

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

CMS Quality Based Payment Reform Initiatives

Health Care Compliance Association
18th Annual Compliance Institute
San Diego, CA

Tuesday April 1, 2014

Peter D. Ricoy
Healthcare Attorney
Schwabe, Williamson & Wyatt, P.C.

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 1

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Outline

- Background: Cost Drivers of Payment Reforms
- Pay for Performance Concepts
- Specific CMS Initiatives:
 - Hospital Inpatient Reporting Program
 - Hospital Outpatient Reporting Program
 - Hospital Value Based Purchasing
 - Physician Quality Reporting System
 - Ambulatory Surgery Center Quality Reporting
 - Others
- Cases
- Conclusions

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 2

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

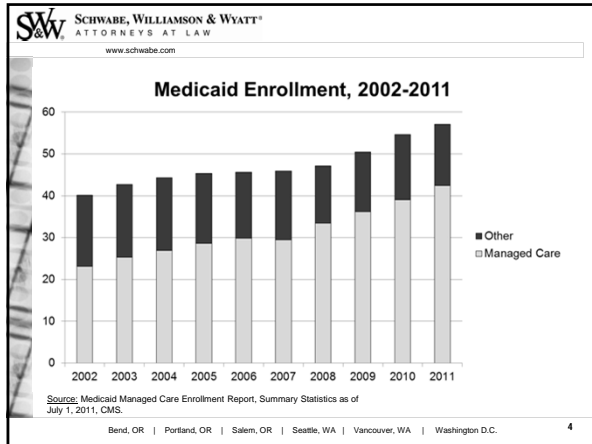
Health Expenditures Growing

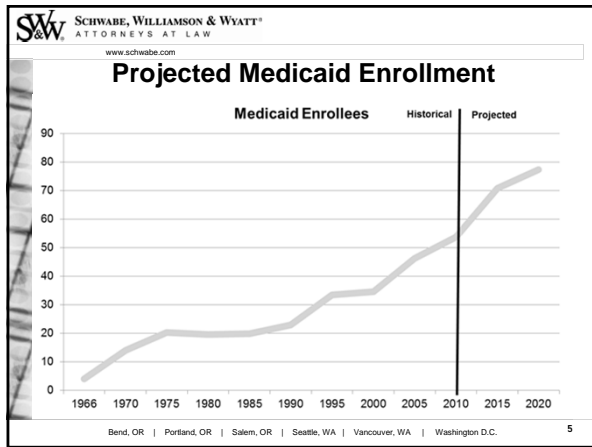
National Health Expenditures, 1960-2012

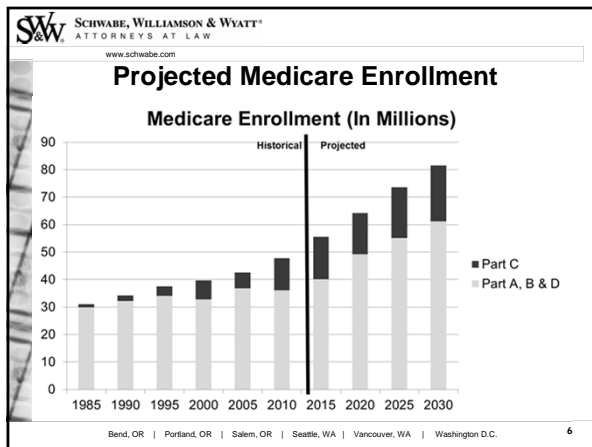
Year	Per Capita	Share of GDP
1960	\$147	5.0%
1970	\$356	7.0%
1980	\$1,110	8.9%
1990	\$2,855	12.1%
2000	\$4,878	13.4%
2010	\$8,411	17.4%
2012	\$8,915	17.2%

Source: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group; U.S. Department of Commerce, Bureau of Economic Analysis; and U.S. Bureau of the Census

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 3







SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Medical Errors are Prevalent

- Healthcare errors are believed to harm millions of patients each year and add billions to healthcare costs.
- The CDC estimates 1.7 million healthcare associated infections occur each year, leading to 99,000 deaths
- Adverse Medication Events Cause More than 77,000 injuries and deaths each year
- CBO found that there were over 180,000 severe injuries attributable to medical negligence in 2003.
- OIG found that one in seven Medicare patients are injured during hospital stays and that adverse events during the course of care contribute to the deaths of 180,000 patients every year

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 7

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Historical Context of Medicare Reimbursement Methods

- Hospital Cost-Based
- Fee for Service
- DRGs & RVUs
- Capitation Models
- Quality and Value Initiatives
- ACOs

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 8

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

National Strategy for Quality Improvement in Health Care

- Section 3011 of PPACA Required the Establishment of a National Strategy to Improve:
 - Delivery of Health Care Services
 - Patient Health Outcomes
 - Population Health
- CMS required to identify national priorities that:
 - Have greatest potential for improving health outcomes, efficiency, and patient-centeredness
 - Identify areas for rapid improvement in quality and efficiency
 - Improve federal payment policy to emphasize quality and efficiency.
 - Enhance use of health care data, and others

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 9

S&W SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

National Strategy for Quality Improvement in Health Care

- Develop comprehensive plan to achieve priorities
 - Must address coordination among agencies
 - Establish benchmarks for agencies
 - Develop reporting by agencies of implementation
 - Align public and private payers re quality and patient safety
- Submit plan to Congress and regularly update

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 10

S&W SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

National Strategy for Quality Improvement in Health Care

1. Making care safer by reducing harm caused in the delivery of care.
2. Ensuring that each person and family is engaged as partners in their care.
3. Promoting effective communication and coordination of care.
4. Promoting the most effective prevention and treatment practices for the leading causes of mortality, starting with cardiovascular disease.
5. Working with communities to promote wide use of best practices to enable healthy living.
6. Making quality care more affordable for individuals, families, employers, and governments by developing and spreading new healthcare delivery models.

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 11

S&W SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Hospital Inpatient Reporting Program (IQR)

- Established by sec. 5001(a) of the Deficit Reduction Act of 2005 (P.L. 109-171)
- Participating Hospitals Submit Quality Indicators
- Failure to Submit Results in Reduction of the Annual Payment Update (APU) (Market Basket Increase) by two Percentage Points

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 12

Schwabe, Williamson & Wyatt
ATTORNEYS AT LAW
www.schwabe.com

Hospital Inpatient Reporting Program (IQR)

- Sample Clinical Categories of Indicators Collected
 - Acute Myocardial Infarction (AMI)
 - Heart Failure
 - Stroke
 - Venous Thromboembolism (VTE)
 - Pneumonia (PN)
 - Children’s Asthma Care (CAC)
 - Surgical Care Improvement Project (SCIP)
 - Emergency Department (ED)**

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 13

Schwabe, Williamson & Wyatt
ATTORNEYS AT LAW
www.schwabe.com

Hospital Inpatient Reporting Program (IQR)

Sample Measures

Heart Failure (HF)**	Submission Required	Collected	For	On Hospital
HF-2 Evaluation of LVS Function (1)	New 2003	CMS/STAC	Yes	Yes
Stroke (STK)**	Submission Required	Collected	For	On Hospital
STK-1 Venous Thromboembolism (VTE) Prophylaxis (10)	1Q 2013	CMS/STAC	Yes	Yes
STK-2 Discharged on Antithrombotic Therapy (10)	1Q 2013	CMS/STAC	Yes	Yes
STK-3 Anticoagulation Therapy for Atrial Fibrillation/Flutter (10)	1Q 2013	CMS/STAC	Yes	Yes
STK-4 Thrombolytic Therapy (10)	1Q 2013	CMS/STAC	Yes	Yes
STK-5 Antithrombotic Therapy By End of Hospital Day 2 (10)	1Q 2013	CMS/STAC	Yes	Yes
STK-6 Discharged on Statin Medication (10)	1Q 2013	CMS/STAC	Yes	Yes
STK-8 Stroke Education (10)	1Q 2013	CMS/STAC	Yes	Yes
STK-10 Assessed for Rehabilitation (10)	1Q 2013	CMS/STAC	Yes	Yes

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 14

Schwabe, Williamson & Wyatt
ATTORNEYS AT LAW
www.schwabe.com

Hospital Inpatient Reporting Program (IQR)

- Categories of Data Required:
 - Measures Requiring Abstraction and Submission by the Hospital or its Vendor
 - Example: Median Time from ED Arrival to ED Departure for Admitted ED Patients - Overall Rate
 - Measures Requiring Web-Based Hospital Data Entry
 - Participation in a Systematic Clinical Database Registry for Stroke Care
 - Measure Information Obtained from Claims-Based Data
 - Pneumonia (PN) 30-Day Readmission Rate (7)

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 15

Schwabe, Williamson & Wyatt
ATTORNEYS AT LAW
www.schwabe.com

Hospital Inpatient Reporting Program (IQR)

- CMS & AHRQ developed the Hospital Consumer Assessment of Healthcare Providers and Systems Survey (HCAHPS);
- Survey asks patients 27 questions about their hospital experience, including:
 - communication with doctors,
 - communication with nurses,
 - responsiveness of hospital staff,
 - cleanliness and quietness of hospital environment,
 - pain management,
 - overall rating of hospital.

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. **16**

Schwabe, Williamson & Wyatt
ATTORNEYS AT LAW
www.schwabe.com

Hospital Inpatient Reporting Program (IQR)

Data is Posted Online at Hospital Compare Web Site:

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. **17**

Schwabe, Williamson & Wyatt
ATTORNEYS AT LAW
www.schwabe.com

Hospital Inpatient Reporting Program (IQR)

Data is Posted Online at Hospital Compare Web Site:

Heart failure patients given discharge instructions Higher percentages are better	98%	98%	98% ²
Heart failure patients given an evaluation of left ventricular systolic (LVS) function Higher percentages are better	100%	100%	100% ²
Heart failure patients given ACE inhibitor or ARB for left ventricular systolic dysfunction (LVSD) Higher percentages are better	100%	97%	98% ²

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. **18**

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Hospital Inpatient Reporting Program (IQR)

- Accuracy: Hospitals must pass the validation requirement of a minimum of 75% reliability based on chart-audit validation for clinical process measures
- A random sample of 800 hospitals is selected for validation annually
- Hospitals who did not meet the 75% threshold for the previous year are also selected.

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 19

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Hospital Inpatient Reporting Program (IQR)

Reconsideration / Appeals

- IQR Program reconsideration from CMS must submit their request within 30 days following the date identified on Hospital IQR Program Annual Payment Update (APU) notification letter
- The request must identify the hospital's specific reason(s) for believing the Hospital IQR Program requirements were met and why the hospital should receive the full Inpatient Prospective Payment Systems (IPPS) APU
- When a hospital is dissatisfied with the result of CMS's reconsideration, the hospital may file a claim under 42 CFR Part 405, Subpart R (a Provider Reimbursement Review Board [PRRB] appeal).

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 20

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Hospital Inpatient Reporting Program (IQR)

- Authorities & Information
 - Section 1886(b)(3)(B)(viii) of the Social Security Act
 - Code Federal Regulations: 42 CFR 412.140
 - FY 2014 IPPS Final Rule: 78 FR 50775
 - <http://www.qualitynet.org/>
 - qnetsupport@sdps.org
 - QualityNet Help Desk: 1-866-288-8912
 - Your State's QIO

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 21

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Hospital Outpatient Reporting Program (OQR)

- Program established under the Medicare Improvements and Extension Act under Division B of Title I of the Tax Relief and Health Care Act (MIEA-TRHCA) of 2006
- The first reporting period began with April 1, 2008 patient encounter dates
- Voluntary quality measure data reporting program for outpatient hospital services;
- Modeled on the Hospital Inpatient Reporting Program

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 22

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Hospital Outpatient Quality Reporting (OQR) Program Overview

- Hospitals that Fail to Meet Receive two percent Reduction in OPPI annual payment update
- Reduction only impacts payment year involved
- CMS Prefers to adopt National Quality Forum measures
- CMS focuses on “high impact” reporting measures
- 27 Measures, including:
 - Clinical Performance
 - Imaging Efficiency
 - Web-Based Structural
- Public Reporting of Data

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 23

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Hospital Outpatient Reporting Program (OQR) Measures

Hospital OQR Quality Measures	
OP-1	Median Time to Fibrinolysis
OP-2	Fibrinolytic Therapy Received Within 30 Minutes of ED Arrival
OP-3	Median Time to Transfer to Another Facility for Acute Coronary Intervention
OP-4	Aspirin at Arrival
OP-5	Median Time to ECG
OP-6	Timing of Antibiotic Prophylaxis
OP-7	Prophylactic Antibiotic Selection for Surgical Patients
OP-8	MRI Lumbar Spine for Low Back Pain
OP-9	Mammography Follow-up Rates
OP-10	Abdomen CT Use of Contrast Material
OP-11	Thorax CT Use of Contrast Material
OP-12	The Ability for Providers with HIT to Receive Laboratory Data Electronically Directly into their ONC-Certified EHR System as Discrete Searchable Data
OP-13	Cardiac Imaging for Preoperative Risk Assessment for Non-Cardiac Low-Risk Surgery
OP-14	Simultaneous Use of Brain Computed Tomography (CT) and Sinus CT
OP-15	Use of Brain CT in the Emergency Department (ED) for Atraumatic Headache - REPORTING POSTPONED*
OP-17	Tracking Clinical Results between Visits

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 24

Schwabe, Williamson & Wyatt
ATTORNEYS AT LAW
www.schwabe.com

Hospital Value Based Purchasing

- Funded by a 1% reduction from participating hospitals' base operating diagnosis-related group (DRG) payments for FY 2013, increasing to 2% by FY 2017
- Value Based Incentive Payment Percentage by Program Fiscal Year

Fiscal Year	Percent Reduction
2013	1.0
2014	1.25
2015	1.5
2016	1.75
2017	2.0

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 28

Schwabe, Williamson & Wyatt
ATTORNEYS AT LAW
www.schwabe.com

Hospital Value Based Purchasing

- For each hospital, a "Total Performance Score" is calculated ranging from 0 to 100 based on its performance under the measures;

Clinical Process Domain Score	+	Patient Experience Domain Score	+	Outcome Domain Score	=	Total Performance Score
45%		30%		25%		

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 29

Schwabe, Williamson & Wyatt
ATTORNEYS AT LAW
www.schwabe.com

Hospital Value Based Purchasing

- Authorities & Information
 - Section 1886(o) of Social Security Act
 - Code Federal Regulations: 42 CFR 412.160
 - FY 2014 IPPS Final Rule: 78 FR 75120
 - <http://www.qualitynet.org/>

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 30

Schwabe, Williamson & Wyatt
ATTORNEYS AT LAW
www.schwabe.com

Physician Quality Reporting System

- Tax Relief and Health Care Act of 2006 (TRHCA) initially authorized the Physician Quality Reporting System.
- PQR is a uses a combination of incentive payments and payment adjustments to promote reporting of quality information by eligible professionals (EPs).
- Individual EPs who meet satisfactory submission of PQR quality measures data for services furnished during a 2014 will qualify to earn a PQR incentive payment equal to 0.5% of their total estimated Medicare Part B Physician Fee Schedule (PFS) allowed charges for covered professional services furnished during that same reporting period.

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 31

Schwabe, Williamson & Wyatt
ATTORNEYS AT LAW
www.schwabe.com

Physician Quality Reporting System

Medicare physicians	Practitioners
Doctor of Medicine	Physician Assistant
Doctor of Osteopathy	Nurse Practitioner
Doctor of Podiatric Medicine	Clinical Nurse Specialist
Doctor of Optometry	Certified Registered Nurse Anesthetist* (and Anesthesiologist Assistant)
Doctor of Oral Surgery	Certified Nurse Midwife
Doctor of Dental Medicine	Clinical Social Worker
Doctor of Chiropractic	Clinical Psychologist
Therapists	Registered Dietician
Physical Therapist	Nutrition Professional
Occupational Therapist	Audiologists
Qualified Speech-Language Therapist	

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 32

Schwabe, Williamson & Wyatt
ATTORNEYS AT LAW
www.schwabe.com

Physician Quality Reporting System

- Group practices can register to participate in PQR through the group practice reporting option (GPRO) to be analyzed at the group level
- A "group practice" under 2014 PQR consists of a physician group practice, as defined by a single Tax Identification Number (TIN), with 2 or more individual EPs
- An individual EP who is a member of a group practice participating in PQR GPRO is not eligible to separately earn a PQR incentive payment as an individual EP

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 33

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Physician Quality Reporting System

- Reporting options generally require an EP or group practice to report 9 or more measures covering at least 3 National Quality Strategy (NQS) domains:
 - Patient Safety
 - Person and Caregiver-Centered Experience and Outcomes
 - Communication and Care Coordination
 - Effective Clinical Care
 - Community/Population Health
 - Efficiency and Cost Reduction

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 34

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Physician Quality Reporting System

Individual EPs may choose to report quality data via:

1. EHR Direct Product that is Certified Electronic Health Record Technology (CEHRT)
2. EHR data submission vendor that is CEHRT
3. A qualified PQRS registry
4. Participation through a Qualified Clinical Data Registry (QCDR)
5. Medicare Part B claims submitted to CMS

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 35

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Physician Quality Reporting System

- Authorities & Information
 - Section 1848(a), 1848(k), & 1848(m) of the Social Security Act
 - Code Federal Regulations: 42 CFR 414.90
 - 77 FR 44805

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 36

Schwabe, Williamson & Wyatt
ATTORNEYS AT LAW
www.schwabe.com

Ambulatory Surgery Center Quality Reporting

- Tax Relief and Health Care Act of 2006 (TRHCA) initially authorized the ASCQR Program
- Section 1833(i)(2)(D)(iv) of the Act authorizes CMS to implement payment system "in a manner so as to provide for a reduction in any annual update for failure to report on quality measures
- Intended to mirror the hospital outpatient quality program

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. **37**

Schwabe, Williamson & Wyatt
ATTORNEYS AT LAW
www.schwabe.com

Ambulatory Surgery Center Quality Reporting

- An ASC that Fails to Meet Reporting Requirements has a 2% Reduction to any Annual Increase Provided Under the Revised ASC Payment System
- APU Rates are Effected Starting in CY 2014
- Reductions for One Year Are Not Taken into Account in Computing Annual Increase for Subsequent Year

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. **38**

Schwabe, Williamson & Wyatt
ATTORNEYS AT LAW
www.schwabe.com

Ambulatory Surgery Center Quality Reporting

ASC Quality Measures

- ASC-1: Patient Burn
- ASC-2: Patient Fall
- ASC-3: Wrong Site, Wrong Side, Wrong Patient, Wrong Procedure, Wrong Implant
- ASC-4: Hospital Transfer/Admission
- ASC-5: Prophylactic Intravenous (IV) Antibiotic Timing
- ASC-6: Safe Surgery Checklist Use
- ASC-7: ASC Facility Volume Data on Selected ASC Surgical Procedures
- ASC-8: Influenza Vaccination Coverage among Healthcare Personnel
- ASC-9: Endoscopy/Polyp Surveillance: Appropriate Follow-up Interval for Normal Colonoscopy in Average Risk Patients
- ASC-10: Endoscopy/Polyp Surveillance: Colonoscopy Interval for Patients with a History of Adenomatous Polyps - Avoidance of Inappropriate Use
- ASC-11: Cataracts- Improvement in Patient's Visual Function within 90 Days Following Cataract Surgery

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. **39**

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Ambulatory Surgery Center Quality Reporting

- Authorities & Information
 - Section 1833(i)(2)(D)(iv) of the Social Security Act
 - Code Federal Regulations: 42 CFR 416.160
 - 78 FR 75130

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 40

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Other CMS Programs

- Inpatient Rehabilitation Facility Quality Reporting Program (IRF QRP)
- Long-term Care Hospitals Quality Reporting Program (LTCHQR)
- PPS-Exempt Cancer Hospital Quality Reporting Program (PCHQR)
- Ambulatory Surgical Center Quality Reporting (ASCQR) Program

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 41

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Other CMS Programs

- Inpatient Psychiatric Facility Quality Reporting Program (IPFQR)
- Home Health Quality Reporting Program (HH QRP)
- Hospice Quality Reporting Program
- End-Stage Renal Disease (ESRD) Quality Initiative
- Hospital Readmissions Reduction Program
- Hospital Acquired Conditions Reduction Program

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. 42

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Cases

- Valley Presbyterian Hospital (Van Nuys, CA) v. BlueCross BlueShield Association/First Coast Service Options, PRRB Hearing Dec. NO 2011-D28, Case No. 08-2579, May 13, 2011.
- CMS Reduced Market Basket Increase by 2.0 for FY 2008 due to failure to Conduct a Dry Run Submittal.
- Hospital Submitted Majority of Quality Data on Time, But Did Not Meet All Statutory Requirements
- Hospital: Prolonged Technology Problems Interfered with Ability to Participate and Vendor Failed to Notify Hospital of Dry Run Requirement
- Hospital: Substantial Performance
- Held: Secretary defined precisely what was required, and hospital failed to meet.

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. **43**

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Cases (Continued)

- Pacific Alliance Medical Center (Los Angeles) v. Wisconsin Physician Services, PRRB Hearing Dec. No. 2011-D15, Case No. 09-1796, December 14, 2010.
- Hospital failed to submit required hospital quality data by deadline.
- Hospital: we acted reasonably, diligently and good faith. The vendor missed the submission deadline due to a technical error, and the error was corrected promptly and the data was submitted 12 hours after the deadline expired.
- Hospital: we "substantially complied" with requirements and CMF suffered no damages as the result of minor breach.
- Intermediary: 4.5 months following last day of discharge to submit quality data to the QIO – plenty of time.
- Held: Hospital failed to comply with requirements, hospital not entitled to full market basket update.

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. **44**

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Cases (Continued)

- Western Medical Center – Santan Ana v. BlueCrossBlueShield Association/First Coast Service Operations-CA, PRRB Hearing Dec. No. 2011-D13, Case 08-1695, December 3, 2010.
- Hospital argued that CMS did not follow APA requirements by giving proper notice of CMS' scoring methodology for parent/child questions.
- Intermediary argued that notice was provided though QualityNet.org.
- Held: CMS published policy is inconsistent with CMS practice and clearly did not provide hospitals with notice relative to the scoring methodology for parent/child questions or the penalties that result from answering a parent question incorrectly.

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. **45**

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Conclusions

- CMS Programs Likely to Continue & Increase
- President's FY 2015 Budget Proposal
- Impact on State Initiatives
- Impact on Commercial Payers

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. **46**

SW SCHWABE, WILLIAMSON & WYATT[®]
ATTORNEYS AT LAW
www.schwabe.com

Questions?

Contact information:

Peter D. Ricoy
Shareholder Attorney
Schwabe, Williamson, & Wyatt, P.C.
1211 SW 5th Ave., Ste. 1900, Portland, OR 97204

Direct: 503-796-2973
Email: pricoy@schwabe.com

Bend, OR | Portland, OR | Salem, OR | Seattle, WA | Vancouver, WA | Washington D.C. **47**
