

Benchmarking Performance in Commercial Accountable Care Organizations

WHAT IS THE PROJECT?

Accountable Care Organizations (ACO) represent alternatives to traditional fragmented care delivery wherein groups of providers and facilities are incentivized to deliver well-coordinated, high-quality care through reimbursement tied to quality, utilization, and cost of care. Quality and cost benchmarking—between ACOs and over time—is essential to drive improvements through this care delivery model. However, performance measurement, performance standards, and national benchmarks are lacking for commercial ACOs. Thus, there is a need for meaningful performance benchmarks and standardized benchmarking approaches relevant to the diverse range of commercial ACO programs.

This NQF Measure Incubator® project facilitated the development and initial pilot of a benchmarking framework that enables valid performance comparisons across commercial ACOs and produces actionable data to inform healthcare decision making and drive meaningful improvements in care.

PHASE 1: STRATEGY SESSION

As a first step, NQF convened a strategy session with a multistakeholder Expert Panel in mid 2018 as part of a strategic collaboration with **Integrated Healthcare Association (IHA)**, a California-based non-profit organization that launched the **Align. Measure. Perform. (AMP) Commercial ACO program** in late 2017 to develop and implement a standardized measurement and benchmarking program for commercial ACOs.

In the strategy session, panelists shared data and analytical challenges to achieving a standardized approach for benchmarking, given known variations in the composition and design of ACOs and ACO contracts as well as assigned beneficiaries. The Panel developed five benchmarking principles to provide context to quality, utilization, and cost information for commercial ACOs:

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| 1 | MEET MULTIPLE STAKEHOLDER NEEDS | Benchmarking should include both absolute performance and measures of variation—within and between ACOs. Each communicates important information to consumers and purchasers about the expectations for care delivered. |
| 2 | ENABLE MEANINGFUL COMPARISONS AND ALLOW FOR PROGRAM EVOLUTION | Benchmarking methods should focus on a common, relevant measure set and accommodate enhancements to ACO programs and measure sets over time. |
| 3 | PROVIDE CRITICAL CONTEXT FOR ACCURATE INTERPRETATION OF RESULTS | Benchmarking results should be contextualized (e.g., through stratification by ACO characteristics, where appropriate), considering the type of measure reported. Judicious use of risk adjustment retains performance variations that are meaningful to purchasers and consumers. |
| 4 | INCORPORATE APPROPRIATE PERFORMANCE TARGETS AND IMPROVEMENT GOALS | Identifying minimum performance thresholds in advance, establishing appropriate peer groups (based on common characteristics), and measuring performance over longer time periods supports meaningful performance improvement efforts. |
| 5 | BE SIMPLE TO IMPLEMENT AND STABLE OVER TIME | Benchmarking should leverage readily available data sources, be easily understood by stakeholders, and remain consistent year over year. |

Panelists urged that these principles should be considered collectively when assessing a benchmarking method and recommended further exploration of these principles through a real-world pilot.

NQF engaged diverse stakeholders in the Measure Incubator project, including patients with experience navigating the healthcare system, providers, purchasers, and industry experts in ACOs, quality measurement, and benchmarking methodologies.

PHASE 2: BENCHMARKING FRAMEWORK PILOT

Building on the strategy session findings, NQF supported IHA in piloting the benchmarking framework within its AMP Commercial ACO program. NQF clarified stakeholder needs and preferences identified during the strategy session, compared IHA's existing benchmarking model with the conceptual principles, and recommended short- and long-term enhancements to the AMP Commercial ACO program. Additionally, NQF engaged health plans, provider organizations, purchasers, and industry experts to explore diverse stakeholder information needs. Through these touchpoints, several key themes emerged:

DIVERGENT PERSPECTIVES	Producing one report that meets the needs of all stakeholders is challenging. Tailored reports may be more useful in the long run as users gain experience with the data.
TIMELY, ACTIONABLE DATA	Data must be actionable to support continued engagement in the program.
ENHANCED FUNCTIONALITY	Provider organizations and health plans seek data to complement in-house analytics along with easily interpreted visual representations of benchmarking data.
REDUCING BURDEN	Continued alignment across measure sets and benchmarks, streamlined data collection, and increased transparency around measurement methodology will reduce burden and increase participant engagement.

WHAT IS THE ENVISIONED OUTCOME?

At the strategy session, panelists recognized the importance of balancing reporting burden with the desire for more complex analyses to help stakeholders understand performance variations. Building on these findings, IHA can meet the needs of current and future program participants through continued enhancements aligned with national benchmarking principles.

This project was completed in November 2019.

The national benchmarking principles for commercial ACOs represent a critical first step to driving meaningful improvements in care and informing commercial ACO performance reporting and benchmarking nationwide.