

## Introduction to Quality and Federal Policy

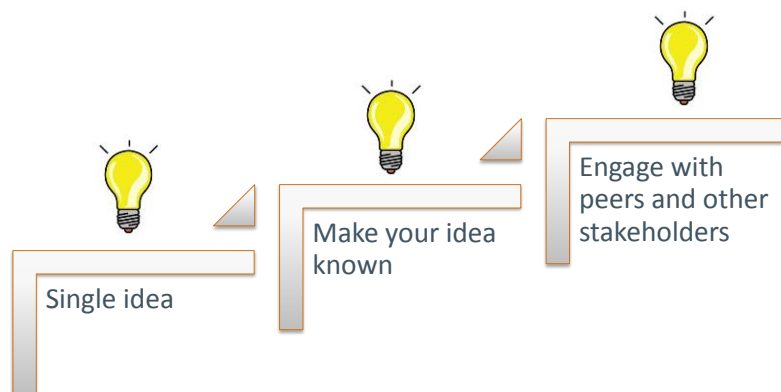


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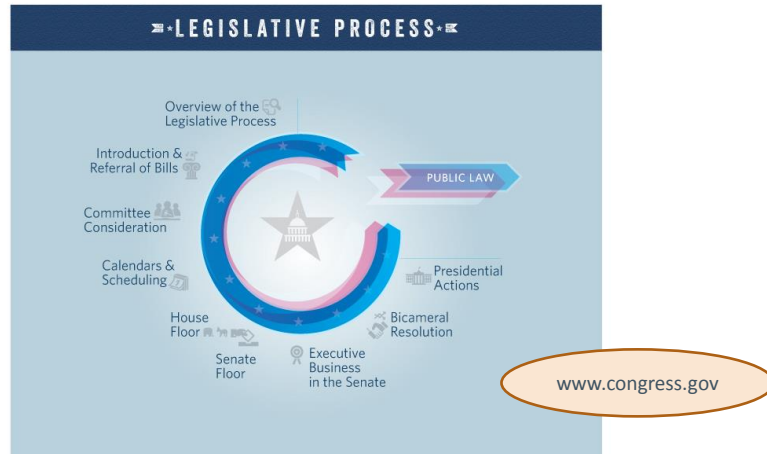
Available at the NQF Member  
Education Resource Center  
[www.qualityforum.org/eduondemand](http://www.qualityforum.org/eduondemand)

## How is Federal Policy (Legislation) Created?

**Good legislation starts with a single good idea**



## How is Federal Policy (Legislation) Created? (cont.)



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*\*Legislation may be introduced in either chamber except for tax law, which must originate in the House \*\*Most major legislation goes to conference committee; When one chamber passes legislation originating in the other without making changes, bill goes directly to President*

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## How is Federal Policy (Legislation) Created? (cont.)

General route for a bill to becoming law:

1. Bill is introduced (dropped in the hopper)
2. Referred to Committee
3. Voted out of Committee
4. Voted on the Floor
5. Sent to other chamber to go through the process
6. Sent to the President and signed into law



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## How Has Quality Policy Evolved?

- 1995: National Committee for Quality Assurance (NCQA) Health Plan Report Card
- 1999: NQF founded. The Institute of Medicine (IOM) issued *To Err is Human*.
- 2003: Medicare Prescription Drug Improvement and Modernization Act (MMA)
- 2004: Hospital Inpatient Quality Reporting Program
- 2005: Updates to MMA
- 2008: Medicare Improvements for Patients and Physician Act (MIPPA)



## Why Are Good Quality Measures Important?

- Provide actionable information to drive improvement
- Empower consumers and purchasers
- Distinguish performance for accountability programs



Endorsed!

## How is Quality Implemented through the Affordable Care Act (ACA)?



Example: Increased the number of federal programs **required to use endorsed measures**.



Example: The ACA established **value-based purchasing plans** for:

- Skilled Nursing Facilities
- Home Health Agencies
- Ambulatory Surgical Settings

## How is Quality Implemented through ACA? (cont.)



Example: The ACA established the Measure Applications Partnership (aka “MAP”) to **recommend quality measures** for federally funded healthcare programs

- Convened here at NQF, this multistakeholder, consensus based entity as advises HHS about which measures to put into Medicare and Medicaid programs
- Provides annual “pre-rulemaking” input on measures to be included in selected Medicare payment and reporting programs

## How is Quality Implemented through the Improving Medicare Post-Acute Care Transformation Act (IMPACT)?



### 2010: Building foundations

- Integrated quality into the healthcare system
- Established several tools and resources at the federal level to support quality

### 2014: Expanding quality

- Extended quality measurement reporting to Post-Acute Care providers
- Required the reporting of standardized patient assessments to better facilitate Care Coordination

## What is MACRA, SGR, MIPS, and APMs?

The Medicare Access & CHIP\* Reauthorization Act of 2015 (MACRA) made three major changes to how the federal government pays for healthcare:

- X** SGR: Repealed the Sustainable Growth Rate (SGR)
- ✓ MIPS: Created a new incentive program framework – Merit-based Incentive Program (MIPS)
- ✓ APMs: Established the use of Alternative Payment Models (APMs)

\*CHIP = Child Health Insurance Program

## What is the Sustainable Growth Rate Formula?



SGR Payments Repealed  
Replaced by MIPS and APM

- The Sustainable Growth Rate, also known as SGR, was a complex formula used for reimbursing clinicians for services provided under Medicare
- Needed to be renewed annually
- Repealed by MACRA in 2015

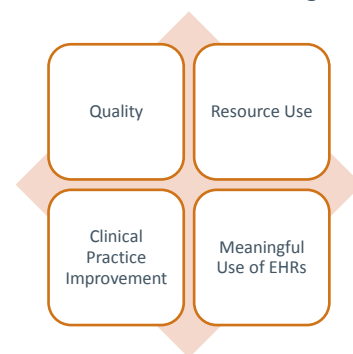
## What is MIPS?

### MACRA Medicare Payment Option #1: MIPS

The Merit-Based Incentive Program (MIPS) is a Medicare payment system that gives healthcare providers an incentive payment for high quality care, or a financial penalty for poor quality care.

There are four performance categories that determine if a provider is giving quality care.

#### Provider Performance Categories



## What is an Alternative Payment Model?

### MACRA Medicare Payment Option #2: APM

An Alternative Payment Model, known as APM, is a payment option in MACRA that requires an increasing percentage of a provider's practice to be at financial risk.



APMs incentivize quality of care, not quantity of care. To receive the full payment through Medicare, providers must prove they are giving high quality healthcare. APMs will be phased in through 2026.

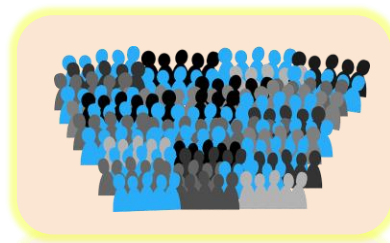
For details, visit [CMS' website](#)

## Who supports quality improvement legislation?



Overwhelming  
bipartisan support

### Medicare and CHIP Reauthorization Act of 2015 (MACRA)



## What is Rulemaking?



Rulemaking is the process that government agencies, such as HHS, use to create regulations (aka rules that implement laws passed by Congress).

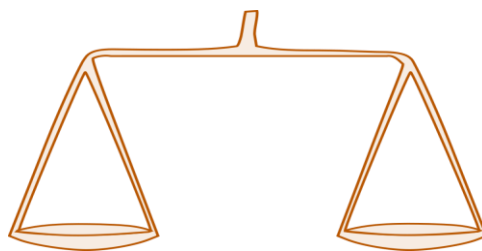
Example: HHS issues rules about which measures are added or removed from Medicare programs through rulemaking.

The Final Rule is published in the [Federal Register](#).

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## What is the Role of the Department of Health and Human Services (HHS) In Implementing Legislation?

### HHS: Balancing Two Roles



#### Duty to Executive Branch

Promotes and carries out the President's agenda

#### Duty to Legislative Branch

Implements legislation within the parameters and guidelines set by Congress

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## Where Does the National Quality Strategy Fit Into Quality Improvement?



For more  
information visit  
[AHRO's webpage](#)



Priority 1: Making care safer by reducing harm caused in the delivery of care



Priority 2: Ensuring that each **person and family members are engaged** as partners in their care



Priority 3: Promoting effective **communication and coordination** of care



Priority 4: Promoting the most effective **prevention and treatment practices** for the leading causes of mortality, starting with cardiovascular disease



Priority 5: Working with communities to promote wide use of best practices to **enable healthy living**



Priority 6: Making quality care **more affordable** for individuals, families, employers, and governments by developing and spreading new health care delivery models

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## How do Medicare and Medicaid Use Quality Measurement?

### Medicare quality reporting is *mandatory*

- More data collected which helps drive quality improvement and benchmarking



*Versus*

### Medicaid quality reporting is *voluntary*

- Use of the [Adult](#) and [Child](#) Core sets
- Allows states to report data that they can confidently
- Leaves gaps in reporting and difficult to benchmark



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