CMS ISSUES FINAL QUALITY ASSESSMENT AND PERFORMANCE IMPROVEMENT CONDITIONS OF PARTICIPATION FOR HOSPITALS

The Centers for Medicare & Medicaid Services (CMS) today published a new rule instructing hospitals to develop and implement quality improvement programs in an effort to further reduce medical errors.

Under a final rule announced today, hospitals must develop and implement a quality assessment and performance improvement (QAPI) program that will identify patient safety issues and reduce medical errors in hospitals.

“This rule will encourage a greater emphasis on patient safety in hospitals,” Health and Human Services Secretary Tommy G. Thompson said. “This serves as another step toward bringing improved patient safety, accountability and quality to the forefront of medical practice. Ultimately, we hope to create an environment where hospitals and other providers compete based on the quality of care that they provide to their patients.”

Under the Medicare Conditions of Participation (CoP) rule issued today hospitals must:

- Establish, implement, maintain, and evaluate their own QAPI program
- Have a QAPI program that reflects the complexity of its organization and services
- Have a QAPI program that is hospital-wide and focuses on maximizing quality of care outcomes
- Include preventive measures that foster patient safety, such as reducing medical errors.

Additionally, in concert with Secretary Thompson’s initiative to increase the use of information technology (IT) in healthcare, the rule allows hospitals to implement information technology programs as part of their QAPI programs.

“We are moving on a broad front to improve the quality of care provided to Medicare and Medicaid beneficiaries,” said CMS Administrator Tom Scully. “Already this year we have introduced initiatives to assure higher quality of care in hospitals and nursing homes.”
In November, CMS launched a National Nursing Home Quality Initiative, which provides new information for consumers about the quality of care provided in individual nursing homes, combined with important resources available to nursing homes to improve the quality of care in their facilities. CMS is expected to announce an initiative designed to improve the quality of care in home health agencies.

Also in November, CMS announced a pilot project in Maryland, New York and Arizona to test the most effective ways to communicate with consumers about hospital quality of care. At the same time the nation’s hospital leadership called on hospitals to voluntarily report outcomes of key quality measures related to patient care.

The previous quality assurance CoP for hospitals was published in 1986. At that time, the health care industry as a whole embraced a quality assurance approach of measuring and improving the care delivered to patients. Since then, the industry has moved toward a QAPI approach.

The quality assurance approach involves reacting to an identified problem, coming up with a solution, implementing the solution, and evaluating the solution at a later date. This problem-oriented process does not foster continual performance improvement, and problems are addressed individually rather than being considered as possible systems problems.

In 1997 CMS issued a proposal to change the focus from quality assurance to a QAPI approach, a more proactive and ongoing improvement process. The final rule announced today reflects public comments invited by the 1997 proposed rule.

The majority of Medicare participating hospitals are privately accredited using a standard that already reflects a QAPI approach, but others are certified on behalf of Medicare by states. This rule will assure a uniform standard of quality across all Medicare-participating hospitals.

QAPI is a process of continual assessment of a hospital’s performance with implementation of solutions, assessment of the effectiveness of the solutions, and evaluations to determine how they can do even better. It encourages hospitals to evaluate the operating systems and processes in a facility instead of fixing one problem at a time.

Improving quality of care and patient safety in hospitals is a high priority of HHS and CMS that gained impetus following a 1999 report by the Institute of Medicine (IOM) that estimated up to 98,000 Americans die each year as a result of preventable medical errors. In 2001, the IOM published a follow-up report that said IT holds great potential to transform the nation’s health care delivery systems.

In keeping with this recommendation, Secretary Thompson has encouraged providers to implement IT systems in the effort to reduce medical errors and increase quality. In this final rule, CMS addresses issues raised in the IOM reports.
Under Medicare law, the Secretary of HHS establishes minimum health and safety quality standards, known as Conditions of Participation, which must be met by providers and suppliers participating in the Medicare and Medicaid programs.

The final rule will be published in the January 24, 2003 Federal Register. This rule will be effective 60 days after publication.

###