

Empirical Analysis: The Relationship between SDS Factors and Cost/Payment Outcomes

October 27, 2015



NATIONAL
QUALITY FORUM

Agenda

- Welcome & Roll Call
- Background
 - How did we get here?
 - Goals and purpose of this call
- Review of Empirical Analysis
 - Developer overview and summary of memo
 - Committee Discussion
- Public and Member Comment
- Next Steps
- Adjourn

Cost & Resource Use Standing Committee

- Brent Asplin, MD, MPH (Co-Chair)
- Lisa Latts, MD, MSPH, MBA, FACP (Co-Chair)
- Ariel Bayewitz, MPH
- Lawrence Becker
- Mary Ann Clark, MHA
- Cheryl Damberg, PhD
- Jennifer Eames-Huff, MPH
- Nancy Garrett, PhD
- Andrea Gelzer, MD, MS, FACP
- Stanley Hochberg, MD
- Matthew McHugh, PhD, JD, MPH, RN
- Carolyn Pare
- Martin Marciniak, MPP, PhD
- James Naessens, ScD, MPH
- Jack Needleman, PhD
- Janis Orlowski, MD, MACP
- John Ratliff, MD, FACS, FAANS
- Andrew Ryan, PhD
- Joseph Stephansky, PhD
- Lina Walker, PhD
- William Weintraub, MD, FACC
- Herbert Wong, PhD
- Dolores Yanagihara, MPH

Overview of Sociodemographic Status (SDS) Adjustment Trial Period

- The 2-year SDS trial period began in January 2015
- During this time period:
 - SDS factors should be considered as potential factors in the risk model, if there is a conceptual reason for doing so (i.e., **conceptual analysis**);
 - **Empirical analysis** should be done on those SDS factors that have a conceptual relationship to determine their contribution to the model
 - SDS-adjusted AND SDS risk stratified measures will be accepted for evaluation with the appropriate conceptual and empirical analyses
 - Committees will evaluate the risk strategy as part of the assessment of validity

SDS and the Cost Measures

- The NQF Board of Directors ratified the CSAC's recommendations to endorse these cost measures:
 - #2431: Hospital-level, risk-standardized payment associated with a 30-day episode-of-care for Acute Myocardial Infarction (AMI) (CMS/Yale);
 - #2436: Hospital-level, risk-standardized payment associated with a 30-day episode-of-care for Heart Failure (HF) (CMS/Yale);
 - #2579: Hospital-level, risk-standardized payment associated with a 30-day episode of care pneumonia (CMS/Yale).

- Only with the following conditions:
 - One-year look-back assessment of unintended consequences;
 - Consideration for the SDS trial period; and
 - Further examination of attribution issue (Project Launch 10/26/15).

Reviewing the Cost Measures during the Trial Period

- The (3) endorsed CMS/Yale measures will be considered under the new SDS guidance during the trial period.
- Developers will be asked to submit additional analysis in a two-phased approach:
 - ***Webinar #1: Conceptual Analysis***
 - ***Webinar #2: Empirical Analysis (to be discussed on today's webinar)***
- Followed by:
 - Public and member commenting period (14 calendar days)
 - CSAC Review
 - Executive Committee review
 - Appeals (30 calendar days)

Summary of Conceptual Analysis

- Review of conceptual analysis of selected variables
 - Educational attainment or income (from census data using patient zip code)
 - Medicaid status (proxy for low income and insurance coverage)
 - Black or white race
- Determine whether further empirical analysis is warranted
- Identify the variables to be pursued in empirical analysis
- Provide input on the plan or approach to empirical analysis

Summary of Committee Recommendations for Conceptual Analysis

1. Broaden the conceptual model
2. Additional literature review (within and between hospital effects of race on hospital performance)
3. Determination of conceptual relationship

Committee Discussion

- Does the committee believe the developer has adequately supplemented their conceptual analysis based on previous Committee recommendations?
- Does the conceptual model adequately reflect the impact of SDS factors in the episode of care that is captured in these measures?

Empirical Analysis: Committee Guidance

Empirical Analysis Review

- Review and discuss the empirical analysis of the risk adjustment approach
 - Review and discuss the developer's decision to include or not include SDS adjustment in the measure based on the empirical analysis provided; and
 - Vote on Validity Criterion
 - Make an endorsement recommendation:
 - Recommend [continued] endorsement of the measure (as specified by the developer)
 - Recommend to de-endorse the measure

NQF Guidance for Submission of Empirical Analyses

- Analyses and interpretation resulting in decision to include or not include SDS factors in section.
- Performance scores and risk model performance of the model with and without SDS factors included (including method and results).
- An interpretation of their results in terms of the differences in performance scores for the same entities.
- Submission of updated reliability and validity testing and specifications for a stratified version of the measure using these factors, if SDS factors are included in the risk-adjustment approach.

Summary of Committee Recommendations on Variables and Empirical Analysis

- **Race:** Review the data and consider including other race variables beyond black.
- **Income and educational attainment:** Do not use 5-digit zip code data; analyze 9-digit zip code data once it is available
- **Medicaid/dual eligibility status:** Empirical analysis on Medicaid status variable, but only in combination with the Low Income Subsidy (LIS) data as proxy for insurance status and income

Empirical Analysis Review: Committee Discussion

- Does the committee believe the developer has adequately demonstrated validity of their risk adjustment approach?
- Has the developer adequately supported their decision to not include the SDS variables in the risk model?

Committee Voting Guidance

- Validity (*Appendix A of NQF memo*)
 - Your vote on the validity criterion should include consideration of:
 - Consistency of specifications with measure intent
 - Validity testing
 - Exclusions
 - ***Risk Adjustment***
 - Identification of statistically significant and meaningful differences
 - Disparities
 - Review the Committee's prior discussion and recommendations on validity (*Appendix B of NQF memo*)



Public and Member Comment

Remaining Milestones: SDS Review

- Public and Member Commenting (14 calendar days): **Nov 16-Nov 30**
- CSAC Review: **November 17-18 & December 8**
- BOD Executive Committee Review: **Jan 2016 TBD**
- Appeals (30 calendar days): **Jan-Feb 2016 TBD**

Next Steps: Resource Use Standing Committee

- Submit your vote on validity and continued endorsement by **COB, Friday, October 30**.
- Standing Committee term roll-over
- Upcoming Cost/resource use measure review and Standing Committee activities
 - Maintenance activities

Adjourn



NATIONAL
QUALITY FORUM