

# NATIONAL QUALITY FORUM

## CONFERENCE CALL FOR EFFICIENCY RESOURCE USE STEERING COMMITTEE Discussion of Resource Use Evaluation Criteria

**June 18, 2010**

*Committee Members Present:* Doris Lotz, MD, MPH (Co-Chair); Bruce Steinwald, MBA (Co-Chair); Gabriela Alcala (on behalf of Thomas Lee, MD); Paul Barnett, PhD; Jack Bowhan; Jephtha Curtis, MD; William Golden, MD; Lisa Grabert, MPH; Ethan Halm, MD, MPH; Ann Hendrich, RN, PhD(c); Renee Markus-Hodin, JD; Jack Needleman, PhD; Mary-Kay O'Neill, MD, MBA; David Penson, MD, MPH; Steve Phillips, MPA; David Redfearn, PhD; Jeffrey Rich, MD; William Rich, MD; Barbara Rudolph, PhD, MSSW; Joseph Stephansky, PhD; Dolores Yanagihara, MPH

*NQF Staff Present:* Helen Burstin, MD, MPH; Ann Hammersmith, JD; Maisha Mims, MPH; Jennifer Podulka, MPAff; Sally Turbyville, MA, MS; Ashlie Wilbon, RN, MPH;

*Other Attendees:* Susan Arday (CMS), Susan Bogasky (HHS), Niall Brennan (CMS), Apryl Clark (CMS)

### **WELCOME AND INTRODUCTIONS**

Ms. Wilbon welcomed the Efficiency Resource Use Steering Committee members and reviewed the agenda for the conference call. In the interest of transparency, Ms. Hammersmith requested that members disclose any conflicts of interest that may be relevant to the discussion.

### **MEETING OBJECTIVES**

- Review of Project Activities to Date
- Review of NQF Evaluation Criteria
- Review and Discuss Evaluation Criteria for Resource Use Measures

### **THE REVIEW OF PROJECT ACTIVITIES TO DATE**

Ms. Wilbon reviewed project activities past and present (Slides 1-9). She stated that four new members of the Committee have been added to fill the gaps addressed in the comment period on the Committee roster. The project is divided into two phases: Phase one focuses on the the white paper and evaluation criteria and Phase two, which will start in the fall/winter of this year, will follow the traditional Consensus Development Process (CDP) for evaluating measures. The White Paper Subcommittee has provided input into the writing of the Resource Use Measurement white paper. For Phase two, there will be five Technical Advisory Panels (TAPs) for the 18 conditions; each TAP chair will be a Committee member. The in-person meeting will be held July 12-13, 2010, in Washington, D.C. where the white paper will be discussed in detail. For Phase one, the Committee will provide input on the evaluation criteria and white paper to aid in evaluating resource use measures in Phase two.

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## REVIEW OF NQF EVALUATION CRITERIA

Ms. Turbyville led the Committee in a review of the current NQF evaluation criteria (Slides 10-23). Committees use the NQF criteria to evaluate quality measures for endorsement. The four evaluation criteria are importance (a threshold criteria), scientific acceptability (which focuses on reliability and validity), usability, and feasibility. In addition, there are four conditions for evaluation that must be met for the evaluation process to start: 1) the measure steward must complete a steward agreement; 2) the measure steward must commit to update, maintain, and reevaluate the measure every three years; 3) the measure must be useable for quality improvement and public reporting; and 4) the measure submission form must be complete. Ms. Turbyville also addressed the following objectives for the Committee:

- Understand the rationale for the four major criteria
- Understand sub-criteria that demonstrate that the major criteria are met
- Use the current approach to examine updates to sub-criteria or additional guidance needed

## REVIEW AND DISCUSSION OF RESOURCE USE EVALUATION PRINCIPLES

Co-Chair Lotz led the Committee in discussing the evaluation principles that would guide the evaluation (criteria) of resource use measures. Dr. Lotz expressed that there are not changes needed to the current NQF criteria; rather, there is a need to amend and complement the criteria to meet the needs of resource use measures. She stated that efficiency is not only an evaluation of consumption but also a culmination of inputs and outputs. Dr. Lotz led the Committee in an evaluation of the straw man evaluation criteria document, including the principles that are intended as guidance for what is relevant to the NQF process for resource use measure evaluation.

- Principle 1: Committee members discussed their concerns with resource use measures not being measures of quality. They questioned the feasibility and complexity of incorporating quality into resource use and efficiency measures. NQF staff responded that we expect to receive a variety of measures with some that build in quality and many that do not. There may be some submitted measures that are purely just resource use measures. NQF hopes that the resource use measures will be used with quality measures, but it is not prescribing how it should be done. Currently, NQF has no measures of resource use excluding some efficiency measures such as length of stay. Some Committee members remarked that there must be a minimum standard to link resource use measures to quality measures and that one that does not incorporate quality will not be useful.
- What product are we buying at what cost?
  - The product is quality which is an outcome function of health. Then we can automatically look at the level of service being delivered and its result.
  - If the product is quality outcome, then we will first look at the level of service being delivered and then at the efficient inputs as the result.
  - Efficiency and resource use are not synonyms.

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- Principle 4: Committee members questioned what is going to be acceptable or not in understanding the use of groupers. They expressed that many entities purchase APR and DRGs, episode grouping for determining resource use. The groupers are relatively complex, and sometimes the support documents for them are massive. Committee members also questioned whether excluding groupers from the Call for Measures would be appropriate or is this something that will be a part of the call for measures. The intent of the Committee is not to consider widely available and used commercial products. The principle states that groupers should be explicitly stated and be transparent. Whatever tool a measure developer uses to bring cases together and exclude others must incorporate explicitly stated decision roles. Measure developers must avoid the black box when talking about today's commercial products.
- Committee members raised the problematic issue of accountability (reference RAND report). In particular, the nature of a patient's insurance coverage or the nature of his or her insurance plan's rules could markedly affect resource use even within a practice. The Committee noted the significant impact on looking at a particular providers and how providers are using resources because of the insurance plans. Thus, the resources may or may not be under the provider's control. Some Committee members identified the need to consider the payer structure or benefit design as a part of a resource use measure or something that becomes a part of the analysis of the measures that are produced. The Committee believed that knowing who is being evaluated is of high importance. The Steering Committee questioned how measure developers define the denominator: For example, do measure developers exclude people who are dual eligible or who switch during the year?
- If someone is in a fee-for-service non-gate keeper system, then that could be a resource use issue because a patient could choose multiple inputs/providers, which shifts the input. However, for a patient in a program such as Kaiser or a gate keeper insurance plan, someone else would control those inputs.
- Overall the Committee agreed that the measures should lend themselves to multiple perspectives, groups, communities, or systems that are tangible to patient decision making.
- The Committee also agreed that guidance to measure developers should be broad-based and forward-looking given the changes that will occur in our health system.
  - The Committee also expressed concern about cost and how the measure developers would manage and present the different variables in a meaningful and transparent way. The Committee acknowledged that cost and efficiency depends on one's perspective and that there is a need to address this when considering measures. The Committee thought it best to consider the inputs for a given outcome when looking at efficiency measures. The Committee discussed concerns with *societal cost*. The Committee noted two differences in cost: opportunity cost within the healthcare system, and the cost incurred by the patient or in lost productivity, which are beyond the scope of this project. The Committee discussed the dimensions of perspective and efficiency with different payment models: the Medicare database that incorporates many of the practice expenses using this across all payers and pays a

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percentage. The Medicare database does not give the absolute cost for every patient or payer, but it gives a constant value across all payers.

- A provider may have a cost overrun on a patient due to a quality issue, but there is no inefficiency for the payer, who pays a flat rate. These different perspectives must be considered in advancing the criteria.
  - Usually if a patient gets complicated the insurer moves beyond a flat fee because they become an outlier. Some insurers with large, self-insured employers are integrating non-claims-based data in the analysis of the product they are receiving for their healthcare spending.
- The Steering Committee stated that measure developers must identify their focus (patient, provider, or payer) in their submission in a specific and transparent manner. Committee members agreed that the issue of attribution should be evaluated by the Committee and addressed in the principles. Some Committee members also noted the complexity of creating measures that involve all perspectives and thought it would be easier to evaluate the plans rather than the providers. However, the goal of this project is to evaluate the patient or the episode of care in order to understand the total resources needed and the quality of care; measuring physician's resource use is relevant to this project. The Committee stated that if the care is fractured with multiple providers then there are issues of attribution but also of fractured care. In the context of usability the level at which these measures are used should be considered.
  - It was recommended that the principles be restated in a way that is less wordy and more directive.

## **REVIEW AND DISCUSSION OF EVALUATION CRITERIA FOR RESOURCE USE MEASURES**

Co-Chair Steinwald led the Committee in a discussion of the table of criteria and the adaptations for resource use measures to the criteria.

- The Steering agreed that more guidance is needed for Criteria 1b. Some Committee members stated that, although there is a need to document the variation in resource use performance, defining "poor performance" for resource use is not necessary (vast variation was sufficient). Committee members identified the need to enable the measurement of the efficiency of the care process, and some members agreed that the use of variation could assess inefficiencies in performance. In regard to scientific acceptability, some members stated that the ideal measure will include opportunity cost and not transaction cost alone, which will allow for tracking resource use and not some shadow price or charge.
- It was suggested that, due to the specificity of this project and the Call for Measures, the importance criteria need not be considered, because all measures will be important. However, NQF requires that all four criteria remain in place for the evaluation of resource use measures. While it may seem obvious that all submitted measures will meet the importance criteria, it is possible that a submitted measure will not meet the NQF importance criteria for this project.

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- Several Committee members expressed concern that the term “resource use” rather than “efficiency” is vague and may not be meaningful for the numerator.
- Several Committee members asked whether the intent of the project is to look at efficiency measures or resource use measures. The Committee was concerned that the definitions for “efficiency” and “resource use” remain unclear. The definitions of resource use and efficient must be clearly specified in the scope of this project.

## **PUBLIC COMMENTS**

None

## **NEXT STEPS:**

- The Committee only began the discussion of the second criteria. The Committee was instructed to send any written comments to NQF staff on the straw man and criteria for consideration by Wednesday, June 23, 2010.
- The NQF Resource Use Steering Committee will meet in-person on July 12-13, 2010, in Washington, D.C.