



### Best Practices for Developing and Testing Risk Adjustment Models, Technical Expert Panel - Web Meeting #3

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The National Quality Forum (NQF) convened a public web meeting for the [Best Practices for Developing and Testing Risk Adjustment Models](#) Technical Expert Panel (TEP) on April 2, 2021.

#### Welcome, Introductions, and Review of Web Meeting Objectives

Dr. Matthew Pickering, NQF Senior Director, began by welcoming participants to the web meeting. Dr. Pickering provided opening remarks and invited Co-chairs Philip Alberti and Karen Joynt Maddox to provide welcoming remarks. Dr. Pickering reviewed the meeting agenda and the following meeting objectives: review and discuss public comments on the environmental (EV) scan report, review and discuss the draft Technical Guidance outline, and discuss the appropriateness of a standard risk adjustment framework.

#### Web Meeting #2 Recap

Dr. Pickering provided a recap of web meeting #2, which was held on February 2, 2021. Dr. Pickering noted that the main objective of web meeting #2 was to review and discuss the first draft of the EV scan report, especially focusing on the literature, measure and program reviews. Dr. Pickering briefly summarized the feedback and recommendations received from the TEP and the federal liaisons on the EV Scan report prior to and during web meeting #2.

For the literature and measure reviews, Dr. Pickering reviewed the [recommendations](#) that have been incorporated into the EV Scan report, which included clarification edits and updates to the summary tables. Dr. Pickering noted that some of the recommendations will be incorporated into the Technical Guidance report rather than the EV scan report, namely including a list of emerging data sources and providing information regarding the strengths and limitations of some of the data sources identified from the EV scan. As a reminder, Dr. Pickering further noted that the project is currently within the base year, with the potential for being awarded an option year. Some recommendations would be considered if this project were to continue for an option year. These include updating the reviews with additional literature and/or measures and further stratifying the data (e.g., by care setting). Dr. Pickering noted that the recommendation of adding social and functional status-related risk factors not identified from the reviews is beyond the scope of the project but can be considered for the option year.

Regarding the program review, this section was updated with narrative descriptions for the respective figures, describing and classifying the approaches for certain programs, and adding the Michigan Medicaid plan as another example. The TEP did not voice any concerns or comments for this portion of the meeting.

#### Review and Discuss Public Comments on the Environmental Scan Report

Dr. Pickering reminded the TEP of the NQF member and public commenting period for the EV scan report, which opened on February 24, 2021 and closed on March 17, 2021. Dr. Pickering noted that the comments received were from two stakeholders including, America's Health Insurance Plans (AHIP) and

RELI Group, Inc. The full comments and NQF draft responses to those comments were shared with the TEP for reference prior to web meeting #3. Key themes that emerged from the public comments included capturing emerging sources, the need for a conceptual model, noting core principles of risk adjustment, separation of risk factors by care settings and level of analysis, and more examples of state programs such as Minnesota Integrated Health Partnerships. Dr. Pickering informed the TEP that clarification edits were incorporated into the EV scan report based the comments received, and that the comments related to emerging data sources, core principles, and a conceptual model will be considered for inclusion in the Technical Guidance report (as opposed to the EV scan). Dr. Pickering inquired if the TEP had any questions or comments regarding the public comments received and the key themes identified.

The TEP thanked the staff for addressing the comments so thoroughly. One of the TEP members then noted that there is a need to identify disparities regardless of the adjustment of the risk factors. There was agreement among the TEP regarding this point. Additionally, the TEP noted that as the emerging and aspirational data sources continue to evolve and become available, the recommendations and guidance may also need to change and be updated regularly as a result. The TEP recommended that there is a need to explicitly state that the information that is being collected is in the process of change and that decisions and recommendations made based off the environmental scan may be in flux. The TEP suggested capturing this in a forward-looking portion of the Technical Guidance. Dr. Pickering thanked the TEP for the recommendation and shared that the NQF team will consider including some language to note that the Technical Guidance report is a living document that will need to be reviewed and updated regularly based on the emerging and changing data sources. Dr. Pickering also noted that the TEP will have an opportunity to review and react to the language in the first draft of the Technical Guidance report in order to ensure that this recommendation has been reflected.

## Review and Discuss Draft Technical Guidance Outline

Dr. Pickering began by sharing the core principles of risk adjustment. Dr. Pickering noted that these core principles have been developed from previous NQF projects and NQF-convened committees related to the [socioeconomic status](#) and [disparities](#) within quality measurement. These principles will be included in the Technical Guidance report to ground this work. The TEP recommended using the term “patient case-mix” more broadly to include clinical factors, social determinants of health, etc., and to explicitly state that this includes adjustment of any patient-level factor. The TEP further recommended including an explanation of the intent of the core principles within the Technical Guidance report. A few of the TEP members also suggested refining some of the language for the core principles, especially regarding race/ethnicity and socioeconomic status factors, and defining the phrase “care received” and other nuance terms. NQF acknowledged that the comments discussed will be taken into consideration as the project team continues to draft the Technical Guidance report.

Dr. Pickering transitioned the discussion to reviewing the draft technical guidance outline, noting that the goal for the discussion is to seek the TEP’s recommendations on the content, identifying any gaps, and the overall structure and flow of the outline (order of the sections). The goal of the Technical Guidance document will be to offer a step-by-step process for measure developers when conducting social and functional status risk adjustment for quality measurement. Dr. Pickering informed the TEP that the Technical Guidance outline was developed from the existing NQF guidance for measure developers, namely the [NQF Measure Evaluation Criteria Guidance](#) and the [NQF Measure Testing Form](#). Dr. Pickering commented that there is a need to build upon the information included in these materials, which further supports the importance of the current project.

Following a high-level overview of the Technical Guidance outline, Dr. Pickering reviewed and provided an explanation for each section of the outline. Dr. Pickering then invited Co-chair Philip Alberti to lead and facilitate TEP feedback and discussion on the Technical Guidance outline. Co-chair Alberti emphasized focusing the discussion on the overall flow, structure, and any missing elements in the Technical Guidance outline. The TEP recommended moving the “Key Terms and Definitions” section before the “Core Principles” section within the Technical Guidance outline. Some TEP members recommended switching the first two main headings, so that conceptualizing the model is first, followed by providing a rationale for risk adjustment. The TEP emphasized the importance of the conceptual model to include the consideration of data feasibility and unintended consequences of risk adjustment.

The TEP noted that the flow of the Technical Guidance outline has various pre-specified decision points and to consider being explicit about those decision points within the report. The TEP suggested that this could also be represented as a flow diagram. Additional recommendations included changing the conceptual risk adjustment model section to state “Conceptualizing the Model”; consider using the term “accountable entity” rather than “provider”; and making mention that testing model calibration should be conducted not just within the overall population, but also within sub-groups, being clear that this is distinct from discrimination within the sub-group. A final recommendation from the TEP was to revise the sub-header listed under “Considerations for Determining the Final Risk Adjustment” to read as “Stratification in the Absence and Presence of Adjustment”.

Overall, the TEP agreed that the draft Technical Guidance outline was comprehensive and followed a logical flow. Dr. Sai Ma, NQF Managing Director and Senior Technical Expert noted the need to strike a balance between on how comprehensive measure evaluation criteria recommendations need to be as they might pose a burden on measure developers and that not all developers have the resources for submitting their measure.

## Standard Risk Adjustment Framework

For this portion of the meeting, Dr. Pickering reminded the TEP of the questions that were shared with them and the federal liaisons prior to this web meeting related to the appropriateness of a standard risk adjustment framework. Co-chair Karen Joynt Maddox summarized the responses from the TEP and federal liaisons and provided a strawman of the overall recommendations. Co-chair Maddox stated that overall, there was general agreement that having a standardized framework would provide an opportunity for more consistency and credibility of risk adjustment models, but there are data availability limitations and that a one-size fits all approach would not be appropriate due to the differences in patient populations and the focus of the measure (i.e., type of outcome). Therefore, a very rigid or prescriptive framework would be disadvantageous since methods and data availability are constantly evolving. The goal should not force consensus on one approach. Rather, the goal should be to provide standardized guidance and expectations that will advance the methods for risk adjustment, improve the uptake of better risk variable data, and facilitate clear articulation of tradeoffs related to adjusting for social and functional status factors. The TEP agreed with the summary and the recommendations, noting that having such a framework could benefit all stakeholders. The TEP also agreed that this framework should include an acknowledgement that due to the ongoing changes in this area, that the framework should be continually updated.

One TEP member questioned where use of the measure fits into this framework. Dr. Pickering noted that current NQF evaluation criteria is agnostic to use and that we would want to consider this when developing the technical guidance and a standardized framework. Co-chair Maddox suggested that NQF should not be the only arbiter of how measures should be used and that this is about policymaking. Dr. Ma added that the Scientific Methods Panel has also discussed whether a measure should be evaluated

for its use, noting that this would require different criteria depending on the use. The SMP further shared that evaluation of a measure's use would be out of the purview of NQF.

### **Public Comment**

Janaki Panchal, NQF Manager, opened the web meeting to allow for public comment. No public comments were offered.

### **Next Steps**

NQF staff noted that the first draft of the Technical Guidance report will be shared with the TEP and the federal liaisons prior to web meeting #4. The TEP and the federal liaisons will be able to share their edits and recommendations within the draft, similar to the approach that was taken with the EV scan report. Web meeting #4 will take place on Thursday, May 13, 2021 from 1:00 to 3:00pm ET. During this web meeting, the TEP will review the first draft of the Technical Guidance report. NQF staff shared the contact information for the project and adjourned the meeting by thanking the TEP for their continued participation and engagement.