

UNITED STATES SENATE  
COMMITTEE ON FINANCE

Max Baucus, Chairman  
Charles Grassley, Ranking Member  
Plan to Implement a Medicare Hospital Value-Based Purchasing Program  
Thursday, March 6, 2008, 2-4 p.m.  
215 Dirksen Senate Office Building

**Agenda**

**I. Opening Statements**

Senator Max Baucus  
Chairman, Senate Committee on Finance

Senator Charles Grassley  
Ranking Member, Senate Committee on Finance

**II. Overview of CMS Plan and Response**

Dr. Tom Valuck  
Director, Special Office for Value-Based Purchasing  
Centers for Medicare and Medicaid Services

Dr. Mark Miller  
Executive Director  
Medicare Payment Advisory Commission

Dr. Linda Kohn  
Assistant Director  
Government Accountability Office

**III. Discussion**

John Iglehart, Moderator  
Founding Editor  
Health Affairs

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Questions Presented:

Performance Standards

- How should the program balance rewards for achievement of (1) minimum thresholds of performance; (2) “high performance”; and (3) improvement?
- On what basis should thresholds and benchmarks be set and changed?
- Should the program provide incentives for each measure/patient condition or base payments on a combined score – and how, if at all, should that differ from what is publicly reported?

Structure of Incentives

- Should incentives be applied to services related to certain measures, all DRGs, or base payments?
- What degree of incentives is necessary to promote adherence to quality measures?
- Should all participating hospitals have their payments affected, or should the incentives be "curved" so that a certain portion of hospitals do not receive a financial consequence?

Implementation

- What kinds of hospitals should not be included?
- What phase-in/data collection period will be necessary to establish performance benchmarks and allow hospitals to adapt their systems to participate?
- What resources do CMS and hospitals need to implement this program, including those needed to collect and analyze data in a timely manner?
- What kind of auditing/verification process should be implemented and what appeals rights should participating hospitals have to challenge results?
- How should the program be monitored on an ongoing basis?

Quality Measures

- How do we ensure that hospital measures (and measurement processes) and physician measures are complementary?
- What process should be followed to develop, test, refine, endorse, adopt, and retire quality measures used in the Medicare VBP program?
- What types of measures should be employed (or phased-in) – process, structure, outcome, patient experience, efficiency, etc.?

**IV. Audience Questions and Answers**

**V. Conclude**