Measuring quality of care in Medicare

John Richardson

April 3, 2014

MEDPAC

Today's presentation

- Summarize where we are today, after November and March discussions
- Continue conversation with new discussion questions
- Prepare for chapter in June 2014 Report to the Congress and ongoing discussion

Medicare quality measurement today

- Commission made recommendations on quality reporting and pay-for-performance for some FFS provider types and MA plans
  - Also recommended how to compare quality between FFS Medicare and MA in local areas
- The Congress has enacted:
  - Public reporting on quality measures for almost all FFS provider types
  - Pay-for-performance in various forms for inpatient hospitals, dialysis facilities, MA plans, physicians, ACOs

Note: ACO (Accountable Care Organization); FFS (fee-for-service); MA (Medicare Advantage).

Concerns with current quality strategy in FFS Medicare

- Reliance on process measures reinforces FFS incentives for volume, fragments care delivery
- Provider-based measurement focuses providers on silos of care, not on coordinating care across settings
- Complexity and burden from growth in number of measures, little coordination with private payers
- Research literature: In the field, overall improvement on process measures is not associated with improvement in outcomes (e.g., mortality, post-surgical complications)

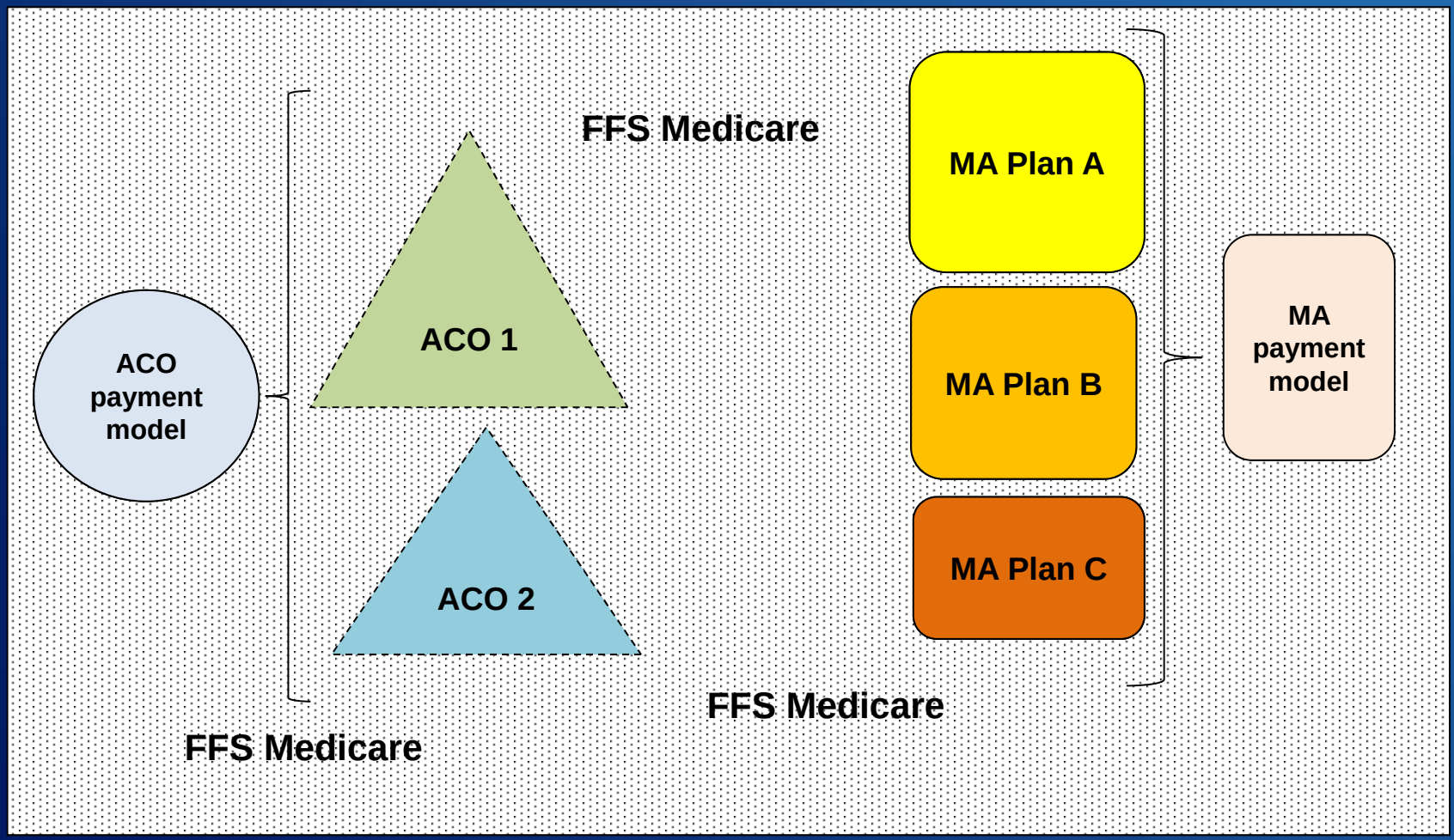
Note: FFS (fee-for-service).

Alternative explored: Population-based quality for FFS, MA plans, ACOs

- Outcome measures
  - Potentially preventable admissions and ED visits
  - 30-day mortality and readmission rates
  - “Healthy days at home”
  - Patient experience surveys
- Overuse measures
  - Example: Potentially inappropriate imaging studies

Note: ACO (Accountable Care Organization); FFS (fee-for-service); MA (Medicare Advantage).

Population-based quality measurement in local areas for FFS, MA, and ACO models



MEDPAC

Note: ACO (Accountable Care Organization); FFS (fee-for-service); MA (Medicare Advantage).

Uses and limits of population-based outcome measures

- Discussion split along two lines:
  - Reporting: Support to allow beneficiaries and policymakers to compare quality across all three payment models in a local area
  - Payment: Support using for MA plan and ACO payment adjustments within those models, but do not support using for FFS provider payment adjustments

Note: ACO (Accountable Care Organization); FFS (fee-for-service); MA (Medicare Advantage).

Issues with using population-based outcomes to adjust FFS payments

- No identifiable entity to hold accountable for performance
- Combining high- and low-performing providers would mask provider-level quality distinctions
  - But also could encourage high-performing providers to leave FFS, move to MA plans and ACOs

Note: ACO (Accountable Care Organization); FFS (fee-for-service); MA (Medicare Advantage).

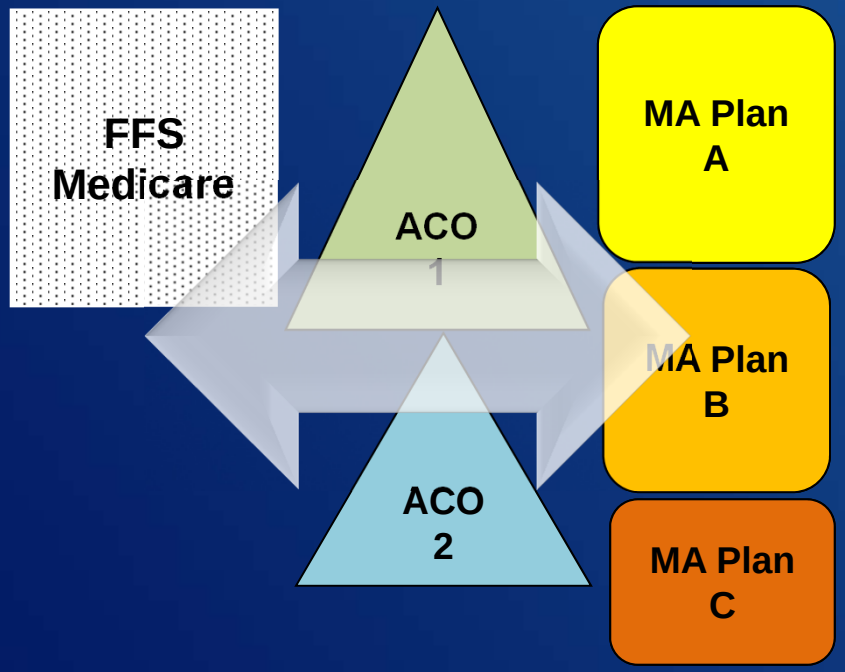
Concerns with using provider-level measures for FFS payment policy

- Reinforces silos, distracts resources from care coordination
- Gaps in existing measures, especially for physician specialties
- Limits of statistical reliability in measuring small numbers, especially for physicians
- Cost, administrative burden, inefficiency of chart-based measures

Note: FFS (fee-for-service).

Reporting

Population-based measures for FFS, MA plans and ACOs (individually)

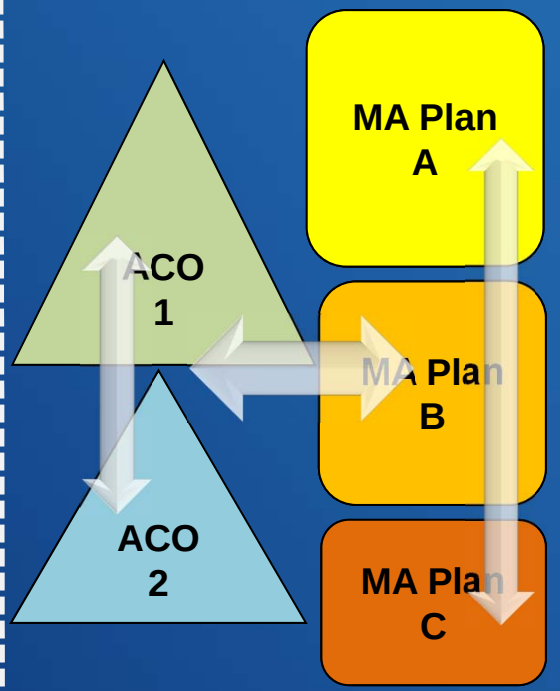


Payment

Provider-based measures for FFS
Population-based measures for MA plans and ACOs (individually)

FFS Medicare

- Selected provider types
- Not all providers measured



MEDPAC

Note: ACO (Accountable Care Organization); FFS (fee-for-service); MA (Medicare Advantage).

Suggestions for provider-level quality measurement in FFS Medicare

- Use measures developed by independent 3rd parties
- Reduce number of measures, exercise restraint when considering additions
- Delete process measures not associated with outcomes
- Focus on outcome measures

MEDPAC

Note: FFS (fee-for-service).

Issues for Commissioner discussion

- MA plans and ACOs: Use population-based outcomes to adjust payments within each model, but not across them?
- FFS Medicare: Measure population-based outcomes for reporting, but not payment?
- If FFS Medicare must use provider-level measures, how might current limitations on measurement technology be overcome?

Note: ACO (Accountable Care Organization); FFS (fee-for-service); MA (Medicare Advantage).

Issues for discussion (continued)

- Funding quality-based payments:
  - Withhold and redistribute funding within each FFS provider category, within MA, and within ACOs?
  - Withhold and redistribute funding across FFS, MA plans, and ACOs?
    - Alternative: Withhold and redistribute funding across MA plans and ACOs, exclude FFS Medicare

Note: ACO (Accountable Care Organization); FFS (fee-for-service); MA (Medicare Advantage).