

Ms. Stephanie Alexander
Senior Vice President
Healthcare Informatics
2320 Cascade Point Blvd., Suite 100
P.O. Box 668800
Charlotte, NC 28266-8800

Dear Ms. Alexander:

Pursuant to paragraph 22. Demonstration program modifications., of the Premier, Inc. Hospital Quality Incentive Demonstration Terms and Conditions, we have made the following modifications to the Terms and Conditions for clarification.

Paragraph 2. Start date and Operations period., The following sentence has been added to the end of the paragraph 2.

All Premier hospitals participating in the demonstration must sign a Hospital Authorization for Premier Transmission to QIO Clinical Warehouse form. Premier, Inc., will distribute and collect the signed forms, from the participating hospitals. In a batch, Premier will send the original signed forms to the QNet Support Help Desk. In order to participate in the demonstration, hospitals must be registered in QNet Exchange.

Paragraph 4. Data submission., has been amended to allow Quality Improvement Organizations (QIOs) access to the data to provide the privacy protections specific to “QIO data” specified in the regulations (42 CFR Part 480).

Paragraph 4. Data submission., is amended to read:

4. Data submission. Premier will submit individually identifiable case data to the SDPS Clinical Warehouse for all hospitals in the demonstration, on a quarterly basis. SDPS will be the agent of CMS in this demonstration. This is a secure database capable of accepting ORYX data for the Joint Commission on the Accreditation of Healthcare Organization (JCAHO), data collected with the CMS tool, or any other data conforming to specification

published by CMS. Data in the warehouse are considered QIO data and therefore, confidential and maintained and managed by a QIO subcontractor. **Since data are considered QIO data, QIO's will have access to the data for their quality improvement work.** Data will be submitted using secure data transmission techniques via the Internet **through the QualityNet Exchange software. Data will be stored separate from all other data in the SDPS Clinical Warehouse and protected by a firewall.** Data from this warehouse will be aggregated at the hospital level for purpose of reporting. No identifiable patient data will be reported in this process. Data from this demonstration project may be used for two purposes: 1) **this demonstration project; and 2) QIO review and consultation with participating hospitals about quality improvement work.** QIO's will only release patient-level data to the participating hospital, no data will be released to the public. These data will not be used for any other purposes unless mutually agreed upon by both parties or unless required by law.

Paragraph 5. Data audits., is amended to read:

At this time, CMS plans to audit **seven** cases per hospital per quarter, or **twenty-eight** per year, for all clinical areas combined.

The following sentence has been added to the end of paragraph 5.

If there are statistically significant differences between the publicly reported data for the National Voluntary Hospital Reporting Initiative, Section 501(b) of the Medicare Prescription Drug, Improvement and Modernization Act, and the Premier data, as part of the validation audit, it will be reviewed further for discrepancies and could be the basis for possible exclusion of a hospital in the Premier Hospital Quality Incentive Demonstration. Premier and participating hospitals will receive its chart audit validation results via the QNet Exchange.

Paragraph 6. Clinical areas and measures include., The following sentence has been added to the end of the paragraph 6.

When it is a Quality Improvement Organization (QIO) Scope of Work measure, Premier must use the CMS measure. Changes to measures will affect the composite score.

Paragraph 12. Publication of quality data on website., The first sentence of the paragraph has been amended to read:

After validation from CMS, Premier will prepare data results for website and CMS will publish the results of the demonstration for each clinical condition included in the project.

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Paragraph 13. Early termination of project., The following sentence has been added to the end of paragraph 13.

Once a demonstration hospital has withdrawn, the hospital cannot re-enroll in the demonstration.

All other terms of the Terms and Conditions remain in effect. If you concur with the modifications to the Terms and Conditions, please sign and date both copies and return one signed copy to Kathy Pirotte at the following address.

Kathy Pirotte
Centers for Medicare and Medicaid Services
ORDI, MDPG, DHPDPD
7500 Security Boulevard, Mailstop, S3-02-01
Baltimore, Maryland 21244-1850

If you have any questions regarding policy issues, please contact Kathy Pirotte at 410-786-6774; for technical and data issues, please contact Mark Krushat at 410-786-6809. We continue to look forward to working with you and your staff on the Premier Hospital Quality Incentive Demonstration and supporting our efforts to enhance the Medicare program.

Sincerely,

Stuart Guterman
Director
Office of Research, Development, and Information

Enclosure
Hospital Authorization for Premier Transmission to QIO Clinical Warehouse

Approved and Accepted for Premier Healthcare Informatics:

Stephanie Alexander
Senior Vice President
Healthcare Informatics

Date