IAP Medicaid Innovation Accelerator Program

IAP Quality Measurement Learning Series

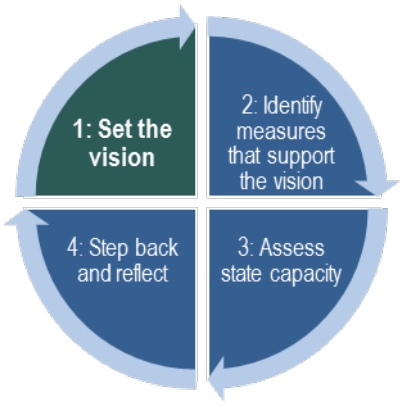
STRATEGIES FOR IDENTIFYING PERFORMANCE MEASURES AND ASSESSING STATE CAPACITY FOR REPORTING

Introduction

State Medicaid agencies can use performance measures to assess whether providers are following evidence-based care guidelines, examine patient outcomes, and monitor changes in quality of care over time. Performance measures can also be used to encourage accountability and promote quality improvement efforts among providers, state health programs, health plans, managed care organizations (MCOs), and other providers of health care.

A wide range of measures are available to assess, monitor, and evaluate care delivered to individuals and populations. This tip sheet includes considerations to help state Medicaid agency staff identify relevant performance measures for their reporting needs and assess their capacity to report these measures. These considerations are presented through an iterative cycle of four interrelated activities intended to guide states in selecting meaningful and feasible measures.

Activity 1: Set the vision



The first step in identifying a relevant set of performance measures is to establish a common vision for the state agency's goals of measurement. Posing the following questions can help states establish this common vision. These questions, which do not need to be answered sequentially, should be revisited frequently throughout the measure selection process to ensure that the chosen measures align with the original vision.

What is the purpose of performance measurement?

Considering the state's purpose or motivation for performance measurement work is an important first step in the measure selection process. A state might initiate performance measurement activities to increase awareness of and accountability around a priority issue or establish baseline rates for internal performance improvement initiatives. Alternatively, a state might use measurement activities to improve the quality of care delivered to patients by incentivizing changes to provider practices, promoting adherence to treatment guidelines, or encouraging health plans to provide high quality care by offering financial incentives for higher performance. Determining the underlying motivation for performance measurement can help the state prioritize measure characteristics such as the level of reporting (for example, provider, health plan, state); specified data sources (for example, electronic health records [EHRs], administrative data, vital records data); and measure-eligible population (for example, requirements around continuous enrollment in a health plan).

What does the state want to measure?

To establish the vision and continue narrowing the focus of the performance measurement activities, the state can consider which topic areas to prioritize for measurement, such as substance use, maternity care, chronic diseases, or long-term care. Within the selected topic area, the state can then decide which

domains of care it wants to improve. These domains might include effectiveness of care, safety in hospital or provider settings, prevention of chronic or acute health conditions, value of care, patient experience of care, access to care, availability of care, or any combination of these areas. Considering the issues relevant to the population of interest might help a state prioritize topic areas and domains of care (Example 1).

Example 1: Deciding what to measure

The Oregon Health Authority (OHA) incentivizes its coordinated care organizations (CCOs) to improve health care delivery and outcomes through its pay-for-performance (P4P) program. The OHA's Metrics and Scoring Committee, which includes three members at large, three measurement experts, and three staff from the CCOs, is responsible for identifying incentive measures for the P4P program that assess various aspects of care provided by the CCOs. The measure set *as a whole* must reflect the array of services provided by the program, be representative of the diversity of the patients, and not be unreasonably burdensome for payers or providers. Individual incentive measures should be evidence-based, consistent with the goals of the program, useable and relevant, feasible to collect, aligned with other measure sets, have a relevant benchmark, and not be greatly influenced by patient case mix. They also should present an opportunity for quality improvement, have transformative potential, and have a sufficient denominator size. More information is available at http://www.oregon.gov/oha/HPA/ANALYTICS/Pages/CCO-Baseline-Data.aspx.

Which populations does the state want to target for measurement, and at what reporting level?

Consider which populations will be included in performance measurement activities. For example, a state might choose to prioritize certain age groups, payer types, or high-need populations such as, individuals experiencing homelessness or children in the foster care system. In addition, consider whether the state will be calculating selected measures at the state level; the program level (for example, for Medicaid and Children's Health Insurance Program [CHIP] populations); or the plan level (for example, for MCOs or other health plans).

How frequently will the state collect and report measures?

Consider whether the state will require results on selected measures annually or more frequently (for example, monthly, quarterly, biannually), the time periods the data should cover (for example, calendar or fiscal year) and when they are needed for reporting. Discuss the duration of the reporting—whether the selected measure will be calculated for specific reporting years, indefinitely, or until reaching a specific reporting or performance target. The anticipated frequency of reporting, as well as the timing of data collection and reporting, could help the state determine data availability and resources needed to carry out data-reporting activities, as well as the number and complexity of reportable measures.

Choosing stakeholders.

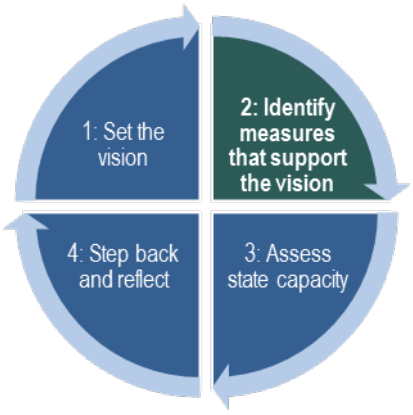
Bringing together and consulting with a group of stakeholders that represents the intended audience may improve buy-in and help state agencies select the appropriate measures.

Who is the audience and/or subject matter experts?

Potential stakeholders beyond state Medicaid agencies who might benefit from or have interest in performance measure results include federal and/or state government agencies, other state agencies, providers, policymakers, advocacy groups, consumers, and managed care plans or other administrative organizations such as accountable care organizations, health homes, or primary care case management entities. The intended audiences for measurement results could impact which measures are selected and how measure results are reported and communicated, and it is important to include stakeholders' input in the decision-making process. For example, policymakers might be interested in measures associated with existing or potential policies within the state, such as provider reimbursement, whereas an advocacy group might be more interested in measures that assess equitable access to care. Certain stakeholders may also wish to see results stratified by specific population characteristics.

Activity 2: Identify measures that support the vision

Once the state has established the vision for performance measurement, the following questions can help state Medicaid agency staff identify measures that support this vision. Considerations may include the quality of existing measures, their alignment with existing reporting efforts, the availability of measure benchmarks, and the appropriate number of measures that can feasibly be collected and reported, given available data and resources.



What performance measurement activities are already occurring in the state?

New measures should support both the state's vision and help advance alignment across state programs and initiatives, rather than create redundancies in measurement efforts or additional burden for providers or health plans. Consider identifying measures that align with other state performance measurement work and seek input from those using these measures to learn about state-specific implementation opportunities and challenges.

Are existing measures available for the topic areas of interest?

In the initial stages of measure selection, consider a wide variety of measures that may support state goals, including nationally recognized and vetted measures (for example, Healthcare Effectiveness Data and Information Set [HEDIS] measures and other National Quality Forum-endorsed measures); measures used by national reporting programs (for example, the Medicaid and the Children's Health Insurance Program Child and Adult Core Sets of quality health care measures and Medicare and Medicaid Electronic Health Record incentive programs); and measures developed internally by the state or by other states or academic organizations.[1] [2] Health plans and providers are usually familiar with nationally recognized measures, which are more likely to have gone through extensive testing and validation processes. However, measures developed by the state or by other smaller entities might be more likely to reflect the state's needs and goals, delivery systems and processes, and available data sources.

> ***Don't reinvent the wheel.***
> If other states are conducting quality measurement, draw on the experiences of others involved with quality measurement work to inform your approach.

What types of measures best support state goals?

Another important consideration is the type of measure that will best support the state's measurement goals. States interested in assessing health system capacity might consider using a structural measure; states interested in whether their health plans or providers have provided services appropriately might consider using a process measure; and states interested in understanding patient outcomes as a result of these services might consider using outcome, patient-experience, or composite measures. Table 1 describes and provides examples of common types of quality measures.

[1] Information on the CMS Core Sets of Health Care Quality measures is available at https://www.medicaid.gov/medicaid/quality-of-care/performance-measurement/index.html.

[2] Information on the Medicare and Medicaid EHR Incentive Programs is available at https://www.cms.gov/Regulations-and-Guidance/Legislation/EHRIncentivePrograms/Basics.html.

Table 1. Types of quality measures

Type of measure	Structural measures	Process measures	Outcome measures	Patient-experience measures	Composite measures
Description	Assess a provider's capacity, systems, or processes	Indicate services that are provided to maintain or improve health	Indicate the impact or the result of a service provided	Provide self-reported data about patient's treatment and health status	Combine two or more measures in a single measure that results in a single score
Examples	- Number of providers that use EHRs - The ratio of providers to patients	- The percentage of children who received recommended vaccines - The percentage of women who had a mammogram to screen for breast cancer	- The percentage of live births weighing less than 2,500 grams - Cardiovascular disease mortality rate per 100,000 people	- Patient's rating of the care team - The percentage of patients who got an appointment for urgent care as soon as needed	- Percentage of beneficiaries who had optimally managed modifiable risk factors - Mortality rate per 100,000 for select conditions

Source: National Quality Forum's ABCs of Measurement, available at https://www.qualityforum.org/Measuring_Performance/ABCs_of_Measurement.aspx.

How will performance be evaluated for a given measure?

Measure results should be meaningful and actionable to the state and targeted stakeholders. Assessing measure performance can occur in a variety of ways, including the following:

- As compared with similar reporting entities during the same period (for example, comparing one health plan's performance against the performance of other health plans)
- As compared with existing benchmarks from comparable programs (for example, comparing a health plan or state program's performance on a measure against HEDIS benchmarks for commercial or Medicaid plans) (Example 2)
- As compared with aspirational goals from national initiatives (for example, comparing a state's performance on a measure with Healthy People 2020 goals for performance in the same area)[3]
- Within an entity (such as a state) or group of entities (such as a state's managed care plans) over time

Example 2: Comparing with national and state benchmarks
Some states select HEDIS measures for their performance measurement activities because national commercial and Medicaid benchmarks are readily available in the State of Health Care Quality Report, available at http://www.ncqa.org/report-cards/health-plans/state-of-health-care-quality. Some states could consider using the national benchmarks to set performance standards for MCOs in their state, such as exceeding the national median or 75th percentile.

How the state plans to assess measure performance may influence the measure identification process. For example, if a state hopes to compare its performance on a measure against external benchmarks, selected measures must have available benchmarks for the time period and populations of interest.[4] Or, if the state's goal is to compare provider performance across the state, it is important that selected measures use data sources that are widely available and reflect policies that are consistent across the state.

How many measures are needed?

Keep it simple.
New measurement initiatives should start with a few realistic measures and add measures and data sources over time.

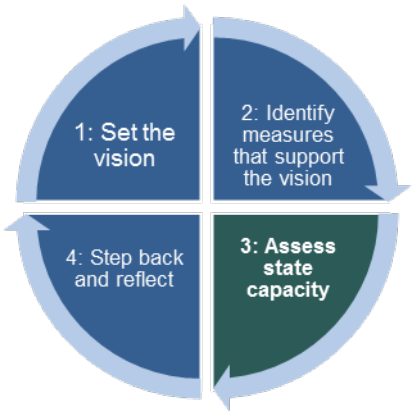
Finally, consider how many measures to select to support the state's performance measurement vision. Using fewer measures in the early years of performance measurement can lay the groundwork for expansion without over-taxing available resources, whereas adding more measures could allow a state to evaluate many dimensions of quality. When determining how to balance the quantity of selected

[3] Healthy People 2020 is a national initiative that created 10-year health improvement objectives. Health indicator data are available at https://www.healthypeople.gov/2020/leading-health-indicators/2020-LHI-Topics.

[4] For more information on benchmarks, see the Medicaid Innovation Accelerator Program brief, "Determining Performance Benchmarks for a Medicaid Value-Based Payment Program," available at https://www.medicaid.gov/state-resource-center/innovation-accelerator-program/iap-downloads/functional-areas/vbp-benchmarking-brief.pdf.

measures with the relevance and importance of each measure, it may be helpful to seek recommendations from stakeholders and subject matter experts in your state.

Activity 3: Assess state capacity to collect and report measures



After developing a list of potential measures to support state goals using the questions in Activity 2, further refine this list by reviewing available data sources and organizational resources needed to collect, analyze, and report data for each measure. Consider that staff at the state Medicaid agency, providers, or health plans might be collecting and reporting data, depending on the state's delivery system and contracts.

Can the state access and use necessary data in a timely manner?

Performance measures can require using a variety of data sources, including administrative data, medical record data (paper and electronic), and survey data.[5] States will need to evaluate their access to these data and the technical resources needed to calculate potential measures identified through Activity 2.

For example, some measures require linkages between various data sources (such as administrative claims data and vital records data) to identify the numerator or denominator. Although some Medicaid agencies might have existing data-sharing agreements with departments that house the necessary data sets (for example, the department of health), others might struggle to acquire these data, or could encounter difficulties linking data sources (Example 3). Some measures require a medical record review to identify services that may not appear in administrative data. Reviewing medical records may require significant time and state resources, but could provide more accurate and complete data than would administrative data alone.

Example 3: Weighing the benefits of data linkage

The Centers for Disease Control and Prevention's "Live Births Weighing Less Than 2,500 Grams" measure, which is part of the CMS Child Core Set, assesses the percentage of babies born at a low birth weight. To calculate this measure for deliveries covered by Medicaid or CHIP, most states must link vital records data (to obtain birth weight) with Medicaid/CHIP eligibility data (to obtain the payer). Some states, due to limited resources, struggle to obtain vital records data in a timely manner or link data sources. Although the data linkage process requires extra resources and planning, it can provide valuable information about birth outcomes for deliveries paid for by Medicaid/CHIP. For more information, see https://www.medicaid.gov/medicaid/quality-of-care/downloads/using-vital-records.pdf.

Do available data include the information needed to assess performance?

For many measures, accurate measurement depends on whether enrollment and service utilization records contain complete and reliable data elements needed to calculate the measure. The following list includes examples of data elements to consider:

- If using only administrative claims data to calculate a measure, determine whether providers are accurately billing for the service of interest. It might be necessary to review medical records to determine whether administrative data are sufficiently complete.

[5] More information on data sources and their advantages and challenges is available at https://www.ahrq.gov/professionals/quality-patient-safety/talkingquality/create/understand.html.

- If a measure requires that the population of interest be continuously enrolled for a set amount of time, ensure that enrollment records are complete and that enrollment can be determined as precisely as the measure requires.
- Some measures require identifying provider specialty or specific diagnosis or procedure codes. Consider whether the service utilization codes include complete information in these fields. Ensure that these fields are reliable across provider types and populations of interest.

If the state determines that the quality of data for a measure is not sufficient, it could decide not to proceed with the measure, or chose to improve quality using policies or by providing technical assistance to providers around accurate billing and documentation (Example 4). To maximize data quality, states may also define data requirements prospectively (for example, using health plan contract requirements or provider policies or guidance) or require validating or auditing data quality after measure reporting has begun.

Example 4: Using policies to improve data quality

The Developmental Screening in the First Three Years of Life Measure, an Oregon Health and Science University measure included in the CMS Child Core Set, requires that developmental screening tools meet specific criteria to be counted toward the measure numerator. A state can rely on the numerator service code found in claims data *only* if the state has policies clarifying which standardized screenings providers can bill for using this code. States that do not have these policies in place may need to conduct a medical record review to determine whether the provider used the specified screening tools. Additional information on this measure is available at https://www.medicaid.gov/medicaid/quality-of-care/downloads/developmentalscreeningwebinar.pdf.

Finally, ensure that measures of interest align with existing policies or delivery systems within the state. For example, some perinatal care measures may be difficult to calculate for states that bill for maternity care and delivery using bundled payments, because it is difficult to determine whether a specific service was conducted using administrative data alone. As a workaround, a state may need to review the medical records or instruct billing specialists to bill for visits for tracking purposes only, even though they will be reimbursed through the bundled payments.

Will the measure specifications require significant adaptations?

Measure specifications are typically developed for use at a particular reporting level. For example, measures may be specified for use at the health plan level, the hospital level, or the state or national level. Before adapting measures for use at a level of reporting different from that for which they were originally specified or tested, consider the impact of these modifications on the validity and generalizability of the measure results.

Know your state's data.

Investigate the state's data availability, quality, and accessibility early on to identify potential challenges and address them as soon as possible.

Measures may also specify use for a particular population—for example, assessing service use among adults older than 65, or among individuals with a certain condition. Although it may be possible to adapt a measure to assess services received by a different population of interest, these changes could impact the state's ability to compare performance against established benchmarks.

What resources are available to support measurement?

Take stock of all resources available to support the measurement process, including staff knowledge, expertise, and time; leadership capacity to provide internal and external support; availability of external experts for consultation (such as contractors, external quality review organizations, and local universities); and funding to purchase computing hardware and software. To the extent possible, leverage existing resources to build upon staff knowledge and expertise, and reduce burden on state resources. States with limited resources may choose to prioritize fewer measures or select measures that are straightforward to

calculate.

Who will be responsible for each step of the measurement process?

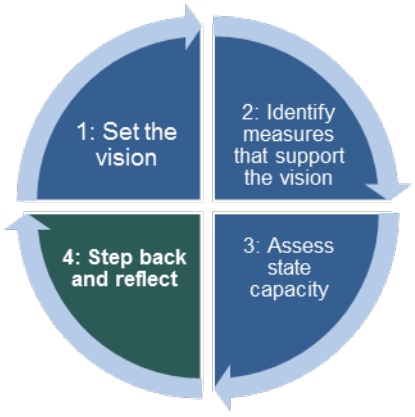
Performance measurement will require some or all of the following steps:

- Providing initial training and ongoing technical assistance to reporting entities
- Collecting and cleaning data
- Analyzing data and calculating measures
- Validating data (for example, a state may wish to contract with a vendor to ensure the quality of measure data and performance results)
- Aggregating data to the desired reporting level (for example, a state may wish to aggregate individual health plan data to a state level rate)
- Preparing reports and disseminating findings
- Reflecting and acting on findings

Carrying out these steps may require cooperation from a variety of individuals and groups, including other state or public health agencies, managed care plans or other administrative organizations, providers, and contractors (such as external quality review organizations, subject matter or technical experts, or academic institutions). Consider staff availability and expertise when deciding which measures the state can report accurately, and the number of measures the state can feasibly report.

Activity 4: Step back and reflect

Once the state has selected measures and started collecting and reporting data, it should carefully monitor whether selected measures are providing the intended information and that the measures remain relevant over time with regard to clinical guidelines and state priorities (Example 5). It might be helpful to regularly convene those involved with the measurement process, as well as other relevant stakeholders, to reflect on the following topics:



- **Alignment with original vision.** Revisit the original vision for this performance measurement work and determine whether selected measures continue to provide information that is consistent with this vision. If they do not, consider whether other measures might better align with the state's current needs and priorities.
- **Benefits of measurement.** Consider whether the level of effort and cost associated with the measure are worth the value the measure adds to the state. For example, a measure that is costly to report and validate might still be worthwhile if it is useful in making critical policy or program decisions.

Example 5: Retiring less effective measures

The National Committee for Quality Assurance (NCQA), which develops and maintains HEDIS measure sets, periodically retires measures when clinical standards change, better measures become available, or there is little variation in performance. For example, NCQA retired the Frequency of Prenatal Care measure because it assessed the frequency of prenatal care, but not the quality of the prenatal visit. Similarly, states should periodically ensure that their selected measures are providing information that is clinically relevant and driving quality improvement.

- **Implementation experience.** Assess whether implementation of the performance measure process has gone as expected or whether unforeseen challenges have made the measure challenging or impossible to calculate. In addition, discuss whether any unintended consequences can be attributed to the measure (for example, premature hospital discharges, overuse or inappropriate use of care, barriers to care). Finally, consider that if a measure has consistently high performance or limited variation across providers and populations of beneficiaries, it might be better to select a measure that can better drive continuous improvement.

Remain flexible and adaptive. Performance measurement activities should evolve to reflect changing priorities, knowledge, and resources.

Conclusion

Although performance measurement can be a time- and resource-intensive process, it is an essential tool to support effective and efficient allocation of state resources and to drive the delivery of high quality care. Consideration of the topics outlined in this tip sheet before and throughout the performance measurement process may help states select relevant and feasible measures, as well as to promote the efficient use of resources for measurement. States can use the questions presented in this tip sheet to initiate conversations and facilitate state planning for performance measurement and rollout.

Additional Resources

Nation Committee for Quality Assurance. "Performance Measurement." Available at http://www.ncqa.org/hedis-quality-measurement/performance-measurement. Accessed January 2018.

National Quality Forum. "What NQF Endorsement Means." Available at https://www.qualityforum.org/Measuring_Performance/ABCs/What_NQF_Endorsement_Means.aspx. Accessed February 2018.

Measures Applications Partnership. "Maximizing the Value of Measurement: MAP 2017 Guidance." March 2017. Available at https://www.qualityforum.org/Publications/2017/03/Maximizing_the_Value_of_Measurement__MAP_2017_Guidance.aspx. Accessed February 2018.