



Media Release

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Arkansas Hospitals Rewarded for Efforts to Improve Care

LITTLE ROCK – Arkansas hospitals are receiving \$4.9 million in performance bonus payments from the Arkansas Medicaid Inpatient Quality Incentive (IQI). As a result, participating hospitals are better able to strengthen health care quality, accountability and financing in the state.

Developed through a partnership between Arkansas Medicaid, the Arkansas Foundation for Medical Care (AFMC), and the Arkansas Hospital Association, the IQI is the first pay-for-performance program for hospitals in the nation to include a validation component. The IQI received national recognition for its innovation and health care community involvement.

Arkansas Medicaid issued the bonus payments to 34 hospitals that significantly improved care for heart failure and pneumonia patients over a one-year period. To receive bonus payments, hospitals had to pass specific requirements for at least five out of seven “quality measures,” which are specific aspects of care proven to improve outcomes for patients. Eleven of the 34 hospitals met the criteria for all seven indicators.

“These hospitals have taken seriously the top priority of strengthening access to and quality of health care in Arkansas,” Governor Mike Beebe said. “Arkansas rated above the national average not just in a few categories, but in every single criteria measured.”

Levels of achievement are based upon hospital data submitted to the QualityNet Clinical Warehouse, a national repository that stores information about quality of care. The data comes from all health care payers, including Medicaid, Medicare and private insurance.

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Arkansas Hospital Association president Phil Matthews said, “Arkansas’ Inpatient Quality Incentive program is unique because it is in the truest sense a pay-for-performance program which recognizes hospitals for successfully implementing specific steps proven to enhance patient care. This voluntary collaboration between the state’s hospitals, the Medicaid program and AFMC not only establishes the goal of meeting meaningful quality measures in the current year, but also raises the bar from year to year with new thresholds and new standards in an effort to make continued, measurable clinical improvements.”

Some Arkansas hospitals, such as critical access hospitals in rural areas of the state, were not eligible to receive payments from the program. However, many chose to participate and work toward the IQI goals. The IQI has positioned Arkansas as a leader for national Medicaid pay-for-performance efforts. The initiative represents a growing national movement toward rewarding hospitals that provide care to Arkansas Medicaid recipients for their commitment to quality and investment in the resources it takes to provide evidence-based care to their patients.

“This IQI program is the first of its kind, and thanks to the hard work of hospitals across the state, it is yielding real rewards,” said Medicaid Director Roy Jeffus. “Arkansas’ Medicaid program and its partners have already earned national recognition for innovation, for our ConnectCare program among other accomplishments. IQI is well on its way to becoming another long-term success.”