



TO: Consensus Standards Approval Committee (CSAC)

FR: Helen Burstin and Karen Pace

RE: Risk Adjustment for Socioeconomic Status or Other Sociodemographic Factors

DA: July 7, 2014

The CSAC will review recommendations from the *Risk Adjustment for Socioeconomic Status or Other Sociodemographic Factors* project during its July 9-10 in-person meeting. The draft report was posted for a 30-day comment period from March 18 through April 16, 2014. No member voting on the draft report or recommendations was required.

This memo includes a summary of the project, a summary of the comments received, and the actions of the Expert panel to review the comments received and resolve any objections to the recommendations.

The following files accompany this memo:

1. *Risk Adjustment for Socioeconomic Status or Other Sociodemographic Factors Final Report*. The draft report has been updated to reflect the changes made following the Expert Panel's discussion of public and member comments. It includes ten final recommendations. The Panel's response to comments is included in Appendix G.
2. Comment table. The comment table includes all comments received. Responses to the major themes of the comments are included in Appendix G of the report.

CSAC ACTION REQUIRED

- Review the recommendations and the rationale and supporting discussion in the final report.
- Be prepared to discuss and identify anything that requires clarification.
- Be prepared to discuss your position on the recommendations and provide rationale.

The Expert Panel's recommendations will be considered by the CSAC and then the CSAC's recommendations will be reviewed for final action by the NQF Board at its July 23 in-person meeting. The final deliverable under the NQF contract is due to CMS by July 30.

BACKGROUND

NQF endorses performance measures intended for use in both performance improvement and accountability applications such as public reporting and pay-for-performance, in which healthcare entities' performance scores are compared. Outcomes are influenced by patient factors other than the healthcare received and NQF's current [measure evaluation criteria](#) calls for risk adjustment of outcome and resource use measures (or justification for no adjustment). The criteria include a note that risk models should not include factors associated with differences or inequality of care and that it is "preferable" to stratify rather than adjust for those factors. This language was adopted in 2008 based on assumptions about "masking" disparities (primarily racial and ethnic disparities), but was not examined in light of epidemiological and statistical principles and methods regarding adjustment. There have been

exceptions to the guidance with endorsement of measures that are adjusted for some sociodemographic factors (e.g., ESRD mortality ratio and race; HCAHPS and education and non-English primary language), indicating the need to evaluate each measure and circumstance individually. To date, generally measure developers have not specified measures for stratification and implementers do not report stratified performance scores.

In light of increased use of NQF-endorsed performance measures beyond public reporting and quality improvement to other accountability applications, such as payment rewards and penalties, has brought increased scrutiny to performance measures and particularly the guidance to not include sociodemographic factors. There is a substantial body of evidence that some sociodemographic factors influence a variety of patient outcomes (and some processes). The validity and fairness of some performance measures used to make comparative conclusions about performance and do not account for patients' sociodemographic complexity have been questioned.

To answer the question "what, if anything should be done about sociodemographic factors in relation to outcome performance measurement," NQF convened an Expert Panel of 26 individuals with a variety of expertise related to disparities, performance measurement and risk adjustment methods, as well as varied stakeholders (e.g., consumers, purchasers and providers). This project is funded by HHS.

SUMMARY OF COMMENTS AND THEIR DISPOSITION

- 667 comments
- 158 organizations (or individuals)
- 143 commenters were in support of the recommendations
- 7 commenters were opposed to the recommendations
- 7 commenters provided mixed comments (supportive and not supportive) or reservations
- 5 commenters were supportive of most recommendations but opposed to Recommendation 7 - NQF having role in guidance on implementation

Support the recommendations (Partial list from the 143 commenters in support)

- Association of American Medical Colleges
- Association of Asian Pacific Community Health Organizations
- American Medical Association
- American Hospital Association
- America's Health Insurance Plans
- American Medical Group Association
- America's Essential Hospitals
- Catholic Health Association
- Community Catalyst (*consumer*)
- Federation of American Hospitals
- National Association of Community Health Centers
- National Hispanic Medical Association
- Premier healthcare alliance
- Service Employees International Union (*consumer*)
- Special Needs Plans Alliance

Do not support the recommendations (7 commenters)

- CMS (**purchaser**)
- Consumer-Purchaser Alliance (**consumer**) (composed of 33 consumer and purchaser organizations; submitted by National Partnership for Women & Families)
- Consumers Union/Consumer Reports (**consumer**)
- Kaiser Permanente (provider/plan)
- The Leapfrog Group (**purchaser**)
- NCQA (quality measurement, research and improvement)
- St. Louis Area Business Health Coalition (**purchaser**)

Some comments were a **mixture of negative and positive comments or reservations** (7 commenters - categorized as "?" in the support column of the Excel comment table)

- Armstrong Institute for Patient Safety and Quality at Johns Hopkins University (quality measurement, research and improvement)
- HealthPartners (provider; also measure developer)
- Mathematica (quality measurement, research and improvement)
- Press Ganey (quality measurement, research and improvement)
- RWJF (quality measurement, research and improvement)
- The Joint Commission (quality measurement, research and improvement)
- Yale HRET (quality measurement, research and improvement)

Support recommendations related to sociodemographic adjustment, but not NQF having role in guidance on implementation (5 commenters)

- American Academy of Neurology (health professionals)
- American College of Cardiology (health professionals)
- Highmark (health plan)
- Pharmacy Quality Alliance (quality measurement, research and improvement)
- UHC (quality measurement, research and improvement); also does not support Recommendations 5 and 6

Pattern of Comments

All the commenters representing purchaser stakeholders and half the commenters representing consumer stakeholders did not support the **draft** recommendations to adjust for sociodemographic factors when indicated. Fifty-six of 68 NQF member organizations were in support of the **draft** recommendations.

Table 1. Pattern of Support or Lack of Support across Stakeholder Groups

	Total	Support Recommendations 1-4	Do Not Support Recommendations 1-4	Mixed Comments or Some Reservations	Info only
Consumer	4	2	2	0	
Health Plan	7	7	0	0	
Health Professionals	26	26	0	0	
Provider Organizations	83	81	1	1	
Public/Community Health Agency	20	20	0	0	
Purchasers	3	0	3	0	
Quality Measurement, Research and Improvement	15	7	1	6	1
Supplier and Industry	3	3	0	0	
Total	158	143	7	7	1
NQF Members	68	56	7	5	

Major themes of the Comments

The following major themes of the comments were identified and provided a specific response in addition to being incorporated into the final text of the report. See Appendix G.

1. Masking disparities, masking quality problems, different standards
2. Evidence of Harm
3. Definition of quality, healthcare responsibility, reduce incentive to improve, impede progress on outcomes such as readmission
4. Methods
5. Implementation is the issue, not measurement
6. Burden to developers, guidance to developers
7. Data burden, feasibility
8. Additional Sociodemographic Factors, Community factors
9. Implementing the recommendations and monitoring impact
10. Clarifications

CONSENSUS**Expert Panel Process to Address the Comments Received**

NQF is committed to resolving objections and fairly considering all comments when deciding on a disposition and explaining the reasons. This process began with the Expert Panel, who worked to resolve objections and find common ground to modify their draft recommendations.

- NQF staff initially reviewed and categorized comments; identified themes; and worked with co-chairs to prepare briefing materials for the Expert Panel
- On a four-hour post-comment conference call on May 9, the Expert Panel explored options to address the concerns about masking disparities raised in some of the comments, including potential options for greater transparency, strengthening the disparities recommendations, and a developing a methods discussion.

- After the call, the Expert Panel, co-chairs, and subgroup of statisticians exchanged over 125 emails with substantive discussion.
- Engaged in an email discussion of potential options for additional data to be available if a performance measure is adjusted for sociodemographic factors. A list of options with pros and cons was discussed and modified. The Panel participated in a poll to identify options with the greatest support. Based on the poll, a set of proposed recommendations related to disparities was drafted. The recommendations were discussed by the Panel via email, leading to revisions.
- Participated on a subsequent conference call on June 17 to discuss new recommendations, followed by substantial email discussion leading to the final set of recommendations included in the final report.

Although the recommendations to adjust for sociodemographic factors when indicated are grounded in sound measurement science methods and principles, the Expert Panel addressed the concerns raised in the public comment period about appropriateness of adjusting for sociodemographic status (SDS). They modified the recommendations in three substantial ways:

- requiring measure specifications for stratification to identify disparities if a performance measure is SDS-adjusted;
- recommending a transition period during which a clinically-adjusted version of the performance measure would be specified and available only for comparison purposes to the SDS-adjusted score; and
- recommending an NQF standing Disparities Committee to monitor implementation of the revised policy as well as ensure continuing attention to disparities.

In addition, the Expert Panel, lead by the statistician and methodologist members, provided a discussion of the methodological basis for adjusting for SDS when indicated.

CSAC OPTIONS

In general, the CSAC should consider the Expert Panel's recommendations for a consensus recommendation to the Board of Directors. From the OMB Circular A-119 under which NQF operates as a consensus-based organization:

Consensus 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.

The following general actions can be taken:

- Approve as stated or with additional implementation guidance
 - CSAC can further develop implementation guidance; request implementation guidance from the Panel; or direct staff to develop guidance (such as changes/additions to submission form; transition period- what to be evaluated/monitored; evaluation guidance to committees; etc.)
- Do not approve (or modify) the recommendations with specific rationale (need to consider how to resolve objections from those who were in favor of the recommendations)
- Ask the Expert Panel to provide clarification/additional information or direct to seek additional information
- Recommend actions to further build consensus among the disagreeing stakeholder groups