NQF

THE NATIONAL QUALITY FORUM

STATEMENT OF
WILLIAM ROPER
CHAIRMAN OF THE BOARD OF DIRECTORS
NATIONAL QUALITY FORUM

BEFORE THE
SENATE FINANCE COMMITTEE

September 9, 2008

Chairman Baucus, Senator Grassley and members of the Senate Finance Committee, thank you for the invitation to testify on health care quality, one of the most important issues that must be addressed in health care reform. My name is Bill Roper. I am the Chief Executive Officer of the University of North Carolina Health Care System and Dean of the UNC School of Medicine. I also am also Chairman of the National Quality Forum Board of Directors.

It was inspiring to hear so much good news from my esteemed colleagues about ideas and programs that are improving the level of quality in care. I commend the Committee for focusing needed attention on the importance of measuring and improving the quality of care provided to patients in all settings. I also want to thank the Committee for its recent leadership in including support for critical activities performed by the National Quality Forum in the recent Medicare bill.

I intend to cover four points in my comments today. First, I would like to talk about the importance of including quality in the reform equation and describe what it truly takes to successfully focus on quality as a way of achieving access to care that is worth having and reduces costs. Second, I will turn to the role of performance measurement and public reporting in improving the quality of health and health care in America through endorsing health care standards that can guide us down the right path toward improvement. Third, I will outline the importance of having National Priorities to guide reform. Finally, I will turn to some of the critical drivers of reform that need federal leadership, including alignment of payment building high-performing health care organizations.

QUALITY: KEY TO THE REFORM EQUATION

As reform efforts take shape, we have an important opportunity to advance the quality agenda as an integral part of addressing cost containment and coverage. Indeed, the overarching objective of health reform must be to ensure that every American, regardless of race, ethnicity, place of residence and SES, receives timely access to health care *that is safe, effective and affordable.* Expanded access to care becomes almost irrelevant if in the end we're getting care that is poor quality.

The National Quality Forum
601 Thirteenth Street, NW ◆ Suite 500 North ◆ Washington, DC ◆ 20005
Phone 202.783.1300 ◆ Fax 202.783.3434
www.qualityforum.org

Poor quality care also wastes precious resources and contributes to escalating health care costs. For example, surgical site infections account for up to $10 billion in annual health care expenditures, and patients who contract these infections spend an average of 7 to 10 additional days in the hospital. Without a focus on quality to reduce health care-associated infections, we're wasting time, money, and resources and using hospital beds that could otherwise be available for new patients.

MEASUREMENT AND PUBLIC REPORTING: CORNERSTONES OF QUALITY

There is a lot of truth to the old adage, "You can't improve what you can't measure." I would go one step further and say that in health care, both measurement and *public reporting* must be part of the improvement agenda. Measurement identifies where there are gaps in performance and allows us to gauge progress. Public reporting of performance data provides valuable information to patients choosing high quality providers, purchasers and insurers shaping payment policies to reward quality and efficiency, and physicians making referral decisions.

In short, quality doesn't happen in a vacuum and can't be accomplished alone. To truly be successful, all parts of the health care system – providers, insurers, health plans, purchasers, consumers, and government agencies – must be committing to quality care and agree to conduct measurement, report the results publicly, take action to improve, and evaluate and make mid-course corrections. Transparency is a catalyst for creating an environment that encourages and rewards excellence.

It is always interesting to me that so many people, when they newly confront the powerful role of performance measurement and public reporting in addressing health system concerns, think that this should be the easy part of the reform equation. In fact, measuring and reporting on quality and cost are anything but simple, and I have the battle scars to prove it.

While I was Administrator of the Health Care Financing Administration (now CMS), we began the annual practice in 1986 of releasing information on Medicare hospital mortality. The hospital industry and others initially opposed this effort. However, we enlisted their help and that of many experts in the field to improve the technical quality of the information – all the while making clear that it was a work in progress, and ought not to be relied upon in isolation.

We learned a lot form this effort. To be successful, performance measurement and public reporting must be a highly collaborative effort involving all major stakeholders. It also requires a national quality infrastructure capable of setting national priorities and goals for improvement, endorsing standardized measures, collecting and aggregating data from multiple sources, generating public reports, and redesigning care processes.

The National Quality Forum, working in partnership with CMS, the Quality Alliances and others, has been a key driver of this agenda in recent years. NQF is a private sector standard-setting organization with more than 375 members representing virtually every sector of the health care system. NQF operates under a three-part mission to improve the quality of American health care by:

- setting national priorities and goals for performance improvement;
- endorsing national consensus standards for measuring and publicly reporting on performance; and
- promoting the attainment of national goals through education and outreach programs.

NQF endorsement, which involves rigorous, evidence-based review and a formal Consensus Development Process, has become the "gold standard" for health care performance measures. Major health care purchasers, including CMS, rely on NQF-endorsed measures to ensure that the measures are scientifically sound and meaningful and to help standardize performance measures used across the industry. To date, NQF has endorsed more than 400 measures.

NATIONAL PRIORITIES: COORDINATING OUR EFFORTS

Significant progress has been made in recent years in measure development, endorsement, and public reporting. We've watched the exciting developments and evolution of Hospital Compare, which uses NQF-endorsed measures to allow comparison of hospitals on a range of indicators. For the first time, consumers can learn how a hospital on one end of town compares to another on the other end of town. Hospital Compare now includes more than two dozen measures, and many other measures are in the pipeline.

Despite this growth, there are critical gaps in the portfolio. Hospital Compare covers only three conditions (acute myocardial infarction, heart failure, pneumonia) and one cross-cutting area (surgical site infection prevention). Today's measure sets provide an adequate starting point from which to "jump start" pay for performance and public reporting, but it is important to chart an evolutionary course for measures that will be used by public and private purchasers and other stakeholders in the near future.

Earlier I said that achieving quality isn't simple. But it is more critical than ever. We have reached a vital tipping point – a realization that incremental reforms and continued neglect of our most pressing challenges must end. There is a social and economic imperative to comprehensively rethink and reform America's health care system.

How we get there is the question that remains. That is why NQF convened the National Priorities Partnership, a diverse range of high-impact stakeholders working to align their efforts at reform by focusing on high-leverage areas for improvement. The 28 Partners include drivers of change, such as Peter Lee of the Pacific Business Group, who you heard from earlier today, CMS, AHRQ, the National Governors Association, AARP, and the AFL-CIO. Together, the National Priorities Partnership, convened by NQF, is focusing on seven areas that will yield the greatest gains to bring better health care for families and a stronger health care system for America.

Setting national priorities and goals will ensure that adequate attention is paid to high-volume, high-cost conditions and procedures; measures of "overuse" as well as "underuse": measures for key cross-cutting areas such as safety, care coordination, medication management, and palliative care; measures of resource use and efficiency; and measures of patient engagement in decision-making and outcomes.

DRIVERS OF IMPROVEMENT

When an educated consumer buys a car, the decision is based not just on cost, but on quality and value. We inherently know that cheaper does not equal better, and certainly consumers' focus on quality is what drives innovation and improvement.

Those who are purchasing care should also kick the tires on quality before they sign the check. Otherwise, we aren't using our purchasing power to drive improvement. Let's talk about some of the drivers of improvement.

Managing an illness over time and across settings

We need to get past considering our patients' needs only at the time of their appointments – as fragmented reimbursable services. We need to start asking: when they leave our doctors' offices, when they leave our clinics and hospitals – what are we doing to ensure they don't return sicker, wind up in expensive emergency departments, or worse?

Our measures work best when they address the multiple needs of patients and measure longitudinally – creating a rich history of information that helps us predict, anticipate needs, and ensure effective, continued, and appropriate follow-up care that makes patients better and keeps them better.

These data work best when they are aggregated across health care settings and consider the whole patient and their comprehensive and unique set of needs. This is particularly true for the chronically ill. In health care parlance, we call it the "patient-focused episode."

Aligning payment with quality

We must begin paying for and rewarding quality, if we are to get quality. The pay-for-performance programs of the last decade are a good first step, buy not nearly enough. Fundamentally rethinking and remaking our payment system will be critical to success.

The current Medicare fee-for-service payment system is broken. It rewards volume of services, not value. Separate payment programs for physicians, hospitals, and now prescription drugs accentuate the already fragmented nature of the health care delivery system.

One option for better aligning the payment system to reward value may be to replace the fee-for-service model with bundled payments for managing chronic conditions over a period of time that include built-in follow-up care and warranty-like commitments to achieve positive results for patients. Geisinger Medical Center has done some very pioneering and promising work in this area. Geisinger's ProvenCare[SM] charges insurers a flat fee for a bypass that includes 90 days of routine follow-up care. If a patient suffers complications, Geisinger pays for the treatment at its facilities.

Building High-Performing Health Care Organizations

In addition to fundamental payment reform, we must transform the way in which health care is organized and delivered. Achieving higher levels of performance requires new organizational models capable of investing in health information technology; managing new clinical knowledge and skills; designing care processes based on best practices; assembling and deploying multi-disciplinary teams; coordinating care; and measuring and improving performance. Achieving higher levels of performance also requires a greater degree of clinical integration in order to provide safe and effective care to patients with chronic conditions and to accept a bundled payment for a patient-focused episode.

WHERE WE GO FROM HERE

We've come a long way, but we still have much to do. Standardized performance measures are one of the tools we need to get there -- to create a source of reliable comparative performance information upon which consumers may rely in making informed decisions about their care; to assure that provider organizations and practitioners are held accountable for the quality and efficiency of their performance; and to provide a basis for establishing performance incentive programs. And, with the groundbreaking work of the National Priorities Partnership, by November 2008 we will have the other key tool in place that we need for success – National Priorities that help all of us align our efforts for the greatest possible impact.

There is no question: America's health care system is capable of immense genius, innovation, and an abiding compassion from professionals who have made making people better their life's work. Let's provide the tools to fuel this innovation and continued improvement.

Thank you again for your focus on quality as you assess health care reform. We look forward to further conversations.