

### **CMS pilot project to target hospital-physician quality alignment**

CMS yesterday announced a pilot project that will allow hospitals to offer physicians a portion of the savings achieved through provider-led quality improvement initiatives, seeking to determine the impact of the demonstration on aggregate costs and outcomes. Under the three-year Physician-Hospital Collaboration Demonstration, up to 72 hospitals will be paid their usual inpatient rates and will be allowed to reward participating physician groups with a percentage of the savings generated through documented care quality improvements. For instance, hospitals could partner with surgeons to improve infection control practices and then share some of the savings attributable to reduced infection and readmission rates. CMS says the project has the potential to prevent duplicate services, enhance coordination of care, and reduce short- and long-term complications. However, CMS Administrator Mark McClellan notes that the demonstration differs from traditional gainsharing, through which hospitals share a portion of supply cost savings with surgeons in an effort to promote product standardization and curb unnecessary resource use (CMS release, 9/6).

Link:

<http://www.cms.hhs.gov/DemoProjectsEvalRpts/MD/itemdetail.asp?filterType=none&filterByDID=99&sortByDID=3&sortOrder=ascending&itemID=CMS1186653>