In January 2011, CMS published the proposed rule for value-based purchasing (VBP). This left some excitedly cheering “Value-based purchasing is finally here! We will be reimbursed based on the quality and not just quantity of care we provide!” Others, however, had more apprehensive reactions. Cheers, grimaces, and other expressions aside, organizational leaders need to know how to succeed under this new system of reimbursement.

The Patient Experience domain, which will comprise 30% of a hospital’s Total Performance Score used to determine incentive payments for Fiscal Year 2013, uses 17 measures from the Hospital Consumer Assessment of Healthcare Providers and Services (HCAHPS) survey\(^1\). The HCAHPS survey gauges the frequency of several behaviors or processes from patients’ perspectives, all believed to lead to better outcomes. If hospitals work to improve these processes, quality of care will also improve. While many hospitals have already been focused on improving their compliance with the processes assessed by HCAHPS, there is new impetus for these efforts given VBP’s upcoming implementation.
When it comes to the assessment of quality healthcare by patients, however, executives should concern themselves with improving two outcomes: complying with HCAHPS measures and earning patient loyalty. Hospitals need to be focused on improving or maintaining HCAHPS scores in order to maximize their reimbursement from CMS. They also need to be focused on garnering patients’ loyalty. After all, if a patient seeks care elsewhere, a hospital will not receive any reimbursement. Therefore, PRC recommends a two-pronged focus at the unit level: focus on compliance and focus on excellence. Compliance with the expected behaviors 100% of the time should be the goal, and with unit level data, leaders will be able to detect which units are really excelling and which are falling behind. As a complement to that effort, a focus on excellence will motivate staff not simply to “do” the behaviors, but to also give attention to the quality of these interactions.

### Measuring HCAHPS Compliance

- Nurse Respect/Listen/Explain
- Doctor Respect/Listen/Explain
- Call Button
- Bathroom Help
- Pain Controlled/Help with Pain Effects
- Medicine Explanation/Side Effects
- Cleanliness
- Quiet
- Help After Discharge – Yes/No
- Symptoms to Monitor – Yes/No

| Always | Usually | Sometimes | Never |

### Measuring Patient Loyalty

- Nurses’ Understanding & Caring
- Nurses’ Respect for Privacy
- Doctors’ Involving You in Decisions about Care
- Doctors’ Discussing any Anxiety and Fears You May Have Had
- Teamwork
- Safety
- Discharge Instructions

| Excellent | Very Good | Good | Fair | Poor |
Hospitals Must Embrace Quantity AND Quality

CMS intended the HCAHPS data to produce meaningful comparisons across the nation regarding the patient experience. Additionally, it was hoped that with public reporting and the increased accountability it would create, there would be greater incentive to improve. Their goals could also be interpreted as aiming to standardize methods of providing patient care across all hospitals, echoing what any person who works in quality improvement would say: “Unnecessary variation is the enemy.”

Every single time a patient receives a new medication, someone should be explaining the purpose and the side effects of that medication. Or in HCAHPS terms, someone should be providing these explanations “Always.”

HCAHPS is an especially valuable tool when it comes to measuring compliance and ensuring staff are performing the tasks they are expected to perform. PRC is a sincere proponent of the HCAHPS survey for its effectiveness in measuring whether the things that should be done are actually done. However, it does not measure everything, including those items most important to how patients evaluate the quality of their care.

For PRC clients using the Loyalty survey, statistical analysis identifies Key Drivers of Excellence. This analysis highlights the survey questions that are most important in distinguishing an “Excellent” experience from a “Very Good” experience, as measured through the “Overall Quality of Care” question. Nationally, across PRC inpatient clients, the most common Key Driver is “Overall, how would you rate the teamwork between doctors, nurses, and staff?” The second most common Key Driver is “Overall, how would you rate your safety?” Neither of these questions is included in the HCAHPS survey, but according to patients, they are vital to a memorable experience.

The HCAHPS survey asks questions geared toward standardization. PRC’s Loyalty questions ask patients how they feel about their care. Patients do not simply want tasks to be completed; they want to feel like their team is coordinating with one another to provide great care. They want their nurses to be understanding and caring, their doctors to keep them informed. PRC’s Loyalty questions are geared less towards the quantity of the desired behaviors and more toward the quality of the interactions. While consistency is important, it is cheapened when those behaviors do not truly connect with the patient. How patients are connected with their providers and with a hospital predicts future purchasing behavior and how they will talk about your hospital.

When patients rate their overall quality of care as excellent, they are four times more likely
If organizations want to thrive in the future, they need consumers promoting their organization. To get there, they need to give patients stories to tell by delivering excellent experiences through compassionate and personalized care. To be loyal (Figure 1), measured through their likelihood to recommend and exhibited through advocating for an organization in a community. Fred Reichheld, arguably the godfather of consumer loyalty, has shown the value of loyal customers is realized through long-term sustainability, competitive advantage, high productivity, growth, having a greater impact on society, and better profits. If organizations want to thrive in the future, they need consumers promoting their organization. To get there, they need to give patients stories to tell by delivering excellent experiences through compassionate and personalized care. Given compliance and loyalty are both important endeavors, many organizations are wondering how to balance the measures and improvement efforts that accompany them.

### Inpatient Perceptions of Overall Quality of Care

Inpatients who felt that the quality of care they received was “Excellent” were **4 times** more likely to recommend the hospital than those who felt it was “Very Good”.

![Inpatient Perceptions of Overall Quality of Care](image1)

**PRC’s Newest Survey: Assessing Compliance and Loyalty on Each Unit**

Given the value of demonstrating consistency on the HCAHPS measures and the desire to build patient loyalty for long-term strength and viability, PRC recommends a balanced approach. PRC is now recommending adding all of the HCAHPS survey questions that will be incorporated into the VBP scoring system to your Inpatient Loyalty survey. Appending this abbreviated HCAHPS question set to your existing Inpatient Loyalty instrument means that you will now have real-time access to HCAHPS results by unit and at sampling rates that make this unit-level data meaningful. In this approach,
hospitals with sufficient discharge volumes sample patients for process improvement measurement and for CMS submissions separately. This allows PRC to provide you with HCAHPS results at the nursing unit level without impacting the speed and timeliness of our standard data collection processes. Additionally, we can continue our standard interviewing schedule of completing this week’s interviews before next week’s file arrives because these are NOT the interviews that will be submitted to CMS.

PRC has long advised hospitals to manage their HCAHPS scores at the hospital level, but to give more focus at the individual unit level to efforts aimed at yielding a loyal patient base. Many hospitals have succeeded with this predominantly loyalty focus. Not only have their scores on loyalty measures risen, but their HCAHPS scores have also followed. In fact, many PRC clients score significantly above the top quartile on HCAHPS (Figure 2). HCAHPS results at the hospital level give you an outward-facing view of your organization.
They tell you how you will look to consumers reviewing your data on Hospital Compare, and how you will fare with CMS in the impending VBP program. In both instances, the audience will be comparing your hospital to others. Further, for VBP, the evaluation of your hospital’s performance will rest on how you rank relative to other hospitals, so keeping an eye on your rankings is very meaningful.

Tracking your results at the hospital level for process improvement, however, can be a daunting challenge. Most hospitals have several areas that function differently in order to meet the specialized needs of the patients they serve, and it can be challenging to roll out effective, broad-stroke improvement plans across the whole hospital when some areas have already achieved the goal and others need more guidance than the plan outlines. Therefore, PRC recommends tracking compliance with your HCAHPS measures, along with the Loyalty measures, at the unit and hospital level.

HCAHPS results at the unit level give you the inward-facing view of your organization that you need for process improvement. At the unit level, these scores tell you which units of your hospital are performing the measured behaviors consistently and which units need to give greater attention to creating consistency. The HCAHPS behaviors are intended to be performed always, for every patient, and when you are looking at data at the unit level, that should be your goal: **100% Always**. This information will be most effectively used if the concentration is inward, what is happening on my unit; to include rankings information here would cloud the message.

**The NEW HCAHPS Compliance Tracker on PRCEasyView.com**

How consistent is your organization with Nurses’ Communication, Pain Management, and Discharge Instructions? Is there equal consistency on all units or do some perform better while others struggle? Using PRC’s HCAHPS Compliance Tracker, a new application of PRCEasyView®.com, you have real-time access to your HCAHPS results at the unit level, and improvements over time can be monitored to help ensure that you are in the best position for public reporting and reimbursements.

Supplementing this new survey design is a new application for PRCEasyView®.com: HCAHPS Compliance Tracker. To follow unit-level performance on the HCAHPS measures, this application offers two views of your results. The first view is a chart with the Top Box raw scores for the individual HCAHPS questions by discharge unit, with highlighting to draw your attention to positive and problematic results. The chart defaults to highlighting scores above 75% as blue scores between 74.9% and 49.9% as green, and scores below 50% as...
red; the user may customize these thresholds and colors as well. This will give you a quick view to identify, for example, which units are “Always” describing the side effects of new medications, and which units have some work to do to make this behavior a consistent part of the care delivered to all patients.

The second view is a **trending graph** depicting the percentage of measures by unit that are in each of the three threshold strata for your most recent five time periods (quarters, years, etc.) The trending provides a nice overview, to help you gauge progress toward creating consistent behaviors organization-wide.

**The Balanced Approach**

Given the dynamic nature of the healthcare environment, PRC will continually enhance our...
research design and add new products to serve our clients’ needs to manage the improvement process. One message, however, will remain constant: If organizations expect to thrive, they need to deliver excellent experiences in the eyes of their patients. While receiving maximum reimbursement from CMS is an obvious goal, patients talking about their wonderful care and recommending your organization to friends and family is even more meaningful.

Revenue is nice. Revenue AND reputation are nicer.

1 To find out more about VBP, go to http://prconline.com/government/hospitals/index.asp

2 Fred Reichheld has published his research on the benefits of loyalty and how to attain more in several popular articles published in the Harvard Business Review and other journals along with three books on the subject: The Loyalty Effect (1996), Loyalty Rules! (2001), and The Ultimate Question: Driving Good Profits and True Growth (2006).

3 To meet the CMS requirements without compromising the process improvement benefits of the HCAHPS Compliance and Loyalty Study, PRC recommends completing the mandatory 300 HCAHPS interviews per hospital in a separate sample using the HCAHPS survey instrument only. (If your hospital’s inpatient volumes do not support a separate sample for HCAHPS, PRC will conduct the complete HCAHPS survey, along with an abbreviated set of Loyalty questions using the required CMS protocols.)