NATIONAL QUALITY FORUM

Memo

TO: NQF Linking Cost and Quality Expert Panel
FR: Erin O'Rourke, Taroon Amin, and Ashlie Wilbon
DA: 08/04/14
SU: Preparation for conference call/webinar on Wednesday, 8/6, 3:00 pm-5:00 pm ET

This memo provides background for the upcoming conference call. The purpose of the call is to:

- Provide a summary of comments received on the draft report,
- Highlight cross-cutting themes, and
- Discuss issues that would benefit from further committee input.

Panel Actions

1. Review this briefing memo and comment received (in Excel Spreadsheet) prior to the conference call.
2. Identify any issues that are not reflected in this memo so that they can be discussed by the Expert Panel.
3. Be prepared to discuss and assist with responding to issues raised in the comments.

Webinar & Conference Call Information

Wednesday, August 6, 3:00pm - 5:00pm ET

Speaker Line: (877) 822-9594 *(for NQF Staff/Expert Panel Members; no conference code required)*

Webinar link: http://nqf.commpartners.com/se/Rd/Mt.aspx?668627

In order to speak, you must be dialed into the phone line. The webinar will stream audio and slides.

NQF Process for Addressing the Comments

NQF received about 40 comments on the draft report from seven NQF member organizations and members of the public. Where possible, NQF staff has proposed draft responses for the Panel to consider. Although all comments and proposed responses are subject to discussion, we will not necessarily discuss each comment and response on the post-comment call. Instead, we will spend the majority of the time considering the major themes and the most significant issues that require Panel discussion and resolution.

We have included all of the comments that we received in the Excel spreadsheet that is part of the call materials. This comment table contains the commenter's name, as well as the comment, topic area, and proposed draft responses for the Panel's consideration. Please refer to this comment table to view the individual comments received and the proposed responses to each.

As a voluntary consensus standards organization, NQF follows OMB Circular A-1109 on Voluntary consensus standards:

4.a.(1).(v) Consensus, which is defined as general agreement, but not necessarily unanimity, and includes a process for ***attempting to resolve objections by interested parties, as long as all comments have been fairly considered, each objector is advised of the disposition of his or her objection(s) and the reasons why****, and the consensus body members are given an opportunity to change their votes after reviewing the comments.*

Major Themes and Issues for Discussion

To focus the Panel's discussion, NQF staff has identified the major themes expressed in the comments as well as discussion questions. These themes and discussion questions are not intended to limit the Panel's discussion but to provide a starting point and target areas on which the Panel can focus.

1. **Need for transparency and scientifically sound methods**
   Several commenters noted the need for transparency and scientifically sound methods when evaluating efficiency. Commenters discussed the importance of transparency of the cost and quality measures in the model and their specifications, the model being used to bring cost/quality together, the scoring algorithm/ weighting scheme, and the results used in the accountability application (tiering, payment, etc.). Further, commenters highlighted the importance of aligning measure specifications and the impact of weighting on correlation coefficients.

   Proposed Committee Response: The panel appreciates your comment and agrees with the importance of scientifically sound methods for calculating efficiency. The panel stressed the importance of ensuring efficiency measurement is reliable and valid. The panel along with the authors discussed that whenever possible, it is preferable to harmonize the specifications of the cost and quality indicators used to measure efficiency. This includes measuring cost and quality for comparable populations of patients, for the same time intervals of measurement, and the methods used to risk adjust for cost and quality outcomes.

   Additionally, the panel agrees that efficiency measurement should be transparent in regards to the elements noted above. The authors of the commissioned paper stressed the importance of transparency throughout the paper, including on pages 21 and 22.

2. **Need for improved measure methodology for both cost and quality measures**
   Several commenters noted the need for improved measurement methodology and greater standardization of cost measurement. Commenters raised issues such as the data challenges involved in calculating outcome quality measures.

   Proposed Committee Response:
   The panel appreciates your comment and agrees with the need for improved measure methodology for both cost and quality measures. The panel agrees with the importance of including outcome measures in efficiency signals but recognizes the data challenges that currently exist. The panel agrees with the need for greater standardization of cost measurement.

3. **Strengths, weaknesses, and use cases for each model**
   A number of commenters requested that the paper present the strengths and weaknesses of each model as well as guidance for selecting a model. The authors of the commissioned paper note a lack of evidence on the statistical properties of each model and agreed it would be premature to make a strong statement about their relative merits.

Proposed Committee Response:
The panel appreciates your comment and acknowledges the usefulness of presenting the strengths and weaknesses of each approach. The authors of the commission paper found a lack of evidence on the statistical properties of each model and agreed it would be premature to make a strong statement about their relative merits.

The panel appreciates the suggestion and acknowledges the importance of future work to identify clear guidance for the applications of a particular model when additional evidence is available.

- Question 1: Given the current limitations in evidence, what additional guidance can the Expert Panel provide about the considerations for the application of these models in various use cases (i.e., pay for performance, public reporting, benchmarking, network design)?
- Question 2: What future work could be done to explore the merits of each model in these use cases?

4. **Implications for the NQF endorsement process**
Commenters asked for greater clarity about the potential role of NQF in evaluating efficiency measurement. Commenters suggested that NQF review the methodology used to link cost and quality measures, specifically the weighting methodology and the model used for different use cases to facilitate greater transparency. Others cautioned against overly prescriptive approaches to ensure flexibility and innovation.
    - Question 3: As a first step to evaluating efficiency measurement approaches, is it sufficient to require a measure developer that submits a measure into the endorsement process to indicate and describe the measure(s) (either cost or quality) that will be linked to measure efficiency?
    - Question 4: Is there a need for a multi-stakeholder review of the methodologies used to link cost and quality measures?
    - Question 5: What are potential next steps for NQF in the field of efficiency measurement?

Additional Discussion on Comments/Responses or Draft Report

We ask that if any Panel members identify any specific comments or draft responses in the table or the draft report that require discussion or resolution by the Panel, please forward the comment ID# or concern to staff via email prior to the call.