



## About the Hospital Quality Incentive Demonstration (HQID)

- Launched in October 2003 by the Premier healthcare alliance and the Centers for Medicare & Medicaid Services (CMS), the Hospital Quality Incentive Demonstration (HQID) pay-for-performance project involves more than 250 hospitals across the nation.
- These hospitals submit data to Premier, which then submits the data to CMS, for validation and analysis.
- The first national project of its kind, the HQID project is designed to determine if economic incentives to hospitals are effective at improving the quality of inpatient care.
- The HQID project has been extended by CMS an additional three years through September 2009.
- Approximately 250 hospitals across 36 states are participating in the demonstration.
  - Hospitals in the project include small/large, urban/rural, teaching/non-teaching facilities.
- Participating hospitals have volunteered to report their quality data for the following five high-volume inpatient conditions using national measures of quality care:
  - acute myocardial infarction (AMI/heart attack);
  - coronary artery bypass graft (CABG);
  - heart failure (HF);
  - pneumonia (PN);
  - hip and knee (HK) replacement.
- More than 30 nationally defined, standardized, risk-adjusted measures representing process of care, as well as patient outcomes, are being tracked to evaluate whether the care provided consistently meets accepted evidence-based practice standards.
  - The quality measures were developed by government and private organizations, such as the National Quality Forum (NQF), the American Hospital Association (AHA) and the Leapfrog Group. In addition, they have been tested by CMS, the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and the Agency for Health Research Quality (AHRQ) (for more information on the measures, go to: [www.qualitydemo.com](http://www.qualitydemo.com)).
  - For instance, the measures for pneumonia are as follows:
    1. Oxygenation assessment
    2. Pneumococcal vaccination
    3. Blood culture before first antibiotic
    4. Adult smoking cessation counseling
    5. Initial antibiotic selection
    6. Initial antibiotic within four hours of hospital arrival
    7. Flu vaccination

### **Overall HQID Results (Years 1-3)**

- Hospitals participating in the HQID project have, over the first three years of the project:
  - Saved the lives of an estimated 2,500 heart-attack patients.
  - Provided approximately 300,000 additional treatments that met the highest quality patient care standards.
  - Treated more than 1.1 million patients across the five clinical areas.
- The average Composite Quality Scores (CQS), an aggregate of all quality measures within each clinical area, improved significantly between the inception of the program and the end of Year 3 in all five clinical focus areas:
  - From 87.5 percent to 96.1 percent for patients with AMI (heart attack);
  - From 84.8 percent to 97.4 percent for patients with coronary artery bypass graft (CABG);
  - From 64.5 percent to 88.7 percent for patients with heart failure (HF);
  - From 69.3 percent to 90.5 percent for patients with pneumonia (PN);
  - From 84.6 percent to 96.9 percent for patients with hip and knee (HK) replacement.
- The average improvement of the CQS between the project's second and third year was 4.4 percent for total gains of 15.8 percent over the project's first three years.
- Additional research by Premier using the Hospital Compare dataset showed that, by March of 2007, HQID participants scored on average 7.48 percentage points higher (91.49 percent to 84.01 percent) than non-participants when evaluating 19 common Hospital Compare measures.

- CMS awarded Year 3 incentive payments of \$7 million to 112 top-performing hospitals.
  - Overall, 206 awards were given to these top-performing hospitals in the third year of the project.
- CMS has awarded more than \$24.5 million over the first three years of the project.