

Performance Measures: Finding the Right Adjustment

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NATIONAL
QUALITY FORUM

Overview of the Presentation



FINDING THE RIGHT
ADJUSTMENT

NQF: Mission & Approach to Our Work

- To improve health and healthcare through measurement
- Two main levers:
 - Endorsing quality measures
 - Convening stakeholders to achieve buy-in
- Evidence-based and consensus-driven
- 420 plus members from every part of the healthcare system with a consumer/purchaser majority in governance
- Based in WDC and celebrating 15 years since our founding

Risk Adjustment – Clinical and SES/SDS

- NQF already adjusts measures for clinical factors, where appropriate
- Policy to date has prohibited consideration of socio-economic/demographic* factors in risk adjustment (est 2006)
- Patient socioeconomic (SES) factors influence outcomes through a variety of pathways
- SES factors may also be related to disparities in health and healthcare

*SES factors:

- » Socioeconomic (e.g., income, education, occupation)
- » Demographic factors (e.g., age, race, ethnicity, primary language)

Many factors shape outcomes

Bikdeli et al Place of Residence and Heart Failure Outcomes 7

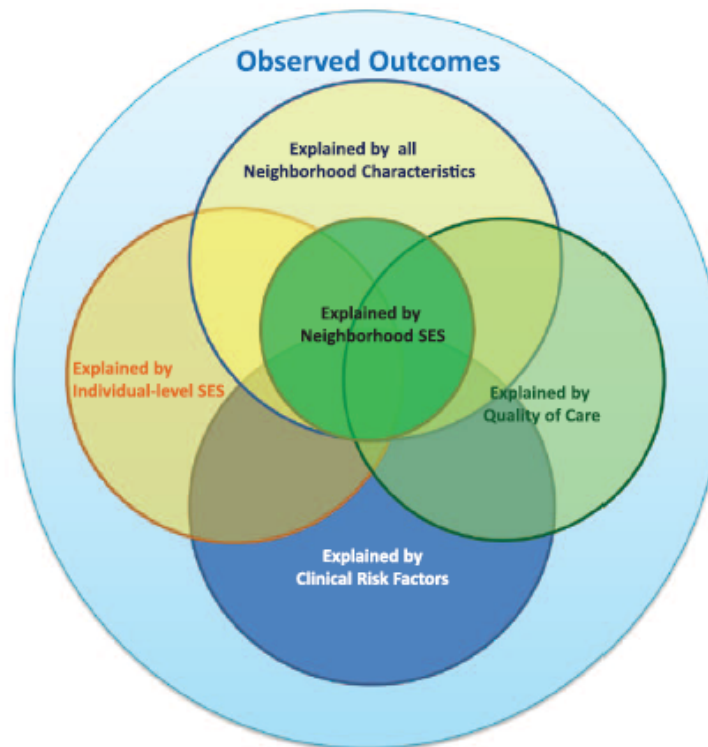


Figure 2. Proposed model for contribution of individual-level and neighborhood factors in disease outcomes. SES indicates socioeconomic status.

Bikdeli, B, et al, Place of residence and outcomes of patients with heart failure: Analysis from the telemonitoring to Improve heart failure outcomes trial. *Circulation – Cardiovascular Quality and Outcomes*, 2014, ePub, August 6

Why Consider SES Adjustment Now?

- Overall quality has improved, but disparities have not
- Growing evidence regarding role of SES factors on many outcomes
- Evidence-based interventions that could help close the gap require additional resources
- Growing emphasis on outcomes in accountability programs
- Higher financial stakes has fueled concern

Policy Context

- SES may affect vulnerable populations, safety net providers and payment rates
 - Key stakeholders particularly concerned about hospital readmissions and health plan star rating programs
- Federal and state laws introduced
 - Congressional staff requested NQF input
- Heightened interest as the report was being developed

Technical Issue (Nearly) Goes Mainstream

Modern Healthcare

“This is a significant change in policy,” said David Nerenz, director of the Center for Health Policy and Health Services Research at the Henry Ford Health System. The NQF action, he said, reflects the special challenges of using outcome measures to evaluate and compare health plans and providers.

“It will not always be easy to know when adjustment is appropriate, but the NQF Board decision yesterday opens the door so that we can learn about how and when best to do it,” he said.

Hospitals routinely face financial penalties from the CMS for the return of excess numbers of patients with certain conditions within a month of discharge. Health policy advocates have argued hospitals in poor communities may be unfairly penalized by the CMS policy because of factors beyond their control that contribute to patients' overall poor health.

The New York Times

Measures of health care quality and performance — widely used by Medicare and private insurers in calculating financial rewards and penalties — should be adjusted for various “sociodemographic factors,” the expert panel said. The panel was created by the [National Quality Forum](#), an influential nonprofit, nonpartisan organization that endorses health care standards.

Dr. Helen Burstin, a senior vice president of the National Quality Forum, said the endorsement of performance measures “has become increasingly controversial over the issue of whether to adjust for socioeconomic status.”

Federal Policy Seeks to Address this Issue

Bills in Congress:

- Establishing Beneficiary Equity in the Hospital Readmissions Program Act, 2014 (House)
- Hospital Readmissions Program Accuracy and Accountability Act of 2014 (Senate)
- IMPACT bill passed on 9/18/14 mandates SES related studies

MedPAC has also weighed in on the risk adjustment issue

Establishing Beneficiary Equity in the Hospital Readmissions Program Act (H.R. 4188)

- Introduced by Congressman Renacci (R-OH16) on March 11, 2014 – over 100 bi-partisan cosponsors
- MedPAC study on the appropriateness of using the 30 day threshold for the Medicare HRP
- Would remove readmissions from the program related to transplants, end-stage renal disease, burns, trauma, psychosis, or substance abuse
- Applies risk adjustment as hospitals' proportion of inpatients who are dual eligible individuals
- Mandates that HHS take into account this proportion of inpatients when determining payment policies under the Medicare Hospital Readmissions Program (HRP)

Hospital Readmissions Program Accuracy and Accountability Act of 2014

- Introduced by Senator Manchin (D-WV) on June 19th, 2014 – currently has 10 co-sponsors
- Mandates that HHS risk adjust for SES in determining a hospital's excess readmission ratio and related payments under the Medicare HRP
- Broadly defines SES factors to include income, education level and poverty rate
- Directs HHS to measure the socioeconomic status for all patients served by each hospital
- HHS may also risk adjust for SES using peer groupings and stratification

SES Studies Included in IMPACT Act of 2014

- Legislation includes two studies, one using existing Medicare data related to SES and one using other data sources
- Both studies apply broadly to all settings of care
- Study conducted by ASPE using existing Medicare data
 - Examines the effect of individuals' SES status on quality and resource use outcome measures
- Study conducted by HHS using Medicare and other data
 - Examines whether race, health literacy, limited English proficiency, patient activation and other factors have an effect on quality and resource use outcome measures

SES Studies Included in IMPACT Act of 2014, Cont.

- If both studies show a relationship between SES factors and quality and resource use outcome measures:
 - CMS is directed to make recommendations about how to collect relevant SES data
 - Account for SES factors in quality and resource use measures
 - Account for SES factors in determining payment adjustments for Medicare providers

NQF SES Project: Purpose and Scope

- Identify and examine the issues related to risk adjusting measures for SES or related demographic factors
- Convene expert panel to:
 - Make recommendations regarding if, when, for what, and how outcome performance measures should be adjusted for SES or related demographic factors
 - Make recommendations for NQF's endorsement criteria for performance measures

Key Questions Explored by NQF Expert Panel

- Does adjustment mask disparities or meaningful differences in quality?
- Does adjustment create different standards?
- Are sociodemographic factors different than clinical or health status factors?

NQF Expert Panel Members

- **Kevin Fiscella, MD, MPH (U Rochester)**
- **David Nerenz, PhD (Henry Ford)**
- Jean Accius, PhD (AARP)
- Alyce Adams, MPP, PhD (Kaiser)
- Mary Barger, PhD, MPH, CNM (UCSD)
- Susannah M. Bernheim, MD, MHS (Yale)
- Monica Bharel, MD, MPH (HC Homeless)
- Mary Beth Callahan, ACSW/LCSW (Dallas)
- Lawrence Casalino, MD, PhD (Cornell)
- Alyna Chien, MD, MS (Boston Children's)
- Marshall Chin, MD, MPH (U of Chicago)
- Mark Cohen, PhD (ACS)
- Norbert Goldfield, MD (3M)
- Nancy Garrett, PhD (Hennepin County)
- Atul Grover, MD, PhD (AAMC)
- David Hopkins, PhD (PBGH)
- Dionne Jimenez, MPP (SEIU)
- Steven Lipstein, MHA (BJC)
- Eugene Nuccio, PhD (U of Colorado)
- Sean O'Brien, PhD (Duke)
- Pam Owens, PhD (AHRQ)
- Ninez Ponce, MPP, PhD (UCLA)
- Thu Quach, PhD, MPH (Asian Health)
- Tia Goss Sawhney, DrPH, FSA (Illinois)
- Nancy Sugg, MD, MPH (Harborview)
- Rachel Werner, MD, PhD (Penn)

At Least Two Divergent Views

- Adjusting for SES factors will mask disparities
- Adjusting for SES factors is necessary to avoid making incorrect inferences in the context of comparative performance assessment

Oppose Adjustment for SES Factors

- Some providers may deliver worse quality care to disadvantaged patients
- Adjustment could make meaningful differences in quality disappear
- Worse outcomes could be expected
 - No expectation to improve
 - Implies or sets a different standard
- Lack of adequate data for SES adjustment
- Prefer payment approach to help safety net

Support Adjustment for SES Factors

- Risk adjustment allows for comparative performance
- A performance score alone (whether or not adjusted for sociodemographic factors) cannot identify disparities.
- Hospitals caring for the disadvantaged are already being penalized.
- No evidence that disparities would be reduced through further negative financial incentives.
- Lack of adjustment would continue to create a disincentive to care for the poor.

SES Expert Panel: Key Points

- Each measure must be assessed individually to determine if SES adjustment appropriate.
- Not all outcomes should be adjusted for SES factors (e.g., central line infection would not be adjusted)
 - Need conceptual basis (logical rationale, theory) and empirical evidence
- The recommendations apply to any level of analysis including health plans, facilities, and individual clinicians.

Final NQF Recommendations (1)

- NQF will conduct a two-year trial period comparing SES-adjusted and non-SES adjusted (clinically adjusted only) prior to a permanent change in NQF policy.
- During the trial period if SES adjustment is determined to be appropriate for a given measure, NQF will endorse one measure with specifications to compute:
 - SES-adjusted measure
 - Non-SES version of the measure (clinically adjusted only)
 - Stratification of the non-SES-adjusted version

Final NQF Recommendations (2)

- NQF will convene a new NQF Standing Disparities Committee to monitor implementation of the revised policy as well as ensure continuing attention to disparities
- NQF and others such as CMS, ONC, and AHRQ should develop strategies to identify a standard set of sociodemographic variables (patient and community-level) to be collected and made available for performance measurement and identifying disparities.

Trial Period: Evaluation of SES-Adjusted Measures

- CMS has committed to working with NQF to identify appropriate measures for consideration
- Examples of key questions:
 - Do SES factors have a significant effect?
 - What measures demonstrate differences for certain sub-groups?
 - If a strong conceptual relationship exists, does the analysis with specific SES variables demonstrate an empirical relationship between those variables and performance?
 - What critical data gaps were identified for SES variables?
 - Are endorsed SES-adjusted measures recommended or implemented in public reporting and pay-for-performance programs?

Longer Term Considerations

- If SES-adjusted measures are used:
 - How do healthcare entities react to SES-adjusted scores and stratified data for improvement?
 - How do purchasers and payers use SES-adjusted scores for rewards and penalties?
 - Do the SES measures and stratified results have an impact on disparities?
- These longer-term issues will be tracked by the Disparities Standing Committee.

Next Steps on the Policy Front

- This issue:
 - Is complex, with many moving parts
 - Requires additional data, research and better evidence
 - Has generated much passion and diverse views about how to move forward
- Yet immediate action is required
- Other approaches are also being discussed – adjust payment not measures, peer groupings, etc.
- Expect that the House and Senate will seek to introduce a compromise bill in 2015
- CMS is a pivotal player

Common Goals, Different Approaches

- Shared goals include
 - Better care for vulnerable populations
 - Reduced disparities
 - Adequate resources/support for the safety net
 - Appropriate recognition for high quality care
- Trial period is an opportunity to sort out the evidence-based, consensus path forward

Discussion

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