

# The Benefits of High-Reliability in a Value-Based Payment Environment

Today, provider pay is increasingly based on cost and quality performance. Hospital and health system members of Premier Inc. are building high reliability organizations (HROs) to reap the benefits of this value-based payment environment. **BY MADELEINE BIONDOLILLO, MD, MBA**

**I**t is essential for health systems to understand and effectively comply with what is driving the system-wide cost and quality outcomes they are at risk for to avoid penalties, identify gaps in care to continuously improve and earn reimbursement, and build the capabilities needed to predict reimbursement in the future.

## **Avoid penalties**

Hospitals face a daunting challenge of preventing unnecessary readmissions and harm, improving patient satisfaction

and lowering costs, all at the same time. If they can make all this happen, they're not only putting patients first but it also means they can avoid paying a penalty to survive another day in today's value-based care world.

That's why hospital members of Premier are focused on folding highly-reliable practices into their work streams each day. Part of becoming a HRO means avoiding errors and system failures, which can often lead to payment penalties. One of the first steps to avoiding errors is to get a better understanding of where variation lies.

However, gathering outcomes information across a health system can be an arduous task, especially for reporting required by multiple payment programs. At the same time, leadership is often challenged with that information being accessible holistically, limiting the ability to analyze total performance in an easy and timely manner.

Having the right comparative data and analytics that provide a combined view of network-level performance with the option to drill down to the individual

level to further engage clinicians in targeting and prioritizing improvement opportunities is key.

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## **Earn reimbursement**

Effective HRO practices can offer powerful upside bonus rewards, representing a smart business choice that goes beyond avoiding payment penalties to ensure continued economic viability.

Once opportunity areas are identified, creating and implementing strategic plans for improvement is essential. In working with Premier member hospitals to advance the quality and safety of care, we have learned that improvement comes when there is a



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presence of leadership champions who are visibly involved and active in sustainably removing barriers that are focused on aligning specific improvement projects with the organization's mission and goals.

While leadership is key, using evidence to improve performance and standardize care, holding staff accountable, and providing education and feedback is essential to ensuring improvement projects are "hardwired" into care delivery practices.

Highly-reliable care requires all staff members to speak up and advocate for better, safer care. Successful hospitals implement training programs and promote cultures that encourage communication and teamwork to empower staff.

For example, to combat improper hand hygiene, many Premier member hospitals have implemented hand hygiene campaigns that include education, reminders, audits and feedback. Staff at one hospital use a code phrase to remind colleagues to sanitize their hands, and hand washing reminders are placed in prominent places. These may seem like simple fixes but these efforts

create a culture of safety, encouraging caregivers to not only identify errors but also potential risks.

**Predicting potential reimbursement and payment penalties helps providers understand where to prioritize improvement areas and really focus on sustaining improvements overtime.**

Premier member hospitals that have put these practices in place have not only saved thousands of lives and \$2 billion, but also outperformed the nation in achieving value-based purchasing payments.

**Predict payment**

Having the ability to forecast the potential financial impact of future reimbursement can help providers prioritize areas of improvement. Again, this comes down to the data. Consolidating quality and cost performance across the continuum, healthcare providers can project the clinical and financial impact of pertinent federal, state and commercial payment programs, including the Quality Payment Program.

Predicting potential reimbursement and payment penalties helps providers understand where to prioritize improvement areas and really focus on sustaining improvements overtime. Engaging a broad scope of stakeholders, outside the quality department and beyond hospital walls, is key to solving and sustaining targeted service line challenges for greater reimbursement opportunities.

To learn more about building an effective HRO, visit: [www.premierinc.com/HROJourney](http://www.premierinc.com/HROJourney).

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