

# Hospitals must integrate imaging technology to avoid cuts to Medicare payments

By Jill Rathbun



**On April 18, 2016, the Centers for Medicare & Medicaid Services (CMS) issued a proposed rule to update fiscal year (FY) 2017 Medicare payment**

**policies and rates under the Inpatient Prospective Payment System (IPPS).** The proposed rule would apply to approximately 3,330 acute care hospitals and affect their payment rates for patient discharges occurring on or after Oct. 1, 2016.

While a patient receiving imaging services in the inpatient setting will probably not dictate to which diagnostic payment group (DRG) their stay will be assigned, for the purpose of imaging service payments (in particular ultrasound) this may have an impact on how hospitals fare with regard to the quality- and value-based performance programs. These include the Value-based Purchasing Program and the Hospital Acquired Conditions Reduction Program.

The Hospital Value-based Purchasing Program (VBP) is a program where hospitals that meet performance standards during a given reporting period will receive incentives. To remind readers about how this program works, base DRG operating payment amounts are reduced at each hospital by a certain percentage to create a pool of money to use to pay out value-based incentives to hospitals that meet or exceed the performance standards. Hospitals that don't meet the performance standards can lose all of their operating

percentage reduction to those hospitals that meet the standards because this is a budget-neutral program. For FY 2017, the applicable reduction is 2 percent, creating a pool of approximately \$1.7 billion for value-based incentive payments.

For FY 2017, there are two measures in the VBP where the use of ultrasound at the time of the procedure could help a hospital to meet these performance standards. One is a composite measure, Patient Safety Indicator (PSI) 90. The other is an individual measure entitled "Central Line Associated Bloodstream Infection Outcome Measure," also known as CLABSI. For 2017, CMS is proposing to expand the CLABSI to measure a hospital's performance regarding the number of CLABSIs in adult and pediatric medical, surgical and medical/surgical wards. Previously this measure was only counted for lines placed in ICUs. This will align the VBP program with the Inpatient Quality Reporting Program (IQR) and the Hospital Acquired Conditions Reduction Program, which have already adopted this expansion for FY 2018. Therefore, having protocols in place at a hospital, many of which encourage the use of ultrasound guidance, to reduce the number of CLABSIs per central line placed, will help to ensure that your hospital is meeting performance standards. For FY 2017 these are tied to +/- 6 percent of a hospital's Medicare revenue from inpatient services.

Regarding the Hospital Acquired Conditions Reduction Program, CMS is not proposing any changes for FY 2017. Domain 1 will continue to consist of the conditions counted for each element under the PSI 90

measure. Domain 2 is composed of: hospitals' number of CLABSIs; catheter-based urinary tract infections, colon or abdominal hysterectomy surgical site infections; and the numbers of MRSA and CD infections. Hospitals will be able to access their individual reports via the Quality Net Secure Portal in late summer 2016.

For the FY 2018 Hospital Acquired Conditions Reduction Program, CMS is proposing to implement a modified PSI 90 composite measure. The measure will now be called the Adverse Event Composite, per changes made when it went through National Quality Forum (NQF) maintenance in 2015. The Adverse Event Composite measure (NQF #0531) was modified where PSI 15 Accidental Puncture and Laceration Rate has been re-specified, now targeting abdominal and pelvic operations. This could include a paracentesis where the use of ultrasound could prevent a laceration or a puncture of an artery. The Adverse Event Composite will also no longer include the CLABSI measure, given that it is in Domain 2 as a stand-alone measure.

CMS will accept comments on the proposed rule until June 17, 2016, and will respond to comments in a final rule to be issued by Aug. 1, 2016. The proposed rule can be downloaded from the *Federal Register* at <https://www.federalregister.gov/public-inspection>.

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