Value-based Purchasing: What It Means for HIM Professionals

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HIM professionals understand how critical final coding accuracy is for acute care billing and reporting—they live and breathe it every day. Yet, over the past several years the importance of coded data has extended beyond acute care.

Coding now has an impact on everything from quality reporting, public reporting of mortality and morbidity rates, and physician and hospital profiling to outcomes. This has elevated the role of HIM professionals to a new level. In turn, it can require new skills from them.

Value-based purchasing (VBP) is one such emerging initiative that raises the bar on coding accuracy.

VBP and the Impact on Profiling

VBP is the latest chapter in the federal government's quest to link payment to quality care. The Department of Health and Human Services outlined the initiative in a November 21, 2007, report to Congress titled "Plan to Implement a Medicare Hospital Value-Based Purchasing Program."

In the report, HHS described the expansion of the Reporting Hospital Quality Data for Annual Payment Update program, which since FY 2005 had provided differential payments to hospitals that met certain requirements, including publicly reporting their performance on a defined set of inpatient care performance measures (also known as core measures). "Value-Based Purchasing, which links payment to performance, is a key policy mechanism that CMS [Centers for Medicare and Medicaid Services] is proposing to transform Medicare from a passive payer of claims to an active purchaser of care," HHS wrote.[1]

At approximately the same time, CMS implemented the most significant revision to the Inpatient Prospective Payment System since the inception of the DRG system in 1983. Implemented on October 1, 2007, MS-DRGs became an integral part of the overall value-based purchasing initiative.

Coding professionals are legally required to code only those diagnoses and procedures documented by treating physicians. Therefore, getting physicians to document accurately and completely is the primary challenge.

For hospitals to fare well under VBP, it is essential that HIM professionals understand the impact coding now has on quality reporting and the importance of designating present on admission (POA) indicators and hospital-acquired conditions (HACs).

CMS's transition to VBP and the move to public profiling and pay-for-performance affects both physicians and HIM professionals. The same DRG relative weight used to adjust severity clinical outcomes for hospitals has now been adopted as a proxy for severity; VBP now, more than ever, affects hospital and physician profiling and can either burnish or mar a hospital's reputation.

Supporting Value-based Purchasing

VBP underscores the fact that HIM professionals cannot work in isolation. Coding has a very real and strong effect on hospital performance. Supporting VBP does not necessarily mean a greater workload for HIM professionals, but it does require working in closer tandem with clinical teams and recognizing the impact HIM has on organizational success. VBP inextricably links the accuracy of coded data to the reflection of a facility's quality of care.

As CMS introduces new VBP pilots and initiatives—such as bundled payment, episode of care payment, and readmission payment adjustment—HIM professionals will increasingly contribute to data integrity reporting.

To support new VBP guidelines and help hospitals succeed under this new system, HIM professionals must be adaptable, proactive, and work well with other healthcare professionals.

HIM's Evolving Role

The HIM core skill set is exponentially evolving in today's ever-changing regulatory healthcare environment. It now includes skills in:

- Analysis
- Technical applications in electronic health records
- Clinical and severity coding
- Compilation
- Distribution of information
- Finance
- Privacy
- Processing (data mining)
- Quality and core measures

In order for HIM professionals to succeed with these evolving skill sets, they must accept change. Expanding knowledge—both theoretical and applied—is imperative to maintain cutting-edge expertise.

Addressing All "Customers"

HIM professionals have become conduits within healthcare entities as information becomes more multifaceted and must address the needs of a multitude of "customers" including:

- Patients
- Clinicians
- Provider organizations
- Payers
- Regulators
- Policy makers

HIM professionals are shifting from responders to change to generators of change. Involvement in decision making is imperative. Coded data will continue to be of importance because they convey concise information essential to patient care and quality outcomes, particularly with the implementation of ICD-10-CM and ICD-10-PCS in 2013.

HIM's Core Responsibilities

HIM professionals are now seen to affect processes and outcomes within the healthcare industry. They are expected to ensure the appropriate and meaningful dissemination of health information for:

- Administrative oversight
- Clinical decision making
- Financial management
- Medical research
- Personal health management
- Public reporting outcomes

HIM professionals must anticipate the needs of all healthcare "customers" in order to ensure each receives the appropriate health information, which should result in "meaningful" information. Information must be uniform and consistent to ensure quality.

Merging Skills for Quality Care

Documenting and coding the quality health information that meets clinical and administrative quality outcomes goals requires collaboration. Facilities need a new operational model in which both nurses and HIM professionals have complementary skill sets.

HIM and nursing must merge efforts in evaluating healthcare facility performance and reportable outcomes. Combining HIM expertise and nursing for quality improvement is a best practice for an objective process.

HIM professionals should consider obtaining additional skills that support cross-operational teamwork, including:

- Knowledge of project management
- Strategic thinking skills and leadership mindset
- Global philosophical organizational awareness
- Analytical cognition, architectural process design, project management
- Bridging the gap between the technical and operational

The rise of VBP initiatives requires that HIM professionals be well positioned in the healthcare industry to work in collaboration with administrative, fiscal, technical, and clinical professionals within their facilities. This collaboration ensures due diligence in compliant, accurate, reliable, and meaningful coded data, ensuring the "value" of reportable outcomes for both individual organizations and the industry as a whole.

Note

1. Department of Health and Human Services. "Plan to Implement a Medicare Hospital Value-Based Purchasing Program." November 21, 2007. Available online at www.cms.hhs.gov/AcuteInpatientPPS/downloads/HospitalVBPPlanRTCFINALSUBMITTED2007.pdf.

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