



TO: NQF Board of Directors  
FROM: Helen Burstin, Chief Scientific Officer  
RE: Update on NQF's Trial Period for Risk Adjustment for Sociodemographic Factors  
DATE: March 20, 2017

This memo updates the Board of Directors on the trial period for risk adjustment for sociodemographic factors, the evaluation plan, and next steps.

## BACKGROUND

In April 2015, NQF began a two-year trial of a policy change that allows risk-adjustment of performance measures for SES and other demographic factors. Prior to this, NQF criteria and policy prohibited the inclusion of such factors in its risk adjustment approach and only allowed for inclusion of a patient's clinical factors present at the start of care.

During the trial period, NQF policy restricting the use of SES factors in statistical risk models was suspended and NQF implemented the [Risk Adjustment Expert Panel's recommendations](#) related to the appropriate use of SES risk factors. More specifically:

- During the trial period, NQF's Standing Committees evaluated each individual measure relevant to their topic area to determine whether adjustment for SES factors was appropriate.
- The Standing Committees considered both the conceptual and empirical basis for SES adjustment utilizing standard guidelines for selecting risk factors.
- To provide transparency on disparities, any measure endorsed with adjustment for SES factors will include specifications for the adjusted measures as well as stratification of the non-SES adjusted measure.

NQF convened the multistakeholder Disparities Standing Committee to:

- 1) Develop a roadmap for how measurement and associated policy levers can be used to proactively eliminate disparities;
- 2) Review implementation of the revised NQF policy regarding risk adjustment for SES factors and evaluate the SES trial period; and
- 3) Provide cross-cutting emphasis on healthcare disparities across all of NQF's work by providing guidance to the Standing Committees and the Measure Applications Partnership (MAP).

The Disparities Standing Committee does not evaluate measures for endorsement. Appendix A provides an overview of the current HHS-funded work of the Disparities Standing Committee.

At the conclusion of the trial period, the Board will receive input from the Disparities Standing Committee and the CSAC regarding the evaluation, as detailed below.

## **TRIAL PERIOD UPDATE**

Since April 2015, NQF's Standing Committees were asked to consider the potential role of SES risk factors in their evaluation of all submitted outcome measures. Prior to the start of the trial, readmission and cost/resource use measures were endorsed with the condition that additional analyses be performed to determine the need for inclusion of SES factors in risk adjustment models. These analyses were also considered during the trial.

To support the trial period, NQF has monitored progress in the field on SES risk adjustment. In particular, NQF has closely followed the work of the Office of the Assistant Secretary for Planning and Evaluation (ASPE) and the National Academy of Medicine (NAM). ASPE staff provided a summary of their [findings](#) to the Disparities Standing Committee and the Measure Applications Partnership (MAP) Coordinating Committee. Disparities Standing Committee member Jose Escarce, MD, PhD, served on the NAM's committee on Accounting for Social Risk Factors in Medicare Payment and he has provided periodic updates to the Disparities Standing Committee on the major findings in each of the NAM committee's reports. The ASPE and NAM reports concur with the NQF trial findings on the challenges of getting appropriate, relevant data on SES factors. The ASPE report also noted the importance of variables that would reflect unmeasured clinical complexity. While Medicare is a frequent data source for measures, available data (e.g., dual eligibility) on social risk factors have limited the ability to fully explore social risk. A table from the NAM highlighting data availability is included in Appendix B.

Another finding from ASPE is the need for equity measures. As part of efforts to construct the NQF roadmap to reduce disparities, the Disparities Standing Committee is charged with developing a plan for equity measurement, including identifying measurement domains and concepts along with potential data sources.

## **EVALUATION PLAN**

The trial period is set to end in April 2017. The CSAC approved an evaluation plan for the trial period in September 2014. Since measure development, testing, use and data availability are outside of NQF's control, there are clear limitations to what can be assessed in the trial period evaluation. NQF staff are currently collecting data on measures submitted with SES adjustment; measures where there was a conceptual basis for potential SES adjustment but empirical analysis did not support inclusion; and measures submitted without any discussion of SES factors but raised as a concern during evaluation.

The evaluation of the trial will examine:

- A qualitative review of the trial, including results of a survey of measure developers and Standing Committee members who reviewed measures for SES adjustment;
- An exploration of information submitted by measure developers to assess key questions, including:
  - Do SES factors have a significant effect on the outcome being measured?
  - If a strong conceptual relationship exists, does the analysis with specific SES variables demonstrate an empirical relationship between those variables and performance?
  - What SES factors and variables are used in the analyses?
  - What critical data gaps were identified in availability of SES factors?

As part of the evaluation, NQF will collect information on the following:

- What are the costs and burdens on developers to comply with the new requirements?
- What is the effectiveness of resource materials and technical assistance for developers?
- What is the effectiveness of resource materials and technical assistance for committee members?
- Did committee members have the information needed in evaluating the appropriateness of SES adjustment? What additional information would have been valuable?

NQF will also use public comments on measures as a source of qualitative data for the trial period evaluation. Specifically, NQF will review the comments received during the trial period on measures considered for SES adjustment. These comments will be summarized and themed to inform the Disparities Standing Committee's recommendation on the trial period.

This information will be shared with the Disparities Standing Committee, the CSAC, and the Board to inform their consideration of the trial period findings and the implications for NQF policy regarding SES risk adjustment. NQF will publish a final report in the fall of 2017 with the trial period findings and the implications of the Board's decision.

## **NEXT STEPS**

### **March 27-28: Disparities Standing Committee Meeting**

The Disparities Standing Committee will review and provide feedback on the trial period evaluation plan. The Committee will also discuss potential adjustment of measures for hospital and community level factors and provide additional guidance to measure developers and standing committees on their potential use.

**June 14-15: Disparities Standing Committee Meeting**

NQF staff will present the results of the trial period evaluation. All information and data gathered for the evaluation of the trial period will be fully transparent and shared on NQF's website. The Disparities Standing Committee will review the trial period evaluation and offer further input to NQF.

**July 11-12: Consensus Standards Approval Committee**

The CSAC will discuss input from the Disparities Standing Committee evaluation of the trial period. Since the measure evaluation criteria are under the purview of the CSAC, the CSAC will offer input to the NQF Board of Directors.

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The NQF Board will receive input from the Disparities Standing Committee, the CSAC, and NQF leadership regarding future policy directions.

## **Appendix A: NQF Disparities Project 2016-2017**

**Background:** The National Quality Forum (NQF), with funding from the Department of Health and Human Services, convened a multistakeholder Committee to develop a roadmap that demonstrates how performance measurement and its associated policy levers can be used to eliminate disparities in health and healthcare. Disparities were categorized based on the National Academy of Medicine report, *Accounting for Social Risk Factors in Medicare: Identifying Social Risk Factors*, that identified key social risk factors that include socioeconomic position; race, ethnicity, and cultural context; gender; social relationships; and residential and community context.

The project examines disparities in the context of five selected conditions that are among the leading causes of morbidity and mortality. These conditions include cardiovascular disease, cancer, diabetes and chronic kidney disease, infant mortality/low birthweight, and mental illness. Although the Disparities Standing Committee's work will focus on these conditions, its recommendations will likely apply to disparities within conditions beyond the scope of the project. The selected conditions will serve to illustrate how healthcare stakeholders can apply the Committee's recommendations.

**Key Milestones:** The Committee's work, documented in three interim reports, will culminate in a final report that will be released in September 2017:


















- Report 1: review the evidence that describes disparities in health and healthcare outcomes;
- Report 2: review the evidence of interventions that have been effective in reducing disparities;
- Report 3: perform an environmental scan of performance measures and assess gaps in measures that can be used to assess the extent to which stakeholders are deploying effective interventions to reduce disparities; and
- Report 4 (final report): provide recommendations to reduce disparities through performance measurement.

**Progress to date:** The first two reports that describe the disparities within the selected conditions and interventions to reduce them are posted to the Disparities Project Page. NQF found significant disparities across all of the selected conditions. This confirms the urgent need for a systematic approach to eliminating disparities through measurement. Interventions to reduce disparities tend to be upstream and attempt to reduce the incidence of disease in populations with social risk factors. These interventions largely focus on patient education, life style modification, and culturally tailored community programs. Fewer interventions address disparities in healthcare. In addition, interventions primarily focus on reducing disparities based

on race and ethnicity. Few interventions address disparities based on disability status, social relationships, and the residential and community context.

**Next Steps:** The Committee will meet at NQF's office in Washington DC on March 27 and 28 to prioritize areas of measurement that can assess the extent to which stakeholders are employing effective interventions to reduce disparities.

## APPENDIX B: Summary of Data Availability for Social Risk Factor Indicators

SOCIAL RISK FACTOR		DATA AVAILABILITY			
	Indicator	1	2	3	4
SEP					
	Income				
	Education				
	Dual Eligibility				
	Wealth				
Race, Ethnicity, and Cultural Context					
	Race and Ethnicity				
	Language				
	Nativity				
	Acculturation				
Gender					
	Gender identity				
	Sexual orientation				
Social Relationships					
	Marital/partnership status				
	Living alone				
	Social Support				
Residential and Community context					
	Neighborhood deprivation				
	Urbanicity/Rurality				
	Housing				
	Other environmental measures				

**1.** Available for use now

**2.** Available for use now for some outcomes, but research needed for improved, future use

**3.** Not sufficiently available now; research needed for improved, future use

**4.** Research needed to better understand relationship with health care outcomes and on how to best collect data