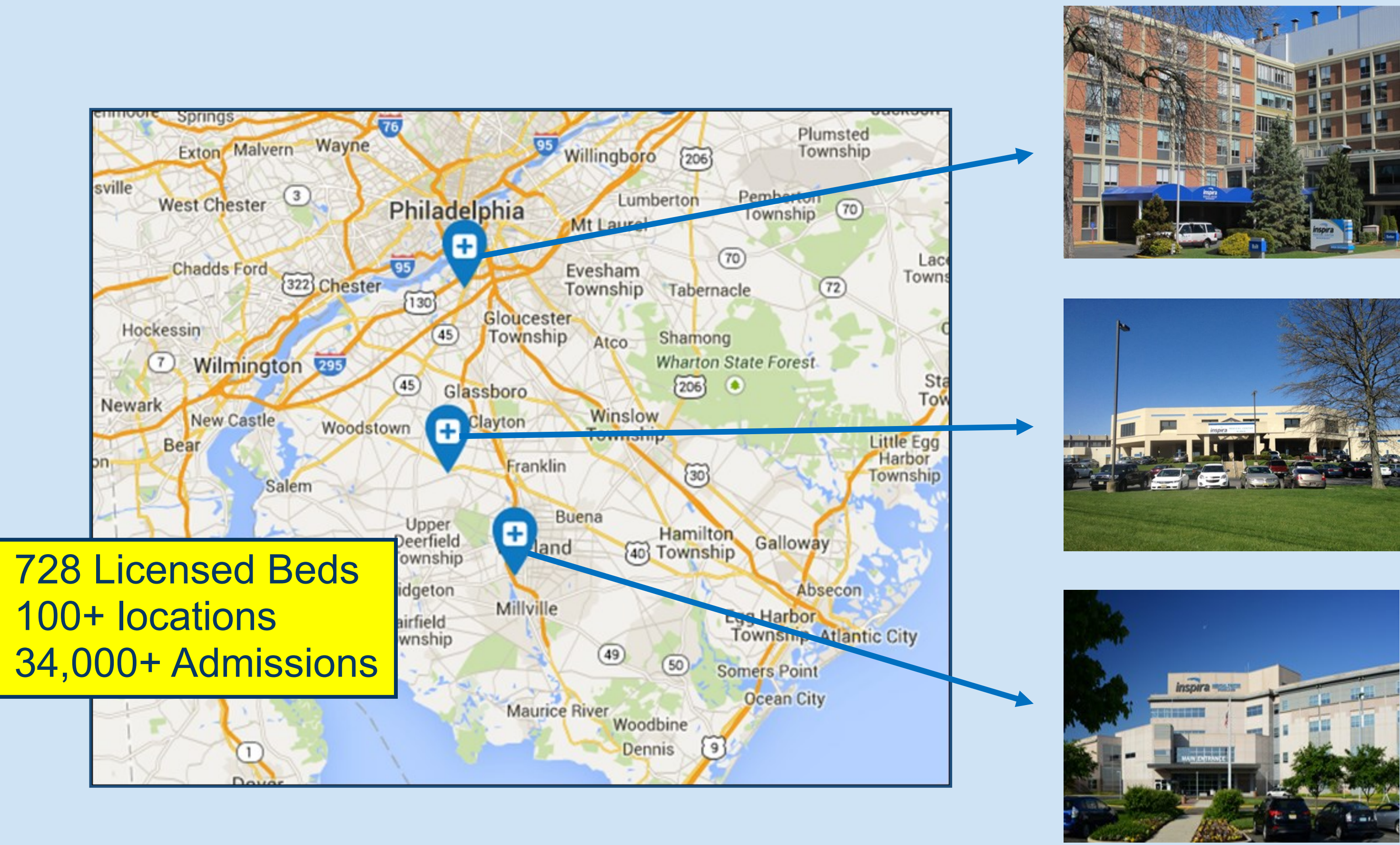


Hospital Gainsharing Drives Value, Lowers Costs and Improves Quality

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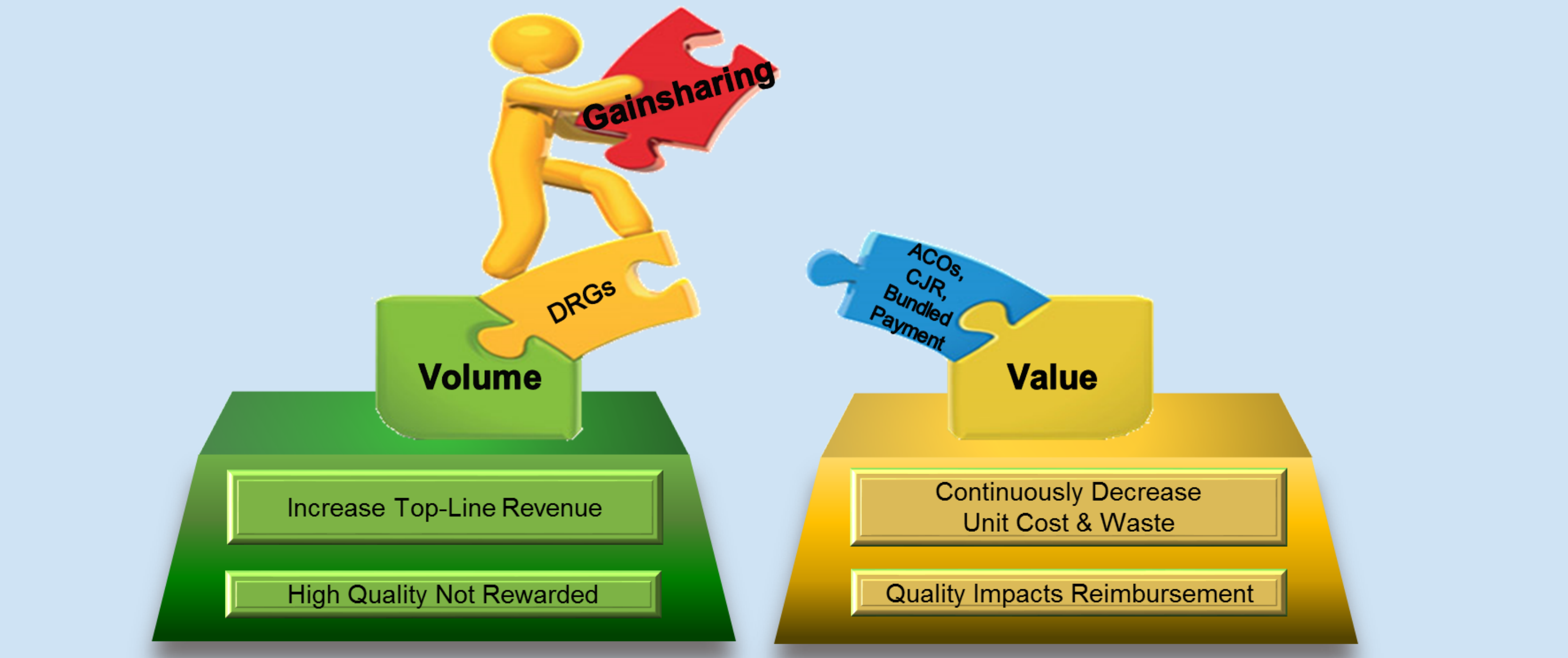
BACKGROUND

The Inspira Health Network comprises three hospitals, four multi-specialty health centers and more than 1,000 medical staff members in southern New Jersey. The leadership team sought to enhance transparency and accountability on what matters most to patients and to payers: outcomes, cost, and value. **Aligning the hospital and physicians' financial incentives and quality goals is essential for success.**



INSPIRA'S CALL TO ACTION

- Engage physicians as payments move more toward value and away from fee-for-service.
- Help bridge the gap to new payment models.



PURPOSE

Since physicians are most responsible for managing costs within a hospital (Leff, et al., 2009), Inspira implemented the **gainsharing program to engage physicians using an incentive payment based on reducing inpatient costs and improving quality performance.**

METHODS

Inspira participates in the New Jersey Hospital Association (NJHA) Gainsharing Program as part of the CMS BPCI Model 1 (Acute Care only) initiative. BPCI Model 1 expanded the 2009-12 NJ Medicare Gainsharing Demonstration Project (Agency for Healthcare Research and Quality, 2014).

The NJHA program is a Medicare initiative and provides all the necessary waivers (e.g. antikickback, Stark and Civil Monetary Penalties). Physician participation is voluntary. All patients admitted to Inspira receive notification that the hospital is participating in the program on admission.

INCENTIVE STRUCTURE

Gainsharing promotes higher level of performance by establishing incentives that align physician and hospital goals.

The size of the financial incentive is based on delivering care at a cost savings to the hospital. The program established “Best Practice Norms” (BPNs) based on state-wide inpatient discharge data. BPNs are the 25th percentile (lowest costs) for each APR DRG. Cost savings are based on two measures:

- Performance - actual cost compared to the BPN.
- Improvement - actual cost compared to each physician's historical costs.

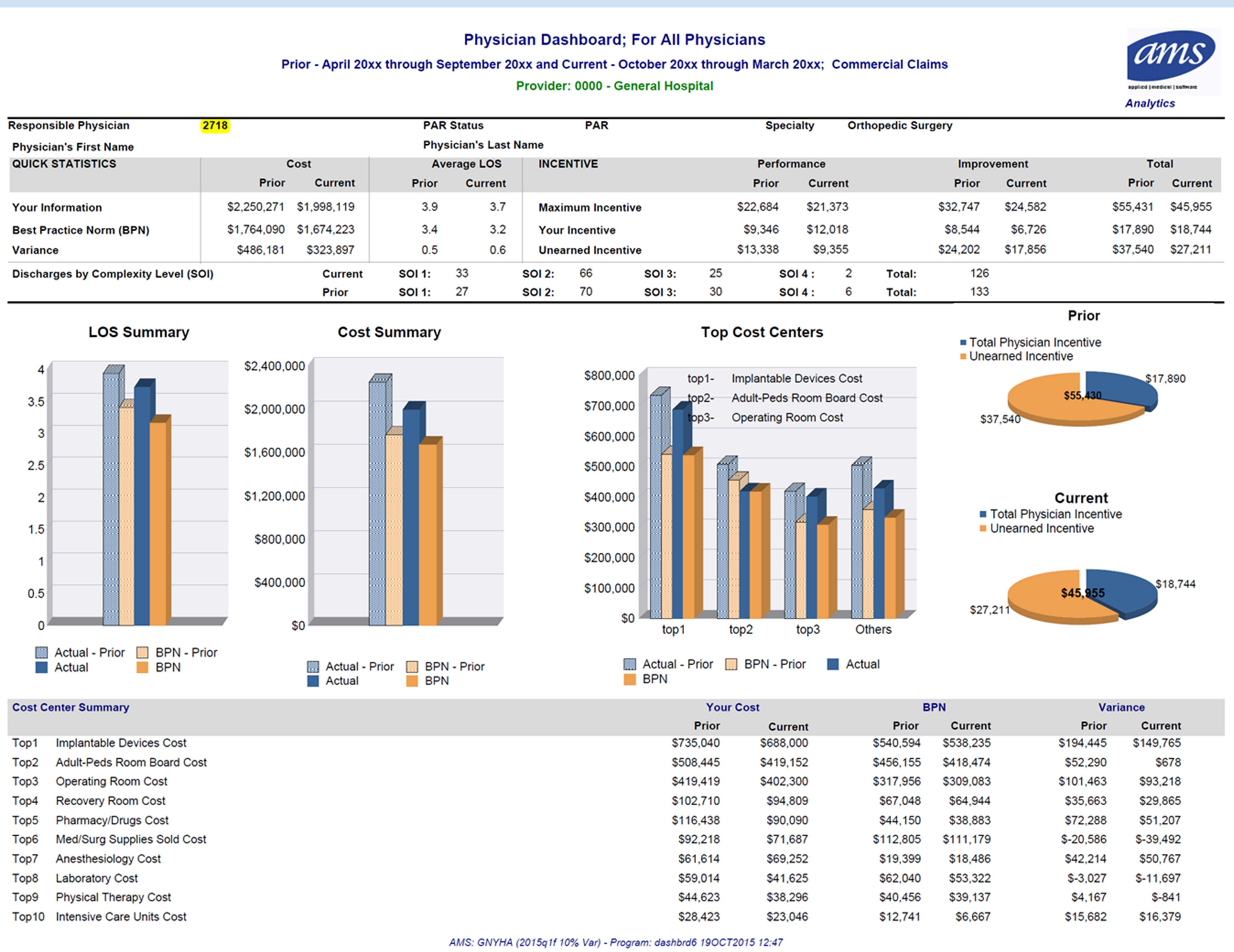
Physician financial incentives are conditioned on quality measures, such as:

- Outcomes measures (e.g., infections, adverse events)
- Efficiency measures (e.g., delinquent medical records, timely operative reports, timely discharge summaries)
- Patient experience measures (e.g., physician HCAHPS scores)

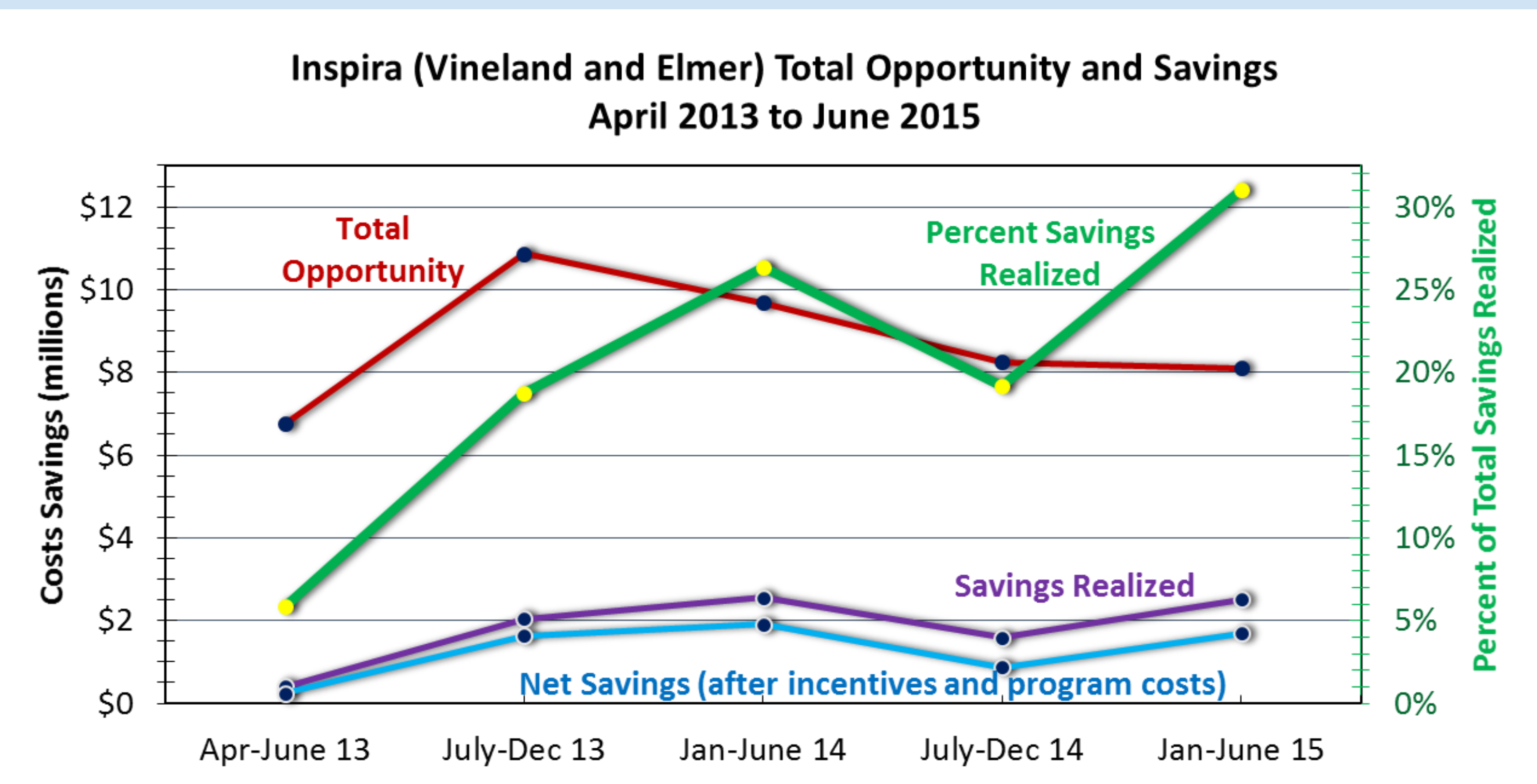
CARE REDESIGN EFFECTIVENESS

	Coach Program	Sepsis Work Flow & Bundle	VTE Prophylaxis	Pneumonia Care	Palliative Care
Description	High risk patient transitions	Check list and bundle	Order sets and assessment protocols	Order sets for IV and PO work flow	Service Consults
Primary Improvement Goals					
Readmissions					
Mortality					
Complications					
Length of Stay					
Cost					
Guideline Adherence					
Core Measures					

SAMPLE PHYSICIAN DASHBOARD



RESULTS



NOTE: The statements contained in this document are solely those of NJHA/AMS/Inspira and do not necessarily reflect the views or policies of CMS.

CONCLUSION

The gainsharing program reduced inpatients costs. Since inception, the Vineland and Elmer campuses realized \$6.3 million in cost savings after incentives and program costs. By June 2015, on average, Inspira realized savings on almost 1 of every 3 dollars of identified internal costs.

- The incentives reinforced care redesign protocols, such as:
- The readmission rates for patients in the COACH and palliative care programs is better than the 20% improvement goal.
 - Through use of the VTE assessment, hospital-acquired DVTs and pulmonary emboli are minimal.
 - The pneumonia core measure of administering the appropriate antibiotic reached 98%.

The program aligned medical staff and hospital incentives, and enabled a higher level of proactive collaboration, coordination and cooperation. The success of the program helped Inspira realize a fundamental shift in the care delivery process, and implement additional value-based programs such as:

- Designation as a Patient Centered Medical Home by NCQA
- Medicare Shared Savings Program
- Employee Accountable Care Organization
- Physician Hospital Organization
- SNF Preferred Provider Network

REFERENCES

Agency for Healthcare Research and Quality. (2014, July 16). Hospital gainsharing program offers incentives to physicians based on their efficiency, producing significant cost savings without decline in quality. *Innovations Exchange*. Rockville, MD, USA.

Leff, B., Reider, L., Frick, K., Scharfstein, D., Boyd, C., Frey, K., . . . Boulton, C. (2009, August). Guided care and the cost of complex healthcare: a preliminary report. *Am J Manag Care*, 15(8), pp. 555-559.

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