NQF

THE NATIONAL QUALITY FORUM

STATEMENT OF
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BEFORE THE
SENATE FINANCE COMMITTEE
ROUNDTABLE ON
CMS HOSPITALVALUE-BASED PURCHASING PROGRAM

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Thank you for this opportunity to participate in the Senate Finance Committee's Roundtable on the Center for Medicare and Medicaid Services (CMS) Hospital Value-based Purchasing (VBP) Program Implementation Plan. The VBP program has much potential to enhance the quality of health care, and the design and implementation of this program will be critical to its success. I commend the Committee for holding this roundtable and am pleased to offer this statement on behalf of the National Quality Forum. First, I would like to briefly describe the role of the NQF as it relates to the subject of this Roundtable. Second, I would like to address the specific topic of selecting *quality measures* to be used in the VBP program.

Background and Role of NQF

A standardized performance measurement and reporting system is a fundamental building block for creating a national health care system that provides high quality service and is affordable and accessible to all Americans. Standardized performance measures are needed to support quality improvement activities; to create a source of reliable comparative performance information upon which consumers may rely in making informed decisions about their care; to assure that provider organizations and practitioners are held accountable for the quality and efficiency of their performance; and to provide a basis for establishing performance incentive programs, such as, the VBP program.

The National Quality Forum (NQF) is a unique, multi-stakeholder organization that has been instrumental in advancing efforts to improve quality through performance measurement and public reporting. NQF is a private, not-for-profit membership organization with more than 375 members representing virtually every sector of the healthcare system. NQF operates under a three-part mission to improve the quality of American healthcare by doing the following:

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1. Setting national priorities and goals for performance improvement.

2. Endorsing national consensus standards for measuring and publicly reporting on performance.

3. Promoting the attainment of national goals through education and outreach programs.

Consumers and purchasers hold a simple majority of the at-large seats on the board, which includes permanent seats for the Agency for Healthcare Research and Quality, CMS, and the National Institutes of Health.

NQF is a *voluntary consensus standards setting body* as specified by the National Technology and Transfer Advancement Act of 1995 and OMB Circular A-119 (1998). NQF endorsement, which involves rigorous, evidence-based review and a formal Consensus Development Process, has become the "gold standard" for healthcare performance measures. Major healthcare purchasers, including CMS, rely on NQF-endorsed™ measures to ensure that the measures are scientifically sound and meaningful and to help standardize performance measures used across the industry. To date, NQF has endorsed more than 400 measures

Quality Measures Used in the VBP Program

A very thoughtful and credible process is needed to guide the selection of quality measures for use in the VBP program. In recent years, progress has been made in establishing such a process, but challenges remain in three areas:

- Setting national priorities and goals to focus quality measurement activities on "high leverage areas."
- Developing and endorsing valid and reliable quality measures.
- Harmonizing measures across settings and providers.

National Priorities and Goals Are Needed

Significant progress has been made in recent years in measure development, endorsement and public reporting. Hospital Compare now includes over two dozen measures and many other measures are in the pipeline. In spite of this growth, there are critical gaps in the portfolio. Hospital Compare covers only three conditions (AMI, heart failure, pneumonia) and one cross cutting area (surgical site infection prevention). Today's measure sets provide an adequate starting point from which to "jump start" pay–for–performance and public reporting, but it is important to chart an evolutionary course for measures that will be used by public and private purchasers and other stakeholders in the near future.

Now more than ever, as pressures mount to address serious quality and safety shortcomings in our health care system, our nation needs a clear strategy to

- Focus provider and practitioner attention on a limited number of "high leverage" areas with the greatest potential to enhance quality and slow the rate of growth in healthcare expenditures.

- Systematically raise the bar of performance expectations.

- Ensure the efficient and effective deployment of scarce resources dedicated to measure development.

NQF is currently working in partnership with 27 national organizations, including CMS and the Hospital Quality Alliance, to establish an *initial set of national priorities and goals by the fall of 2008.* Setting national priorities and goals will ensure that adequate attention is paid to high-volume, high-cost conditions and procedures; measures of "overuse" as well as "underuse;" measures for key cross-cutting areas such as safety, care coordination, medication management and palliative care; measures of resource use and efficiency; and measures of patient engagement in decision making and outcomes. The Medicare VBP program should align its efforts with the NQF National Priorities Partnership Initiative by supporting the establishment of an ongoing priority-setting platform, and the development and endorsement of measures that correspond to the national priorities.

Developing Valid and Reliable Quality Measures

To support the needs of the VBP program, steps should be taken now to ensure that there is an adequate portfolio of valid and reliable quality measures including:

- Coverage of all the major domains of performance. The goal should be to develop a balanced set of measures including: measures of medical effectiveness, safety, care coordination, patient engagement in decision-making, resource use, and patient outcomes.

- Emphasis on patient outcomes. At present, the majority of performance measures represent process measures; over time, as measurement and data capabilities improve, far greater emphasis should be placed on measuring patient outcomes because it will drive more significant changes in the delivery system by demanding value in healthcare. Measures of patient outcomes include mortality, readmission rates, health functioning, and satisfaction. Hospital Compare currently includes two clinical outcome measures—30 day mortality for AMI and Heart Failure. The addition of HCAHPs in the near future will provide numerous measures of patient satisfaction and perspectives of care.

- Composite measures. CMS's proposed VBP Implementation Plan does call for the grouping of measures by domain (e.g., clinical process of care measures) with a score being calculated for each domain by combining the measure scores within

the domain and weighting them equally. Another approach, known as the "all or nothing" composite, requires that the patient receive the full set of services recommended by a practice guideline to earn performance points. The development and endorsement of composites is a rapidly evolving area, and flexibility should be built into the VBP program to allow CMS to experiment with different approaches over time.

- Measures that encourage shared accountability for care management across settings. Most Medicare beneficiaries seek health care services for the treatment of chronic conditions and require services from multiple providers in multiple settings and over time. Poor coordination of care transitions results in significant safety and quality concerns, poorer patient outcomes and more costly care. The Medicare VBP program should actively encourage providers to work together to create "seamless transitions" by including care coordination measures and medication reconciliation measures in the performance evaluation models of *all* participating providers.

- Emphasis on reducing disparities. Reducing the gap in racial, ethnic, and socioeconomic disparities in health care quality can be accelerated through targeted improvement efforts. NQF has endorsed a set of "disparities-sensitive" measures; examples include amputations among patients with diabetes, cancer screenings, and immunizations for flu.

In selecting measures for use in the VBP program, NQF supports CMS's intent to build on the very successful collaborative processes used in the Reporting Hospital Quality Data for Annual Payment Update (RHQDAPU) program. Through its *consensus development* process, NQF evaluates and endorses "best in class" measures. All measures should be NQF-endorsed prior to implementation. The HQA then selects measures from the portfolio of NQF-endorsed measures to recommend for inclusion in Hospital Compare. This collaborative process has resulted in the identification of valid and reliable measures and a strong base of multi-stakeholder support for the Medicare reporting program.

Harmonizing Measures across Settings and Providers

Efforts to develop measures for physician performance and for hospital performance have tended to move on separate tracks. This approach creates the risk that different measures of precisely the same dimension of care will be created, and that is indeed now happening on a rapidly growing scale. This expanding problem will lead to misalignment of performance expectations for hospitals and physicians respecting care for specific conditions; will inevitably create conflict if such measures become the basis for incentive payment programs; and will create confusion among consumer users of the resulting performance data. Coordination of measure development for physicians and hospitals in the multiple overlapping areas of interest is needed to assure that, whenever possible, measures roll up (e.g., post-surgical infection rates should be calculated the same way for surgeons and hospitals); measures are setting-neutral (e.g., measures of pain management are the same for nursing home and home health patients); measures related to specific

groups apply common conventions (e.g., paired process and outcome measures for patients with depression employ the same denominator population for each measure); and measures can be aggregated into composites or summary metrics that are meaningful to potential users of this information.

Greater harmonization of measure development efforts will also facilitate the development of electronic health records that capture the necessary data and possess the necessary capabilities to support quality measurement, improvement and public reporting. Much of the future promise for gathering and reporting performance measure results on a substantially broader scale than today is premised on the wide adoption of EHRs. Unfortunately, few, if any, existing EHRs have demonstrated the ability to embed performance measures in a fashion that will consistently permit the accurate and reliable collection of performance data. To permit ready incorporation of measures into EHRs, performance measure developers must follow common conventions (e.g., use standardized lists for denominator exclusions) and carefully specify measure data elements.

Summary

In summary, effective performance measurement is the linchpin for achieving some of this nation's highest healthcare objectives, from sustained quality improvement to incentive-based payment systems. In its ongoing work, NQF looks forward to working in close partnership with CMS and others to chart a course for the nation to provide the highest quality care for all Americans.