

Bill would change Medicare reimbursement criteria for hospitals

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U.S. Rep. Jason Altmire proposed legislation Wednesday that would require hospitals to meet federally set benchmarks for quality of care to receive full reimbursement from Medicare.

Altmire, D-4, McCandless Township, said he worked for two years with hospitals across the nation before offering the proposal as part of President Obama's health-care reform package now in the works. Representatives of local health-care providers contacted by The Times on Wednesday said they support Altmire's proposal.

"Right now, the reimbursement system is skewed to where (a hospital's) incentive is for you to get sick; the more you see them, the more money they're going to make," Altmire said. "I think, and these hospitals would agree, that the reimbursement should be based on quality and outcome. You should be reimbursed based on keeping people healthy and keeping them out of the system."

Improving quality of care would lower Medicare costs by preventing costly health complications in the future, Altmire said. He said the savings would amount to billions for the cash-strapped Medicare system, which is expected to be insolvent by 2019.

"If you can prevent someone from getting diabetes in the first place, you're not only improving the quality of life for that individual, you're also saving money for the health-care system," he said.

A.J. Harper, president of the Hospital Council of Western Pennsylvania, said his organization and the American Hospital Association have issued a letter in support of Altmire's bill.

"What Jason is saying is it's time to reward hospitals that demonstrate high quality," Harper said. "All the hospitals realize they need to report their (statistical) data, and they need to report it publicly, and they need to show improvement. As a part of that, they would be recognized for their quality."

Michael Baker, director of strategic planning for Heritage Valley Health System, said hospitals in the system have been working on similar incentive plans with insurance companies for years.

The bill would mean a financial reward for improvement, and Heritage Valley is favorable to that, he said.

"We're focused on quality improvement across all of our services, so in a way, it's not going to change things because we're already very much committed to improvement and high quality," Baker said.

