P4P Hospital Demonstration Reports Nearly 12% Quality Gain

BY MARY ELLEN SCHNEIDER
New York Bureau

Hospitals are reporting consistent quality improvements across five clinical areas as part of a Medicare pay-for-performance demonstration, officials at the Centers for Medicare and Medicaid Services have announced.

In the second year of the demonstration project, the average improvement across the more than 250 participating hospitals was 6.7%, according to the CMS. Agency officials also reported a total gain of 11.8% over the 2-year period. "The results today provide more solid evidence that pay for performance is working to improve the quality of health care at our nation's hospitals," Herb Kohr, CMS acting deputy administrator, said during a teleconference to announce the second-year results of the Premier Hospital Quality Improvement Demonstration Program.

The program was launched in October 2003 by the CMS and the Premier Inc. health care alliance to test whether incentive payments to hospitals would help to speed quality gains. Under the demonstration, the CMS provides financial incentives to the top 20% of high-scoring hospitals in each of five clinical areas—acute myocardial infarction, heart failure, coronary artery bypass graft, pneumonia, and hip and knee replacement. Performance in the five clinical areas is measured by more than 30 nationally recognized quality standards.

Hospitals in the top 10% receive a 2% incentive payment, while hospitals in the next 10% receive a 1% payment. Any hospital that ranks in the bottom 10% for each clinical area is recognized on the CMS Web site. In the third year of the program—from October 2006 to September 2007—hospitals that fail to improve over baseline could face penalties.

In the second year, the CMS paid more than $8.6 million to 115 high-performing hospitals. The highest incentive payment went to Hackensack (N.J.) University Medical Center, which received $744,000 as a high-performer in all five clinical areas.

Data from the second year of the demonstration program showed significant improvements in all five clinical areas, according to the CMS. The average composite quality score for more than 36 quality measures showed that hospitals improved in acute myocardial infarction (87.5% to 94.4%); coronary artery bypass graft (84.8% to 93.8%); heart failure (64.5% to 82.4%); pneumonia (69.3% to 83.8%); and hip and knee replacement (84.6% to 93.4%). The lessons learned thus far in the demonstration will help CMS officials plan for the future.

This report was reviewed by an independent expert and was found to be reliable and useful for health-care decision makers.

For more information on the demonstration program, visit www.cms.hhs.gov/HospitalQualityInits.

Enrollment Expected to Rise 17% in U.S. Medical Schools

BY JANE ANDERSON
Contributing Writer

First-year enrollment in U.S. medical schools is projected to increase 17% over the next 3 years to nearly 19,300 students—helping to ameliorate the real need for new physicians, according to an annual survey of medical-school expansion plans released by the Association of American Medical Colleges.

The estimated expansion would move U.S. medical schools past the halfway point of a 30% enrollment increase recommended by the AAMC in 2006.

The survey of 121 out of 125 U.S. medical school deans took place last fall, and the information gathered was compared with that of the baseline academic year of 2002-2003, when first-year enrollment totaled 16,488 students.

Survey results indicated that total first-year enrollment in existing U.S. medical schools is projected to increase by 2,358 students (15.7%) by 2012.

Three-quarters of existing medical schools anticipate an increase in enrollment, compared with their 2002 enrollment levels.

Survey respondents also listed several barriers to enrollment increases, including the cost of such expansion, limited scholarship availability, tight classroom space, and too few ambulatory preceptors. A smaller number of schools reported a lack of basic science faculty, low numbers or variety of patients, problems with regulatory or accreditation requirements, and poor quality applicants as major barriers.

Medical Schools’ First-Year Enrollment Expected to Increase, by Geographic Region

The report is available (for purchase) at www.usp.org/products/medMarx.