



TO: Consensus Standards Approval Committee (CSAC)
FR: NQF Staff
RE: Updated Input from the Cost and Resource Use Standing Committee
DA: August 5, 2016

ACTION REQUIRED

CSAC is asked to determine whether to uphold NQF endorsement of NQF #2431: Hospital-level, risk-standardized payment associated with a 30-day episode-of-care for Acute Myocardial Infarction (AMI) (CMS/Yale), NQF #2436: Hospital-level, risk-standardized payment associated with a 30-day episode-of-care for Heart Failure (HF) (CMS/Yale), and #2579: Hospital-level, risk-standardized payment associated with a 30-day episode of care pneumonia (CMS/Yale).

Standing Committee Review

On July 28 the Cost and Resource Use Standing Committee met via webinar to review updated analyses on the need for SDS adjustment for NQF #2431, #2436, and #2579. The Standing Committee was asked to:

- review new analyses using 9-digit ZIP code data;
- review the conceptual basis for adjustment and suggest additional variables to be explored;
- consider outstanding attribution issues;
- consider outstanding concerns about the potential for unintended consequences.

The Standing Committee was also asked to provide feedback on these questions through a post-meeting survey. Seven committee members sent survey responses.

New analyses using 9-digit ZIP code data

The developer found slightly lower 30-day total payment for AMI, heart failure, and pneumonia for low SES patients. The Committee noted that the difference was statistically significant but did not substantially affect hospital distribution. In particular the Committee found that the 10th and 90th percentiles in risk-standardized payment never exceeded +/- 0.25% when 9 digit zip code data were incorporated.

Committee member reactions to the data varied. The majority of respondents felt they new analyses reinforced their decision and the measures should remain endorsed while methods to adjust for SDS are improved. However, some felt the lack of differences could be due to the lack of available data and that the measures should not be endorsed until SDS issues can be better addressed.

Conceptual Basis and Additional Variables

The Committee reviewed the conceptual model and noted the challenges to establishing a concrete link between socioeconomic status and risk-adjusted episode spending. Additionally, the Committee recognized the limited SES factors available in current data sets. The Committee reiterated the need to examine the impact of community factors in the future. In particular the Committee noted the need to

better understand the relationship with post-acute care, community services and social supports available in low SES areas. Committee members suggested a need for more sophisticated regression analyses to identify the most meaningful SDS factors from a predictive perspective. Finally, Committee members suggested finding ways to assess a patient's home situation including caregiver support and housing stability.

Attribution Issues

The majority of respondents did not feel there were outstanding attribution issues that should be addressed for these measures. One Committee member reiterated the need to address the influence that community and available resources can have on these measures. Finally, one committee member noted that some costs related to care needed to support lower SES patients may not be reimbursed and would not be captured by these measures.

Assessing Unintended Consequences

The Committee noted the need to ensure these measures do not create disincentives to care for disadvantaged patients. To assess unintended consequences, Committee members suggested:

- Monitoring changes in patient demographics and the proportion of disadvantaged patients;
- Better understanding the causes of outliers;
- Studying the impact of community-level factors; and
- Balancing measures such as mortality, transfer rates, and readmissions.

Next Steps

CSAC will review the Standing Committee's input and consider the appeal during their August 9 meeting.



TO: Consensus Standards Approval Committee (CSAC)
FR: NQF Staff
RE: Review Process of NQF #2431, #2436, and #2579
DA: August 5, 2016

ACTION REQUIRED

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TIMELINE OF REVIEW

- In December 2014 the NQF Board of Directors endorsed NQF #2431, #2426, and #2579 with conditions.
- In May 2015 the Cost and Resource Use Standing Committee Standing Committee met to review the conceptual basis for adjusting the measures for sociodemographic (SDS) factors.
- In October 2015 the Standing Committee reviewed the developer's empirical analyses for adjustment for SDS factors. The Standing Committee recommended the measures for continued endorsement without SDS adjustment.
- In November 2015 the measures were put out for public comment.
- In January 2016 CSAC approved the Standing Committee's recommendation.
- In February 2016 the NQF Executive Committee ratified this recommendation.
- In April 2016 appeals of this decision were submitted by the American Medical Association (AMA) and jointly by four hospital associations, the American Hospital Association, the Federation of American Hospitals, the Association of American Medical Colleges, and America's Essential Hospitals.
- In May 2016 NQF responded to the appellants.
- In May 2016 CMS responded to the appellants and provided updated analyses using nine digit ZIP code data.
- In June 2016 NQF convened the appellants, CMS, Yale/CORE, the CSAC co-chairs, and one of the chairs of the Cost and Resource Use Standing Committee. The goal of this call was to foster a dialogue between the affected parties and to lay out potential options as the appeal is considered.
- In July 2016 NQF staff briefed the CSAC on the appeal.
- In July 2016 the Cost and Resource Use Standing Committee met to review the updated analyses and provide guidance to CSAC.

Next Steps

CSAC will review the Standing Committee's input and consider the appeal during their August 9 meeting.