

Update on Pay for Performance (P4P)

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Until recently, implementation of pay for performance (P4P) for providers who are reimbursed for services by the Medicare/Medicaid Programs has been limited to so-called “pay for reporting.” Specifically, the Centers for Medicare and Medicaid Services (CMS) has withheld 2% of annual payments from providers who did not comply with certain reporting requirements. CMS is now prepared to move from “pay for reporting” to implementation of reimbursement measures that are directly related to the quality of care rendered.

CMS announced on August 19, 2007, for example, that it will no longer pay for treatment of preventable errors, injuries, and infections that patients contract while in hospitals. In addition, hospitals cannot pass the costs of such treatment on to patients. Specifically, Medicare will stop paying hospitals for treating “reasonably preventable” conditions acquired in hospitals. Examples of “reasonably preventable” conditions identified by CMS include:

- Patient falls
- Pressure ulcers
- Urinary-tract infections
- Vascular-catheter-associated infections
- Mediastinitis (an infection that may develop after heart surgery)

While this recent development currently applies only to hospitals; not to home health agencies, hospices, or home medical equipment (HME) companies; it is certainly possible that CMS may develop similar criteria for these types of providers in the future.

The application of similar criteria to providers who render services in patients’ homes is, of course, inherently problematic. Unlike hospitals, providers who render services in patients’ homes do not have control over patients and primary caregivers who are responsible for care between visits from professional staff. They also lack control over patients’ environments.

In addition, this recent development and its possible application to home health, hospice, and HME companies in the future underscores yet again the crucial importance of achieving compliance with plans of care by both patients and/or their primary caregivers. Non-compliance likely interferes with the ability of providers to control reasonably preventable conditions. The consequences include enhanced risk, compromised quality of care, and the possibility of reduction or loss of reimbursement.

At a minimum, therefore, providers should take the following steps with regard to non-compliant patients and primary caregivers:

- 1) Staff must document every instance of non-compliance by both patients and/or their primary caregivers, regardless of the risk associated with the non-compliant behavior.
- 2) Documentation must be very specific. It is insufficient to document as follows: "Patient (or primary caregiver) non-compliant." Practitioners, for example, may document the failure to change the diaper of a bed-bound patient who is incontinent of both bowel and bladder as follows: "RN found patient with urine and feces in diaper. RN removed diaper, cleaned patient, and placed clean diaper on patient. RN marked the right tab of the clean diaper with a red X. When the RN visited the following day, the patient was again lying in urine and feces. When the RN removed the diaper, she observed a red X on the right tab of the diaper that the patient was wearing when she arrived."
- 3) Providers must then counsel with patients and/or primary caregivers regarding each instance of non-compliance and document that they have done so.
- 4) Providers must also provide additional education, if there appears to be a need for it, and document that they have done so.
- 5) Successful return demonstrations, if appropriate, must be obtained and documented.

The number of times practitioners are willing to repeat this "protocol" depends on the risk of injury/damage to patients associated with the non-compliance and/or the likelihood that non-compliance will adversely affect quality of care. If patients are likely to be injured or damaged, or quality of care may suffer, providers should not tolerate additional instances of non-compliance after taking appropriate action. Achieving compliance is an important issue for providers. It should be moved to the top of their lists in preparation for P4P.

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