

## “... we made a number of adjustments that created an overall cultural shift and a drive toward perfection,” Aurora’s Patrick Falvey observed

### CHALLENGE

Are economic incentives to hospitals – also known as pay-for-performance or value-based purchasing – an effective way to improve the quality of inpatient care?

### SOLUTION

In 2003, The Centers for Medicare & Medicaid Services (CMS) and the Premier healthcare alliance teamed up to launch the [Hospital Quality Incentive Demonstration™](#) (HQID) – the first national project of its kind designed to answer that question. More than 250 hospitals from across the nation joined the project initially. A long-time Premier Healthcare Informatics products user, Aurora Health Care chose to participate in HQID.

### RESULTS<sup>1</sup>

As politicians and policymakers search for models of healthcare payment and reform, fourth-year results reveal the HQID project is helping patients live longer and receive recommended treatments more frequently.

- Participating hospitals have raised overall quality an average of 17.2 percent over four years based on delivery of 30-plus nationally standardized and widely accepted care measures to patients in five clinical areas.
- The improvements have saved the lives of an estimated 4,700 heart attack patients, according to a Premier analysis of mortality rates at participants.
- During the same time, the more than 1.5 million patients treated in five clinical areas at the 230 hospitals also received about 500,000 additional recommended evidence-based clinical quality measures, such as smoking cessation, discharge instructions and pneumococcal vaccination.
- **In addition to significant incentive payments, Aurora Health Care’s 10 participating hospitals won 68 out of 86 possible awards, including 23 “Top Performer” awards, in the fourth year of the HQID project.**



Established in 1984, Aurora Health Care, a not-for-profit system with headquarters in Milwaukee, serves eastern Wisconsin. A nationally recognized leader in efforts to improve healthcare quality, it has sites in more than 90 communities, including 13 hospitals, more than 140 clinics and 80-plus community pharmacies. There are more than 3,400 affiliated physicians including 900-plus in the Aurora Medical Group and the 250 physicians of Aurora Advanced Healthcare. With 29,000 employees, Aurora is one of Wisconsin's largest private-sector employers. [www.aurorahealthcare.org](http://www.aurorahealthcare.org)

*“Prior to joining the HQID, Aurora had in place protocols that had helped to drive quality improvement successes; ironically, this was both an advantage and a disadvantage as a participant in the HQID project.*

*“As a system, we ranked in the middle of the pack at the beginning of the demonstration – some facilities were top performers while others had room for improvement. As mentioned, we were already well-rounded in quality improvement,*

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*but we found through HQID that our approach was not going to be as effective as needed if we wanted to be a top performer. For instance, if we were at 85 percent compliance with a bundled measure, we were geared to improve incrementally.*

*“So we made a number of adjustments that created an overall cultural shift and a drive toward perfection. The discussions quickly turned from how do we improve from 85 percent to how do we impact the 15 percent not in compliance with a bundled measure.”*

*“Key changes included the standardization of quality approaches across the entire system. Upon joining HQID, we realized that we had close to 50 approaches to quality across our facilities. In response, we decided upon an “Aurora Approach to Quality,” which is based on lean processes and plan-do-study-act approaches. This shift allowed for improvements in efficiencies – time and money saved – as well as enhancements in quality.*

*“Also, our president and CEO at that time made a structural change, requesting that the accountability for the HQID results be transitioned from the quality departments to the administrator at our individual facilities. This increased the opportunities to accomplish quality improvement with each other versus to each other. This shift of accountability to leadership has played a major role in the successes that we see as a part of this project.*

*“Working together the health system focused on HQID. Results were posted quarterly and available to all caregivers. A lessons-learned database was created so successes and pitfalls could be quickly shared. The open approach to both performance and improvement activities allowed everyone to be engaged in the effort. Our results reflect this impact.”<sup>1</sup>*

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<sup>1</sup>From an article by Susan D. DeVore, President and CEO, Premier healthcare alliance, “Results from the First 4 Years of Pay for Performance” in the January 2010 edition of *HFM Magazine*.

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