

## CLIENT ALERT

### CMS Issues Quality Improvement Program Requirements for Hospitals

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On Friday, January 24, 2003, the Centers for Medicare & Medicaid Services issued a final rule requiring all hospitals that participate in the Medicare and Medicaid programs to develop and maintain as a condition of participation a quality assessment and performance improvement ("QAPI") program. The QAPI condition of participation ("CoP") was one of the CoPs included in a 1997 proposed rule to revise all of the CoPs for hospitals. The QAPI CoP has been published in advance of the remaining CoPs to implement the Administration's initiatives regarding identifying and avoiding medical errors in the healthcare delivery system.

Under the QAPI CoP final rule, which becomes effective March 25, 2003, every hospital must:

- Develop, implement, maintain, and evaluate its own QAPI program;
- Establish a QAPI program that reflects the complexity of its organization and services;
- Establish a QAPI program that involves all hospital departments and services and focuses on improving health outcomes and preventing and reducing medical errors; and
- Maintain and demonstrate evidence of its QAPI program for review by CMS.

The final rule further contains specific requirements for the development of an effective, ongoing, hospital-wide QAPI program, including guidelines regarding the scope of the program, the data a hospital must use as part of its program, performance improvement, and the responsibilities of the hospital leadership.

The final rule states that this type of program is not designed to measure a hospital's quality, but rather to establish a minimum requirement that the hospital systematically examine its quality and implement specific improvement projects on an ongoing basis. The purpose of the final rule is to set a clear expectation that hospitals must take a proactive approach to improve their performance and focus on improved patient care. According to CMS, this rule will assure a uniform standard of quality across all Medicare-participating hospitals.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.