

National Quality Forum

STATEMENT OF WORK

Commissioned Paper: Episode and Resource Use Measurement

Background

As the Department of Health and Human Services (DHHS) and other payers seek to improve the health care system, there is a growing need to understand how efficiently services are delivered. By improving efficiency, the potential exists to reduce the rate of cost growth and improve the value of care provided. Efficiency is defined as the interaction between the resources used to deliver care and the quality of the care delivered. Evidence shows that not all care leads to better outcomes, thus some portion of these costs may be unnecessary. To identify and provide incentives to providers to deliver high quality, lower-cost care requires quality and resource use measures. Since efficiency measurement is multidimensional—encompassing quality and costs—a comprehensive set of measures is needed to adequately portray performance. The National Quality Forum (NQF) is under contract with DHHS to assist with broader strategies to improve the measures needed to assess relative resource use.

Resource use measurement can be defined in many ways. The three primary units of measurement are per capita, service specific and episode-based. Researchers and others have often compared the costs of care for specific populations based on per capita costs. Some researchers have used per capita Medicare costs for certain conditions to assess geographic variation in Medicare spending. CMS has used per capita cost for patients for several group practices to calculate savings associated with improved care management in the physician group practice demonstration. Another measure of resource use is related to specific services. For example, it is widely agreed that some costly readmissions could be prevented with better care management and, thus, represent inefficient care delivery. A third unit of resource use measurement is episode based. CMS and other researchers have focused primarily on measures associated with episodes of care that is, a series of separate but clinically related services delivered over a defined time period. Episodes are often difficult to define because of differing opinions regarding which services should be grouped together. They provide several advantages because they are more likely to:

- Compare more similar patients than per capita calculations, as they are defined by similar procedures or conditions,¹
- Capture the multiple ways in which services can be combined and substituted to produce the best outcome at the lowest cost,
- Reflect patients' view of care as they move between and across settings and managers of their care, rather than simply measuring resources used for just a part of their care in one setting, and
- Encourage improved coordination across settings included in the episode.

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Scope of Work

As a part of a larger Consensus Development Process (CDP) project focused on efficiency, NQF is commissioning a white paper to provide guidance for the evaluation of episode-based resource use measures. For emerging measures, such as composites, outcomes, and resource use measures, there is a need to offer further guidance beyond the standard NQF evaluation criteria in order to review and evaluate these new measure constructs. An environmental scan of the various analyses and evaluations of episode-based resources use measures should be completed and focus on identifying the types of issues that are raised by the logic for grouping claims into episodes. Other issues to investigate include the issues that arise when these metrics are tested or applied to specific populations, provider types and purposes. The work of CMS, MedPAC, GAO, private sector health plans, and researchers should be included in the environmental scan. NQF will convene a Steering Committee with expertise in episode based measurement and resource use. Using the findings from the environmental scan, the Steering Committee will discuss the important considerations in the evaluation of resource use measures across sites and settings of care across episode. The work would result in a white paper that lays out the issues for discussion and reviews the evidence and issues related to different methodological approaches to episode-based measures.

The white paper should specifically include a discussion and review of the evidence for different methodologic approaches to resource use measures across episodes. It is expected that the authors will specifically address the important considerations in the evaluation of resource use measures across sites and settings of care across episodes. This would include a focus on the key parameters and attributes that should be examined in order to evaluate and compare resource use measures, such as:

- Logic for grouping claims for different types of episodes (e.g., acute and chronic episodes), different types of populations, such as children, those over 65 and the disabled;
- The need for distinctions related to the purposes for which the episodes are used;
- The manner in which testing should be performed and the criteria for determining how resource use measures should be evaluated in the testing process (e.g., whether testing of resource use measures should require analysis by different types of provider units, whether and how feedback has been gathered from providers; and how broadly the measures have been used and for what purposes; and
- The manner in which the episode construction or subsequent risk-adjustment properly adjust for the risk of the population within the episodes.

As the evaluation of resource use measures is a new endeavor for NQF, it is expected that the white paper would provide guidance on the evaluation of resource use measures across episodes of care, including applicability of the NQF measure evaluation criteria to resource use measures. It is also envisioned that the work remain “group-agnostic” and focus more on the key methodologic issues regarding use of logic to group claims into episodes, in particular, for the Medicare population. This work will assist CMS and other payers as they seek to improve the episode-based measurement tools.

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This project is expected to be completed within a seven month timeframe, and it will have effectively set basic ground rules for the information that would need to be submitted in response to a call for measures and help determine the criteria that would be used in measure evaluation.

Oversight

NQF staff will provide oversight of the project and will work collaboratively with the contractor of the commissioned white paper as well as DHHS staff. NQF may convene a panel to review the white paper and to make recommendations for improvement to assure the final product addresses all aspects of the scope of work and accomplishes the goal and objectives as envisioned by NQF and DHHS.

Product Distribution

The product, the white paper is the property of the DHHS. This white paper, in its completed form, will be made available for public and NQF member comment. Following the comment period, the comments from the public and the NQF members will be reviewed and reconciled, and the revised final document will be posted on the NQF website for public viewing.

Deliverables

1. An annotated outline of the white paper.
2. A white paper that shall address the following issues:
 - a. Identifying the types of issues that are raised by the logic for grouping claims into episodes, as well as the issues that arise when they were tested or applied to specific populations, provider types and purposes.
 - b. The manner in which testing should be performed and the criteria for determining how resources use measures should be evaluated in the testing process.
 - c. Logic for grouping claims for different types of episodes (e.g., acute and chronic episodes), different types of populations, such as children, those over 65 and the disabled.
 - d. Strategies for data aggregation, grouping methods for different types of episodes (e.g., acute and chronic episodes), and different models for attribution.
 - e. Any other additional significant issues identified during the course of the research that may contribute to the committee's deliberations and the final product e.g., criteria for determining the appropriateness of episode-based resource use measures for evaluation of geographic/population level measures.

Contractor Tasks

Task 1: The contractor shall provide a detailed annotated outline of the paper and shall subsequently discuss the outline and plans for the paper with NQF staff, DHHS staff, and others as required. (Subsequent revisions to the outline may be required following initial due date and after NQF staff review.) **Due date (initial annotated outline): 2 weeks after contract award.**

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- Task 2: The contractor shall develop a preliminary draft of the paper for review and comment by NQF staff, funder, and Episode-Based Resource Use Steering Committee.
Due date: 10 weeks after contract award
- Task 3: The contractor shall provide a final draft of the paper, taking into account comments received, that is complete and suitable for discussion by key stakeholders.
Due date: 19 weeks after contract award
- Task 4: The contractor shall attend Steering Committee meetings as requested by NQF staff (travel to be covered separately)
- Task 5: The contractor shall participate in conference calls with NQF project staff and/or Committee as necessary.

Submission Requirements

Interested authors and/or organizations should provide the following items for review by NQF performance measures staff by **January 18, 2010**:

- 2 Relevant writing samples
- 2 Professional references
- List of published peer reviewed products
- List of products and respective clients
- Letter of Interest describing potential author's prior experience, work completed within this topic area, and ability to complete the deliverables within the given timeframe
- Suggested outline for commissioned paper

Materials and questions should be directed to Ashlie Wilbon, Project Manager, via email at efficiency@qualityforum.org or via phone (202) 559-9478.

Selection Criteria

An author will be selected based on strength of submitted materials and prior experience with the topic area. NQF will convene an internal selection panel to make the final selection. A final approval from the funder will also be required in order for author to begin work.

Selection of an author will be based on:

- Strength of writing samples
- Professional references
- Strength of Letter of Interest
- Depth of experience in paper topic and related issues
- Author's ability to meet timeline requirements
- Strength of suggested outline

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¹ To the extent per capita costs are defined by a specific condition, they overlap with episode measurement, as many episodes are defined as annual if they involve chronic conditions.

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EXHIBIT A

Contractor Payment

Deliverable	Payment Amt
Final draft of white paper	\$10,000