new pneumonia measures and three measures of the steps taken to prevent surgical infections, starting with patients admitted during the **third quarter of 2004**. These new measures will begin to provide information on a wider range of hospital services. Again, staff are working to ensure that the specifications for these measures, which are listed in the third column of Attachment B, are identical for CMS and JCAHO.

Please note that the submission of data on all of the requested additional measures of heart attack, heart failure, pneumonia and surgical infection prevention is purely voluntary at this time. The Medicare Prescription Drug Improvement and Modernization Act linked reimbursement only to submission of data for the initial 10 measures.

### **Gauging Patients’ Perspectives on Hospital Care**

Finally, we continue to work to develop a standardized way to collect data on patients’ perspectives on care as part of the voluntary Quality Initiative. The HCAHPS survey being developed by CMS and AHRQ will allow for an accurate comparison of patient opinions across hospitals and will become an important component of the Quality Initiative. However, many have expressed concern about the burden imposed by the 32-question draft survey and administration instructions published in a recent *Federal Register* notice.

CMS and ARHQ received more than 600 comments in response to the notice, including comments from hospitals and hospital associations, consumer groups, and survey vendors. While providers and survey vendors recommended shortening the survey considerably so that the data could be collected in conjunction with the on-going survey work in hospitals, consumer groups and others advocated against shortening the survey. They see HCAHPS as the most important step in this initiative because it will provide information that is clearly relevant to all patients, and they believe substantially shortening it would mean consumers will not get useful information. In fact, several consumer groups believe the survey should be expanded to provide a better insight into quality. Researchers with CMS and AHRQ are working to determine if the survey can be shortened and still provide the breadth of information the public is seeking.

The agencies are conducting focus groups with members of the public, interviewing a group of hospital leaders, and conducting further field-testing of the survey instrument and administration instructions. They are trying to identify changes in the survey instrument and administration instructions that would reduce the burden of data collection, while producing reliable information for public dissemination. We expect another opportunity for public comment on a revised survey tool and the proposed administration instructions this summer. We will let you know when this opportunity becomes available.

### **Contacts**

If you have questions about how to pledge to be part of the Quality Initiative, to get another enrollment form, or for other administrative questions, please call:

#### **AHA Member Relations at 1-800-424-4301**

For technical or policy-related questions, please call:

- At the AHA: Nancy Foster, senior associate director for policy, 202-626-2337.
- At the AAMC: Jennifer Faerberg, health care quality liaison, 202-862-6221.
- At the FAH: Susan Van Gelder, senior vice president, strategic policy, 202-624-1528.

**THE QUALITY INITIATIVE**  
*A Public Resource on Hospital Performance*

**PLEDGE OF PARTICIPATION**

**Hospital Name:** \_\_\_\_\_

**Medicare Provider Number:** \_\_\_\_\_

**Street Address:** \_\_\_\_\_

**City, State, Zip Code:** \_\_\_\_\_

**If JCAHO Accredited, indicate your:**

- **ORYX Performance Measurement System Vendor**

\_\_\_\_\_

- **JCAHO Health Care Organization Identifier Number**

\_\_\_\_\_

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 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), the AFL-CIO, the Consumer-Purchaser Disclosure Group, the American Medical Association and the National Association of Children's Hospitals and Related Institutions 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**, and I will work with my Performance Measurement System vendor to ensure data are transmitted to the data warehouse for the measures being collected as part of this initiative. I understand that there may be a charge by the 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 my hospital's performance rates 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.

- My hospital** will participate in the Quality Initiative by registering on QNet Exchange and transmitting data to the QIO data warehouse ourselves. We agree to use the CART tool, available from CMS, to abstract the appropriate data, and will begin submitting data form measures chosen for the Quality Initiative beginning in \_\_\_\_\_ (Quarter and Year.)

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 using the same algorithm as that used by the ORYX vendors. 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 or other administrative issues, please call AHA Member Relations at (800) 424-4301

**Please FAX this response to the American Hospital Association at:  
(800) 874-1802**

## Measures for The Quality Initiative

	<b>Starter Set, beginning with patients admitted 3<sup>rd</sup>Q '02; Data first displayed 10/03;</b>	<b>Beginning with patients admitted 2<sup>nd</sup>Q '04; Data first displayed 1<sup>st</sup>Q '05</b>	<b>Beginning with patients admitted 3<sup>rd</sup>Q '04; Data first displayed summer '05</b>	<b>Beginning Early '05; Data first displayed late fall/winter, '05</b>
<b>Heart Attack</b>	<ul style="list-style-type: none"> <li>• Aspirin at arrival*</li> <li>• Aspirin at discharge*</li> <li>• Beta blocker at arrival*</li> <li>• Beta blocker at discharge*</li> <li>• ACE Inhibitor for LVSD*</li> </ul>	<ul style="list-style-type: none"> <li>• Percutaneous coronary intervention within 120 minutes of arrival</li> <li>• Thrombolytic agent received within 30 minutes of arrival</li> <li>• Smoking cessation</li> </ul>		
<b>Heart Failure</b>	<ul style="list-style-type: none"> <li>• Assessment of LV function*</li> <li>• ACE for LVSD*</li> </ul>	<ul style="list-style-type: none"> <li>• Smoking cessation</li> <li>• Discharge instructions</li> </ul>		
<b>Pneumonia</b>	<ul style="list-style-type: none"> <li>• Antibiotic timing*</li> <li>• Oxygenation assessment*</li> <li>• Pneumonia vaccination*</li> </ul>	<ul style="list-style-type: none"> <li>• Smoking cessation</li> <li>• Blood culture before antibiotic</li> </ul>	<ul style="list-style-type: none"> <li>• Initial selection of antibiotic</li> <li>• Influenza vaccination</li> </ul>	
<b>Surgical Infections</b>			<ul style="list-style-type: none"> <li>• Timing of prophylaxis antibiotic</li> <li>• Selection of antibiotic</li> <li>• Duration of prophylaxis</li> </ul>	
<b>HCAHPS</b>				Survey of patients' perceptions of care

*\*Measures for full Medicare inpatient PPS update*