The Market Force Course

Tools for Translating Market Forces into Frontline Terms
The Market Force Course features 12 tools for translating market forces into frontline terms. This excerpt previews two of those tools: a Pay-for-Performance cheat sheet and customizable PowerPoint slides with corresponding scripting to help a nurse executive or other leader further frontline staff understanding about Pay-for-Performance (P4P).

For more information on any of the 12 tools mentioned in this excerpt, please contact Ellie Barlow at barlowe@advisory.com or 202-568-7954.
Executive Summary

Why It’s a Problem if Frontline Staff Don’t Understand Health Care Market Forces

There are at least two consequences if frontline staff don’t understand the market forces challenging their organization. First, frontline staff who don’t understand market forces are less engaged. Data shows that staff who don’t see the link between executive actions and their organization’s mission become alienated and disengaged. Second, many market forces require health systems to adopt new strategies—and if frontline staff don’t understand the reason behind the new strategies, they won’t perform at the highest level.

How This Toolkit Equips Nurse Leaders to Translate Market Forces into Frontline Terms

This toolkit is designed to equip nurse leaders to translate market forces into frontline terms. What sets it apart from other resources is that it is written with frontline caregivers in mind. Every resource within this toolkit uses everyday language and is brief, scannable, and interactive.

This toolkit has two parts:

• The first part contains one-page "cheat sheets" that equip nurse leaders to explain market forces to frontline staff. These cheat sheets are designed so a busy leader can quickly review them before a staff meeting and find answers to three primary questions: "What is the market force?", "Why should you care?", and "How can nursing help?" Each cheat sheet also contains brief, ready-to-use talking points leaders can use during huddles or unit meetings.

• The second part contains interactive resources nurse leaders can use to help frontline staff gain deeper understanding of the market forces. These resources include: short videos to post on organizational intranets or share at staff meetings; ready-to-use posters that distill complex concepts into concrete actions for frontline staff; and interactive exercises that help frontline staff understand the scope of the challenge—and brainstorm potential solutions.

How to Use This Toolkit

This toolkit’s cheat sheets and interactive resources equip nurse leaders to explain 12 market forces to frontline staff. While some interactive resources complement cheat sheets, leaders can use any resource in this toolkit independently and in any order—each has stand alone value.

Decide which market force is the greatest challenge for your organization, review the cheat sheet, share the talking points with frontline staff, and then cement understanding by sharing a video or exercise.
# Table of Contents

## Section I: Reinforcing Nurse Leader Knowledge

**Tool #1: Nurse Manager Cheat Sheets**
- Accountable Care Organization
- Bundled Payments
- Care Coordination
- HCAHPS
- Hospital-Acquired Conditions
- Meaningful Use
- Pay-for-Performance
- Patient-Centered Medical Home
- Population Health Management
- Readmission Penalty
- Value-Based Care
- Value-Based Purchasing

## Section II: Translating Market Forces into Frontline Terms

### Plug and Play Videos

- Tool #2: Bundled Payments Plug-and-Play Video
- Tool #3: Care Coordination Plug-and-Play Video
- Tool #4: Hospital-Acquired Conditions Plug-and-Play Video
- Tool #5: Meaningful Use Plug-and-Play Video

### Ready-to-Use Posters

- Tool #6: Ready-to-Use Patient Experience Posters
- Tool #7: Ready-to-Use Population Health Poster

### Customizable Slides and Scripting

- **Tool #8: A Primer on Pay-for-Performance**

### Interactive Exercises

- Tool #9: Care Coordination Awareness Workshop
- Tool #10: Preventable Readmissions Awareness Workshop
- Tool #11: A “Doomsday” Exercise
- Tool #12: Value-Based Purchasing Reality Check
Pay-for-Performance

What is pay-for-performance?

Pay-for-Performance is a blanket term describing three payment programs that link reimbursement to hospital quality. The three programs are: Value-Based Purchasing, Hospital-Acquired Conditions Reduction, and Readmissions Reduction. Pay-for-Performance is often abbreviated as “P4P.”

Each P4P program measures hospital performance on quality metrics. In all three programs, hospitals performing poorly will receive a reduced reimbursement. Of the three P4P programs, only Value-Based Purchasing offers a potential bonus.

Why should you care about pay-for-performance?

P4P has the potential to drive a greater emphasis on care quality. The programs provide hospitals with added incentives to reduce avoidable readmissions, eliminate hospital-acquired conditions, and perform well on patient experience and outcomes measures.

P4P will also impact how much money your hospital earns. If your hospital performs well on P4P metrics it will avoid being penalized and might even earn a bonus. This could mean your hospital will have more resources to invest in staff and patients.

How can nursing help?

P4P aims to drive improvements in care quality. The best way nursing can help is by delivering high-quality care. Specifically, nurses should:

- Look for processes to deliver more efficient care (e.g., hold care team huddles at the start of each day to review patients’ care plans).
- Anticipate patient needs to improve patient experience.
- Follow up with most vulnerable patients post-discharge to reduce readmissions.
What Else Should You Know?

What should you be telling your staff?

• Pay-for-performance is a blanket term describing three payment programs that link reimbursement to quality. You might hear it abbreviated as P4P.

• The goal of P4P is to encourage hospitals to improve quality.

• The three payment programs included in P4P are: Value-Based Purchasing, Hospital-Acquired Conditions Reduction, and Readmissions Reduction.

• If our hospital performs poorly on the metrics in these programs, there will be a financial penalty. If our hospital performs well on all three programs, it will won’t lose any money and may even earn a bonus.

• In order to minimize our hospital’s chance of receiving reduced reimbursement, the most important thing we can do is to deliver high-quality care. We should: follow every step of every protocol to avoid hospital-acquired conditions, follow up with most vulnerable patients post-discharge to reduce readmissions, anticipate patient needs, and eliminate never-events.

“Pay-for-Performance” Describes Three Different Mandatory Payment Programs

Additional details on each program are provided below.

<table>
<thead>
<tr>
<th>Program</th>
<th>Capsule Description</th>
<th>Reward or Penalty?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Value-Based Purchasing Program</td>
<td>Hospitals can receive a financial bonus for strong performance across four different categories of metrics.</td>
<td>Reward and Penalty</td>
</tr>
<tr>
<td>Hospital-Acquired Conditions Reduction Program (HAC)</td>
<td>Tracks specific hospital-acquired conditions; organizations performing in the bottom quartile nationally are subject to reimbursement penalties.</td>
<td>Penalty Only</td>
</tr>
<tr>
<td>Readmissions Reduction Program</td>
<td>Tracks avoidable readmissions; organizations that fall below the national average are subject to reimbursement penalties.</td>
<td>Penalty Only</td>
</tr>
</tbody>
</table>

Questions to ask your CNO

1. Which P4P metric(s) is our hospital most focused on improving?
2. In which area(s) is our hospital already performing well?
3. Has our hospital been rewarded or penalized this year under any of the P4P programs? If so, which ones?
Pay-for-Performance

Tool #8: A Primer on Pay-for-Performance

How to Use This Tool

Overview
This tool includes customizable PowerPoint slides with corresponding scripting to help a nurse executive or other leader further frontline staff understanding about Pay-for-Performance (P4P). The goal of this tool is to help nurses and other frontline caregivers learn about the three P4P programs that impact their hospital’s reimbursement and the concrete actions they should take to help their organization succeed.

The PowerPoint slides and script points are available in a customizable format so presenters can tailor their message. The slides and scripting can be used for a stand-alone session about pay-for-performance or embedded into an existing presentation. We recommend keeping your primer on P4P brief (no more than 20 minutes).

Intended Audience
This primer is intended for all frontline caregivers who work directly with patients.

What’s required?
As the facilitator, you should allocate 20 minutes to prepare, 20 minutes for didactic presentation, and 10-20 minutes for discussion and Q&A.

Materials:
• Laptop or computer to access slides
• Projector/screen to display slides

Available Online
Thumbnails of the slides and corresponding scripting are shown on the following pages. To access customizable versions of the slides and script online, please visit advisory.com/nec/marketforcestoolkit

Source: Nursing Executive Center.
Pay-for-Performance

Tool #8: A Primer on Pay-for-Performance

Why are we talking about Pay-for-Performance?

It’s All About Quality

Sample Hospital Payment Systems

Fee-for-Service (Older Payment System)
Rewards high-volume hospitals receiving larger payment for treating more patients

Pay-for-Performance (Newer Payment System)
Rewards high-care quality: hospitals receiving larger payment for providing better quality of care

Value-Based Purchasing Program’s Three-Step Process

1. Percentage of reimbursement withheld
2. Performance assessed on specific metrics
3. Hospital receives bonus, or penalty, or breaks even

Program #1: Value-Based Purchasing

Value-Based Purchasing

Category
Process of Care
Experience of Care
Outcomes of Care
Efficiency of Care
Safety

Sample Metrics Included
Refractory therapy received within 30 min of hospital arrival
Influenza immunization
HCNPRIS (e.g., communication with nurses, communication with doctors, responsiveness of hospital staff, pain management)
30-day mortality rate for acute myocardial infarction, heart failure, and pneumonia
Medicare part A and B spending per beneficiary
Catheter-associated urinary tract infection
Colorectal surgery site infections
PSI-30 (Composite score for patient safety for selectindicators)

Program #2: Readmissions Reduction Program

Readmissions Reduction Program

Conditions Subject to Reduced Reimbursement
Cardiac
• Acute myocardial infarction
• Heart failure
• Coronary artery bypass graft (2017)

Pulmonary
• Pneumonia
• COPD (2015)

Orthopedic
• Total hip arthroplasty (2015)
• Total knee arthroplasty (2015)

75% of hospital readmissions are avoidable

1 in 5 Patients are readmitted within 30 days of discharge

Program #3: Hospital-Acquired Conditions Reduction Program

Hospital-Acquired Conditions Reduction Program

Representative Hospital-Acquired Condition Rate National Distribution

1 in 10 Hospitalized patients develop a hospital-acquired condition

$45 Billion Annual cost of hospital-acquired conditions

What can you do to help?

Frontline Caregiver Action Steps to Improve Pay-for-Performance

Document all patient conditions on arrival
Identify specific risk factors for adverse events
Follow every step of clinical protocols
Involve patients and families in their care

Communicate openly with all members of the care team
Space out patient education across multiple days
Provide user-friendly discharge instructions
Follow-up post-discharge to verify medications

©2014 The Advisory Board Company • 29286
advisory.com
Tool #8: Primer on Pay-for-Performance

Customizable Script Points for Nurse Leaders

Title slide: Primer on Pay-for-Performance

- You may be hearing some new terms thrown around: readmissions penalty, value-based purchasing, pay-for-performance, and never events. Or worse, you’re hearing things that sound more like code: “P4P,” “VBP,” and “HACs.” Do any of these sound familiar?
- My aim today is to help demystify these terms. But more importantly, to help you understand why we’re talking about pay-for-performance in the first place—and why you should care.

Slide 2: Why are we talking about Pay-for-Performance?

- The way our hospital gets paid is changing. And the good news is: it’s all about quality.
- On the left, the way we have always been paid under the system we call “fee-for-service.” Our hospital simply got paid for the care we provide based on volume. In other words, the more patients, the more tests, the more procedures—the more money our hospital received.
- But on the right, that’s beginning to change. A newer payment system, called “pay-for-performance,” is now rewarding not volume, but better care quality.

Slide 3: Three Pay-for-Performance Programs

- Pay-for-performance is a term describing three mandatory payment programs that were created by the government to link reimbursement to hospital quality. Some people shorten pay-for-performance to “P4P.”
- You can see brief descriptions of the three programs here. They are:
  - Value-Based Purchasing
  - The Hospital-Acquired Conditions Reduction Program
  - Readmissions Reduction Program
- I’ve shared brief descriptions for you here, but I want to double-click on each of these to help you understand how each program is different and the types of quality metrics they track.

Slide 4: Value-Based Purchasing

- The first pay-for-performance program is called “Value-Based Purchasing.” You may hear this referred to as “VBP.” VBP was created to give hospitals a financial incentive to improve care quality. Instead of being rewarded for the quantity of care we deliver, we can be rewarded for the level of quality we provide.
- I’ve shared a simplified overview of how it works in three steps. First, the government withholds a portion of our hospital’s reimbursement. Next, we report our outcomes on specific metrics and the government assesses our performance compared to a national average. And on the right, how our hospital gets paid.
- Let me go into Step 3. If our hospital is above average, we can earn back everything the government withheld, plus an additional bonus. On the other hand, if our performance is below average, we receive a penalty and don’t get fully reimbursed for the care we deliver. If we are in the middle of the pack, we just break even—no penalty, but no bonus either.
- Any questions about how this works?
- VBP assesses our performance on a long list of metrics in the five categories you see listed in the table here. These include things like how closely we follow protocols, our patient satisfaction scores, and specific quality outcomes. This table shows only some metrics included in VBP, but if you’re interested in seeing the complete list, I’d be happy to share that with you.\(^1\)

---

\(^1\) A complete list of VBP metrics can be found on page 37 of this toolkit. Source: Nursing Executive Center.
Tool #8: Primer on Pay-for-Performance
Customizable Script Points for Nurse Leaders (cont.)

Slide 5: Readmission Reduction Program
- Let’s now turn to the second P4P program, the Readmissions Reduction Program. You may hear people refer to this as the “readmission penalty.” The reason it’s often called a penalty is because (unlike VBP) there’s no opportunity to earn a bonus—only a penalty. In other words, there’s no carrot, just a stick.
- The goal of the readmission penalty is pretty straightforward: to encourage hospitals to reduce readmissions within 30 days. Our hospital will receive a financial penalty if our overall performance on 30-day readmissions is below average (or put another way, if our readmission rates are higher than average).
- For now, the penalty doesn’t apply to all patients: it only applies to patients with the specific conditions you see here. We aren’t penalized currently for conditions listed with a future date, but we will be, so we should get to work on preventing them now.
- At the bottom of the slide, one reason this program was created is there’s a big opportunity to improve care by preventing readmissions. On the left, about a fifth of patients get readmitted to the hospital within 30 days of discharge, and on the right, 75% of those readmissions could have been avoided.

Slide 6: Hospital-Acquired Conditions Reduction Program
- The third P4P program is the Hospital-Acquired Conditions Reduction Program. You’ve all heard of hospital-acquired conditions. I’m talking about things like pressure ulcers, patient falls, catheter-associated UTIs, ventilator associated pneumonia, and so on. Sometimes you hear them called “never events.” Why? Well, because they should never occur.
- Like the readmissions penalty, this program offers no bonus—just a penalty. Looking at the graphic on the slide, only the lowest-performing 25% of hospitals receive a penalty. In other words, the hospitals with HAC rates in the top 25th percentile. So there’s a higher bar for receiving a penalty than the readmissions reduction program.
- But the real reason to focus on preventing these conditions isn’t whether or not we receive a penalty. I’d argue that our driving motivation should be the quality of care we provide for our patients. If staying in our hospital means getting a never event, then we haven’t served our patients as well as we could have. Our aim shouldn’t be just staying above the fray to avoid a penalty, it should be to get our HAC rates down to zero, and keep them there.

Slide 7: What can you do to help?
- So what can we do to improve our performance on P4P? Well I’ve jotted a few specific things down on this last slide. Take a look. As you scan through these, note that almost all of them are driven by nurses and other frontline caregivers. Just to name a few:
  - Identifying specific risk factors for adverse events
  - Involving patients and families in their care
  - Spacing out patient education across multiple days
- Put simply, we’re relying on you to help us make a difference. I’m curious—as you look at the action steps on this slide:
  - Can you think of any others?
  - What do you think are our best opportunities to improve performance on P4P?

[Note to presenter: Depending on the time allotted and the size of the group, you may decide to either wrap up the conversation here or invite questions about any of the P4P programs discussed.]
Additional Resources on Improving Nurse Engagement

In recent years, the Nursing Executive Center has developed numerous resources to help nursing leaders improve nurse engagement. Select resources are shown here. All resources are available in unlimited quantities through Nursing Executive Center Membership.

Improving Nurse Engagement

National Prescription for Nurse Engagement
- Most powerful strategies for driving engagement in today's rapidly transforming market
- Rationalize the flow of change to prevent frontline stress and burnout
- Build meaningful frontline recognition that values professional impact into leaders' workflow
- Broaden access to nontraditional professional development opportunities

Instilling Frontline Accountability
Best Practices for Enhancing Individual Investment in Organizational Goals
- Simple strategies for making performance data meaningful and actionable for frontline staff
- Reward and recognition strategies that ensure frontline staff members remain motivated to achieve key organizational goals
- Improve frequency and effectiveness of peer-to-peer nurse feedback

Onsite Presentation of Prescription for Nurse Engagement
Best Practices for Enfranchising Frontline Staff in Organizational Transformation
- Translate market forces into frontline terms
- Build meaningful recognition into leaders' workflow
- Broaden access to nontraditional development opportunities

Engaging the Nurse Workforce
Best Practices for Promoting Exceptional Staff Performance
- Develop check-ins to keep an eye on staff and consistently engage them in performance-related discussion
- Customize interventions by developing a comprehensive action plan
- Maximize desirable turnover rates from disengaged or disobedient staff

For more information on membership
For more information on these resources, and the Nursing Executive Center, please contact Ellie Barlow at barlowe@advisory.com or 202-568-7954.