

TO: NQF Board of Directors

FR: Helen Burstin, MD, MPH

RE: Board Consideration of Medicare Spending per Beneficiary Measure (Measure #2158)

DA: November 20, 2013

The Executive Committee recently discussed the measure evaluation process to date for the Medicare Spending per Beneficiary Measure (Measure #2158). Following extensive input from the NQF member councils, the Consensus Standards Approval Committee (CSAC) voted to endorse the measure by a vote of 10-yes; 3-no. The Executive Committee was pleased with the deliberative process used to gather stakeholder feedback and build consensus via the councils and the extended CSAC discussion. The Executive Committee agreed that the measure should be put through the Board's automatic ratification process. In follow-up, the Executive Committee requested that the measure be discussed by the CSAC in the context of their review of the recommendations of the NQF Expert Panel on Risk Adjustment and Socioeconomic Status in July 2014.

BOARD ACTION REQUIRED

The Board has 7 calendar days to "pull" specific measures out of the automatic ratification process. Ratification for all measures not pulled will be automatic after 7 days (i.e., your formal vote is not required) and appeals will open for these measures. Your votes are due by COB November 26, 2013.

Justification for Pulled Measures. To "pull" a measure out of the automatic ratification process, Board members are asked to provide written justification of their concerns and these should fall into one or more of the following categories:

- Inadequate CSAC response to substantive issues raised earlier in the process (e.g., importance of the measure to portfolio, harmonization/redundancy issues);
- Measure endorsement process concerns (e.g., concerns about committee composition, such as conflict of interest, bias or lack of necessary expertise); and
- Lack of adequate consensus across stakeholders.

Board members may request discussion of a policy issue at any time, but this will follow the ratification decision and will generally take place at the next regularly scheduled Board meeting.

If a Board member pulls a measure, NQF staff will provide the relevant information and work with the Board member and CSAC Chairs to address the concerns. If the Board member indicates that their concerns have been addressed, the measure will be automatically ratified. If the Board member does not feel their concerns have been adequately addressed, they will have the option of communicating their concerns to the entire Board prior to the Board being asked to vote on the measure.

BACKGROUND

The NQF convened Cost and Resource Use Steering Committee reviewed two non-condition-specific cost/resource use measures. Of the two measures, the Committee recommended (17-8) one of the



measures for endorsement, #2158-Medicare Spending per Beneficiary Measure (MSBP). Following a public comment period on the measures, the recommended measure was put out for membership vote. Member voting did not reveal clear consensus with 43% of councils approving the measure. Representatives of 42 member organizations voted with no votes received from the Public/Community Health Agency Council.

At its October 8th conference call, the CSAC reviewed the recommendations from the Cost and Resource Use project, including the Steering Committee deliberations, public and member comments, and member voting results. Due to the lack of consensus noted among the councils represented in the voting results, the CSAC requested input from the NQF member councils to gain a better understanding of the perspective of the NQF membership and determine whether consensus among the councils can be reached before making an endorsement recommendation.

The NQF member council chairs were provided with [this memo from the CSAC chairs](#) regarding the project. Each council gathered input from their constituents throughout the month of October and presented their perspective to the CSAC to further inform their decision.

CSAC MEETING

At their in-person meeting on November 6, CMS, Acumen, and the council chairs provided input to the CSAC on the measure.

Representatives from both CMS and the measure developer, Acumen, were present at the meeting to clarify several committee and CSAC concerns as well as address questions from the CSAC and Council representatives. Using [this presentation](#), Acumen was able to clarify the use of MSPB in conjunction with quality measures, and provide a response to concerns that costs captured are largely driven by post-acute services. Acumen was also able to clarify the risk-adjustment model, and the exclusions of deaths and transfers.

INPUT FROM NQF MEMBER COUNCILS

- The Consumer and Purchaser councils expressed their support for the measure, noting that the measure will provide an incentive for greater care coordination. Furthermore, they highlighted the need for cost measures as a first step towards achieving greater value for health care. Hospitals are in a position to affect post-discharge care and spending patterns and will have access to greater information than ever before with this measure.
- The Health Plan council reiterated the need for cost measures and that this measure provides a very good starting point to measure hospital costs. Many of the cost measures currently endorsed are condition-specific measures that do not address the entire cost equation for hospitals. They recognized that the measure is divisive but urged the CSAC to endorse the measure to encourage development in this area.
- The Provider Organizations council expressed concern over the measure construction and focus. Cost trajectory over time should be measured rather than focusing on individual episodes. Additionally, it would be more valuable to look at total Medicare costs rather than excluding Medicare Advantage and Part D costs. The Provider council was also concerned about the exclusion of episodes resulting in death from the measure and the exclusion of transfer patients.

- The Public and Community Health council supported the decision of the Steering Committee and their evaluation of the measure. They further reiterated that this measure is an important first step in understanding cost and quality and urged the CSAC to endorse the measure.
- The QMRI council supported the concept of the measure but noted several methodological concerns, including the lack of risk adjustment or stratification for socioeconomic status (SES). They urged CMS to consider stratification of the measure to address hospitals serving a disproportionate share of low SES patients.
- The Supplier–Industry council supported the goal of addressing costs, but did not support endorsement of this measure. Concerns were raised about the need to consider cost and quality together, validity issues were not sufficiently addressed, and concerns that the measure should not be used for other levels of analysis.
- The Health Professionals council was not represented during the meeting, though the concerns expressed during their council call prior to the meeting was presented to CSAC. The council expressed concern that even though the measure was specified at the facility level, it was proposed for use in the clinician rule. CMS stated that they would modify and test the MSPB measure for use as a clinician-level measure and bring it back to NQF for endorsement.

CSAC DECISION

After considering the input from the NQF member councils, in addition to the Steering Committee recommendation, public and member comment, and NQF member voting, the CSAC decided to proceed with a vote on the measure. The CSAC voted to endorse measure #2158 Medicare Spending per Beneficiary by a vote of 10-yes; 3-no.