

# NATIONAL QUALITY FORUM

## Efficiency Resource Use, Episode Measurement White Paper Subcommittee Conference Call

May 25, 2010

*Committee Members Present:* Doris Lotz, MD, MPH (co-chair); Bruce Steinwald, MBA (co-chair); Gabriela Alcala (on behalf of Thomas Lee, MD); Jack Needleman, PhD; David Redfearn, PhD; Dolores Yanagihara, MPH

*NQF Staff Present:* Sally Turbyville, MA, MS; Jennifer Podulka, MPAff; Edison Machado, MD, MBA; Ashlie Wilbon, RN, MPH; Maisha Mims, MPH

### WELCOME AND INTRODUCTIONS

Ms. Turbyville welcomed the Efficiency Resource Use White Paper Subcommittee members and reviewed the agenda for the conference call. In the interest of transparency, members were asked to disclose any conflicts of interest that may be relevant to the discussion.

### MEETING OBJECTIVES:

- Review scope of the Episodes white paper
- Discuss and obtain input on white paper

### THE SUBCOMMITTEE ROLE IN THE SCOPE OF WORK (SOW)

Ms. Turbyville stated that NQF is interested in obtaining the Subcommittee input during the white paper's formulation and after completion of the draft. NQF hopes to have an in-depth review of the paper that will include additions, suggestions for removals, gaps, redundancy, applicability, and order of information. Ms. Turbyville stated that NQF staff is responsible for ensuring review and formatting as well as communicating results to the Steering Committee. NQF staff will be responsible for making changes to the outlines and drafts. Also, there will be a co-chair for each paper: Bruce Steinwald will serve as co-chair for the Geographic Variation white paper and Doris Lotz will serve in that role for the Episode white paper.

### REVIEW AND INPUT FOR THE EPISODES WHITE PAPER

#### Physician Efficiency: Episode and Resource Use Measurement white paper

Dr. Lotz led the Subcommittee in discussing the *Physician Efficiency: Episode and Resource Use Measurement* white paper. The Subcommittee members provided their input for the paper. Some points of concern or comment regarding the paper include:

- The scope, purpose, or end goal of the paper needs to be clearly defined or communicated.
- Line 28—Emphasis on Medicare population
  - Medicare and commercial population are different in terms of how measures work. Because we are not just interested in measures for Medicare populations, we have to think through the commercial and Medicaid issues as well.

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- Once patients enter Medicare, they stay with Medicare the remainder of their lives, while commercial members move around frequently. Unlike in the Medicare population, in the commercial realm identifying two years of eligibility data that often does not exist is a major challenge. Also, building episodes, which require data over time, is an issue even when membership information is complete.
- What about the goal of coming up with efficiency measures as some marriage between resource consumption and quality outputs. Is this doable?
  - It is doable but may include a number of steps.
  - Subcommittee members wanted to clarify the concept of an episode and better define at what level an episode will be measured. Should the episode be a slightly broader version of producing an output, or should it encompass the total cost of care with a given condition for a range of outcomes?
  - In an effort to define the efficiency, some of the core economic concepts of efficiency were discussed [the paper will further clarify these concepts]:
    - Productive efficiency—doing things right and doing them at the lowest resource use to achieve very specific outputs—is different from allocative efficiency.
    - Allocative efficiency—doing the right things—looks at the different services needed to achieve certain outcomes.
    - The paper should discuss or determine whether both approaches to episode measurement should be included or if they are mutually exclusive.
    - Both types of efficiency are nested, but the nesting is not clear.
  - Emphasis is needed on a societal perspective that is allocative efficiency in the broader sense.
    - Measures should incorporate what services were used to prevent the surgery in the first place (i.e., societal perspective).
    - In reference to quality, we are interested in the health of the populous, not just technical quality. For example, was the surgery performed skillfully, and were resources allocated efficiently to optimize the health of the population produced or preserved?
- Line 58: CMS is supposed to develop an episode grouper—is the Steering Committee developing or endorsing measures?
  - This effort is focused on endorsing episode measurement and developing criteria for evaluation of episode-based resource use measures.
  - CMS will select or develop a public domain episode grouper. Contract activities for this activity, which is separate.
- Line 673: The Steering Committee will consider each measure developer’s measures individually for potential endorsement.
  - This is in alignment with how quality measures are evaluated within NQF’s consensus development process. The Steering Committee will apply the evaluation criteria to measures received in response to the call for measures. As part of this project, the Committee also will incorporate the evaluation of resource use measures into the current NQF evaluation criteria.
    - Each of the measure developers will be able to submit its resource use/episode measure to NQF for consideration; if there are two measures that are similar, the Steering Committee will need to decide the criteria for selecting one over the other (i.e., identify best in class).
- Episode aggregation
  - Consider special populations as well as commercial populations.

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- The Committee will need to have an understanding of what a grouper does, as well as what defines pre- & post-grouper, including whether and where the observed-to-expected ratios fit into the measure generation continuum (e.g., is it a post-grouper function).
  - The specific grouper does not make as much of a difference as what you do on the pre- and post-steps of the analysis.
  - The grouper itself is important, but what goes into it and how you use the output is the most important consideration.
  - Pre-grouper populations, timeframes, and shifting populations also must be considered.
- Determine how flexible the definition of an episode should be. It could include a fairly narrow scope of time and set of services versus a longer continuum encompassing a longer time period and a greater variety of services.
- Describe what is meant by an episode, particularly what it looks like for an acute disease. Examples of this will help form concreteness.
- More detail needed about how other organizations have looked at episode measurement.
  - The Committee needs to prime thinking around what does and does not work.
  - How an episode is defined will be critical for the measures' usefulness and appropriateness. The Committee should envision these concepts while thinking through the episode logic and be flexible in defining an episode in order to capture areas of high cost (e.g., chronic disease involves a lot of spending, so we would want to include *episodes* of chronic care.).
- Chronic vs. acute episode
  - Clean period methodology—defines when an episode starts and stops. Talk about strategies for how to deal with chronic episodes. Annualize a years' worth of data, choose smaller intervals, and conceptualize issues that all the groupers have to deal with. Commercial groupers, in general, use clean period methodology; no one is using fixed episode links anymore (this is a conceptual issue that all groups must deal with).
  - What about the issue around groupers being patented, i.e., will individual measures be evaluated, or will the grouper? The Steering Committee will be recommending measures, not specific products.
- Line 290: Population Inclusion and Exclusion:
  - Member eligibility—Should mention other techniques for partial enrollment, for example, annualization for chronic episodes for commercial populations. These techniques can be included and other procedures added to deal with incomplete eligibility.
- Line 611: Limitations and Concerns for consideration—per capita per service, episode—groupers pertain to episode definition.
  - CMS requires that the groupers they select are in the public domain; currently many of the commercially available groupers are a “black box.”
    - There are concerns for the ability of groupers to handle multiple chronic conditions, which are more prevalent in the Medicare population.
    - Post-acute care claims and risk adjustment need to be improved before they are used more widely in the Medicare population.
  - Pre-grouper steps could affect all measures, whether the population is included in measurement or not; it pertains to per capita episode and possibly other measures.
    - Need to determine as a Steering Committee whether these types of issues should be addressed in the evaluation criteria/principles.
    - Should measure developers submit information on how they address these?

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- Per capita measurement
  - Similar to the episode groupers, how does one attribute resource use? How does one risk adjust? How does one select peer groups for comparison?
  - Some things are global and apply not just to groupers but also to other methodologies as well and are applied to different types of measurement.
- What is the Steering Committee charge?
  - Determine how the current NQF evaluation criteria apply;
  - Determine how the review process should be conducted; and
  - Inform what the issues should be considered during evaluation, including identifying any gaps in the current evaluation criteria.
- The Episode white paper should address the current state of methodologies and evaluation.
- Desire to have comprehensive measures beyond episode of treatment while acknowledging its importance to measuring how individuals are managed.
- Do not want to constrain this effort to existing delivery systems and payment configurations.
  - Measure developers should not limit themselves to creating measures based entirely on fee-for-service Medicare. The goal is to have forward-looking measures in a healthcare system that is evolving in a more efficient direction.
  - Determine the extent the definition of episodes can be used at the intermediate level between procedures and per capita as currently defined. Or is that an issue in terms of the measure proprietary systems with the episode measure development process? The scope of work leaves the door open for resource use measures other than just episode-based measures.
- NQF staff to develop “straw man” that specifies some criteria upon which to build.
  - Most groupers have hundreds of episodes; this could leave the Steering Committee with many measures to evaluate.
    - The Steering Committee will focus on particular types of episodes/conditions.
    - The Call for Measures will request submission of measures that align with 18 selected conditions as well as non-condition-specific measures. NQF issues a Call for Intent (i.e., the intention to submit a resource use measure) before the Call for Measures to help determine the volume of measures that should be expected.
    - Based on the white paper work and Steering Committee deliberations, the Steering Committee will guide NQF on drafting the Call for Measures.
    - NQF has been reaching out to measure developers to see who will submit measures to determine the volume and to evaluate if we need to reduce the scope or add on another call for measures. NQF did leave it open for measures that do not include the conditions but may narrow the scope for this project.

## PUBLIC COMMENTS

None

## NEXT STEPS:

- Subcommittee will send any written comments on the draft white papers to NQF project staff.
- NQF will prepare a straw man for resource use measure evaluation criteria.
- Next call is June 14 or June 18 to discuss White paper drafts with Steering Committee.
- NQF Staff will follow up with the funders (HHS) to determine the degree of flexibility with adjusting the scope of the white papers and the subsequent Call for Measures.

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