



TO: Consensus Standards Approval Committee (CSAC)

FR: Helen Burstin, MD, MPH, Taroon Amin, MA, MPH, & Erin O'Rourke

RE: Risk Adjustment for Sociodemographic (SDS) Trial Period

DA: September 3, 2014

During their in-person meeting on September 3, the CSAC will be given an update on the NQF Board's decision on the trial period for risk adjustment for SDS factors. CSAC is asked to consult on operational guidance for implementing and evaluating this trial period.

CSAC ACTION REQUIRED

- Discuss operational guidance for implementing and evaluating a trial period for risk adjustment of SDS factors.

BACKGROUND

While most members of the Board expressed approval for the CSAC recommendation of a rigorous trial period within which measures could be adjusted for SDS factors, there were a few who raised concern that a trial period may slow down what they saw as the need for an immediate change in policy—especially to address issues of safety net providers and the vulnerable populations that they serve.

The agreed upon trial period is expected to both provide more information about the effects of such adjustment on measure results and inform future NQF policy. CSAC's chair, Cristie Travis, further proposed that the duration and specifics of the trial period would be developed by NQF staff in consultation with CSAC, and that NQF would empanel a standing committee on disparities to be responsible for the evaluation of the trial period. The Board approved these recommendations around implementation of the trial period.

Two amendments were proposed to the CSAC recommendations prior to voting by the Board:

- The Board motion was modified by inserting the word "permanent", i.e., "The Board ratified the recommendation of the CSAC to proceed with a trial period for SDS adjustment prior to a permanent change in NQF policy."
- An amendment to the existing recommendation was proposed for the trial period to emphasize that the Board recommended "proceeding with a robust trial of a defined period comparing SES and clinically adjusted to clinically adjusted alone to generate the knowledge that will be needed to inform policy."

The Board approved these amendments.

PARAMETERS OF THE TRIAL PERIOD

Basic Structure

During the trial period, NQF policy which restricts use of SDS factors in statistical risk models will be suspended and NQF will implement the [Risk Adjustment Expert Panel's recommendations](#) related to the appropriate use of SDS risk factors. More specifically:

- During this trial period, whether a performance measure should be adjusted for SDS is determined by the Standing Committee for each individual measure.
- When there is a potential conceptual and empirical basis for SDS adjustment, the Committee will evaluate whether the developer assessed SDS factors according to guidelines for selecting risk factors to determine whether to include in adjustment or not.
- If a performance measure is SDS-adjusted, the measure developer must include specifications for both stratification of a non-SDS adjusted version of the measure and specifications for a non-SDS adjusted overall score.

During the trial period if SDS adjustment is determined to be appropriate for a given measure, NQF will endorse one measure with specifications to compute: 1) the SDS-adjusted measure; 2) the non-SDS (clinically adjusted only) version of the measure; and 3) stratification of the non-SDS-adjusted version. As recommended, specifications for stratification should always accompany an SDS-adjusted measure to identify any disparities. This approach was supported by the Executive Committee of the Board on a recent conference call.

As recommended by the Expert Panel and the CSAC, NQF will convene a Disparities Standing Committee to review the implementation of the revised policy and report on the progress of the trial period to the CSAC and the Board. At the end of the trial period, a determination will be made by the Board with input from the CSAC and the Disparities Standing Committee to make the change in policy (or some modification) permanent, extend the trial period, or rescind the temporary change in policy. The Disparities Standing Committee's charge will include monitoring for unintended consequences in the future as SDS-adjusted measures are implemented in public reporting and pay-for-performance programs.

Implementation of the Trial Period

The measure submission testing attachment will be modified to ensure that the information needed to evaluate risk adjustment factors is provided. Standing Committees will be provided guidance to assist with evaluating whether conditions are met for including SDS factors in risk adjustment. Additionally measure developers will be provided with guidance on the change in NQF policy and the revisions to the measure submission form through a series of webinars conducted by NQF staff.

With the restriction against SDS adjustment lifted, Standing Committees and other stakeholders may raise questions about SDS risk factors in their evaluation of performance measures submitted to NQF for endorsement or as a basis for ad hoc review. If ad hoc reviews of currently endorsed measures are requested during the trial period, measure developers will be given up to 1 year to bring forward additional analyses regarding the appropriateness of SDS adjustment.

Timeline and Duration

The trial period will start December 31, 2014. This timeframe will allow NQF to develop the necessary structures and processes to support this change. Additionally this will allow measure developers time to

learn about the change and apply it to their analytical work for measure development and testing. The changes will be implemented in projects that are scheduled to start on or after December 31, 2014. NQF staff is actively working with measure developers who may be affected by this change in upcoming projects. As noted above, questions about SDS risk factors may serve as the basis of a request for ad hoc review of measures that have been endorsed prior to the start of the trial period.

The recommended duration of the trial period by the NQF Board is two years. At the end of the trial period, the Disparities Standing Committee will provide an update on the progress of the trial period to the CSAC and the Board.

EVALUATION OF THE TRIAL PERIOD

The success of the trial period depends on three major factors: 1) the number and length of upcoming funded CDP measurement projects, 2) the scope of questions that need to be answered, and 3) adequate participation to answer the questions. An important focus of the trial period evaluation would be to ensure that NQF has the structures and processes in place to help committees identify performance measures that should and should not be adjusted for SDS factors.

Limitations to the Trial Period

There are important constraints to what can be achieved and learned in NQF's trial period. Important limitations to note include:

- NQF does not develop performance measures or implement them in accountability applications or improvement programs.
- NQF only controls what is required for submission, criteria for evaluation, and what is ultimately endorsed.
- NQF does not have additional funding for special research studies that may be of interest.
- Current data limitations for SDS variables during the trial period could result in a weaker or non-significant association with an outcome than would be seen with a more specific or reliable variable of SDS.
- Measure developers have a range of expertise, capacity, and readiness to obtain and work with SDS data.

There are additional questions that could be explored if SDS-adjusted measures are used, including how healthcare entities react to SDS-adjusted scores and stratified data for improvement; how purchasers and payers use SDS-adjusted scores for rewards and penalties; or whether there is any impact on disparities. While critically important, these questions are largely outside of NQF's control. We plan to explore these longer-term issues with the Disparities Standing Committee.

Descriptive Information for Trial Period

- How many and which measures were submitted: 1) with SDS adjustment; 2) analyzed for potential SDS adjustment but SDS factors ultimately not included; or 3) without any discussion of SDS factors but raised as a concern during evaluation?
- For each of the three groups: a) how many recommended/not recommended by the Standing Committee; b) how many supported/not supported by member vote; c) how many approved/not approved by CSAC; and d) how many endorsed/not endorsed?

- How many and which measures had requests for ad hoc review related to SDS adjustment and what was the disposition?
- What SDS factors and variables were analyzed (considered but data not available)?

Evaluation of NQF Processes and Structures

- For measures with SDS adjustment or analyzed for SDS adjustment, how many measures were submitted with the information required for evaluation by the committee?
- For SDS-adjusted measures, what was the strength of the association between the SDS and outcome variables and what was its unique contribution when other risk factors included?
- Do measure specifications include instructions for creating groups for stratifying clinically-adjusted scores? How were the stratification groups constructed?
- Does adjustment for SDS factors follow accepted methods as outlined in the Expert Panel report?
- For measures with a difference of opinion on endorsement about meeting criteria among the standing committee, member vote, CSAC, and Board, examine the reasons for disagreement and how was it resolved. For these measures with disagreement, examine the recommendations for consistency with conditions for adjusting or not adjusting outlined in the report? The analysis will be conducted for three categories of measures: 1) with SDS adjustment; 2) analyzed for potential SDS adjustment but SDS factors ultimately not included; or 3) without any discussion of SDS factors but raised as a concern during evaluation.

Qualitative Feedback on the Impact of the Trial Period

In addition to the descriptive information and analyses noted above, NQF will reach out to key stakeholders in the CDP process to gather feedback on the impact of the trial period.

- Developers
 - What are the costs and burdens on developers to comply with the new requirements?
 - What is the effectiveness of resource materials and technical assistance?
- Standing Committee and CSAC Members
 - What is the effectiveness of resource materials and technical assistance?
 - Did committee members have the information needed in evaluating the appropriateness of SDS adjustment? What additional information would have been valuable?
- NQF members and public commenters
 - What were the themes regarding SDS adjustment from the comments?
 - What were the differences in comments by stakeholder groups?

Evaluation of SDS-Adjusted Measures

NQF cannot control if SDS-adjusted measures will be submitted during the trial period. However, CMS has committed to working with NQF to identify appropriate measures for consideration of SDS adjustment during the trial period. The Executive Committee of the Board encouraged staff to prospectively reach out to measure developers to encourage submission of SDS-adjusted measures. The following questions can be explored for SDS-adjusted measures submitted during the trial period:

- Do SDS factors have a significant effect on the outcome or process being measured?
- What measures demonstrate differences for certain population sub-groups?

- If a strong conceptual relationship exists, does the analysis with specific SDS variables demonstrate an empirical relationship between those variables and performance?
- What SDS factors and variables are used in the analyses?
- What critical data gaps were identified for SDS variables?
- Are endorsed SDS-adjusted measures recommended or implemented in public reporting and pay-for-performance programs?

NEXT STEPS

The table below highlights the steps necessary to implement the trial period and the timeline for their completion:

Tasks	Amount of time	Dates
Announce, nominate (30 days), and appoint Disparities Committee	3 months	9/1-11/30/14
Announce change to developers		9/15/14
Develop NQF structures and processes for measure submission and evaluation	2 -3 months	9/1-10/31/14
Informational Webinars with measure developers	2 months	10/1-11/25/14
Begin to implement change in measure submission and evaluation		12/31/2014