

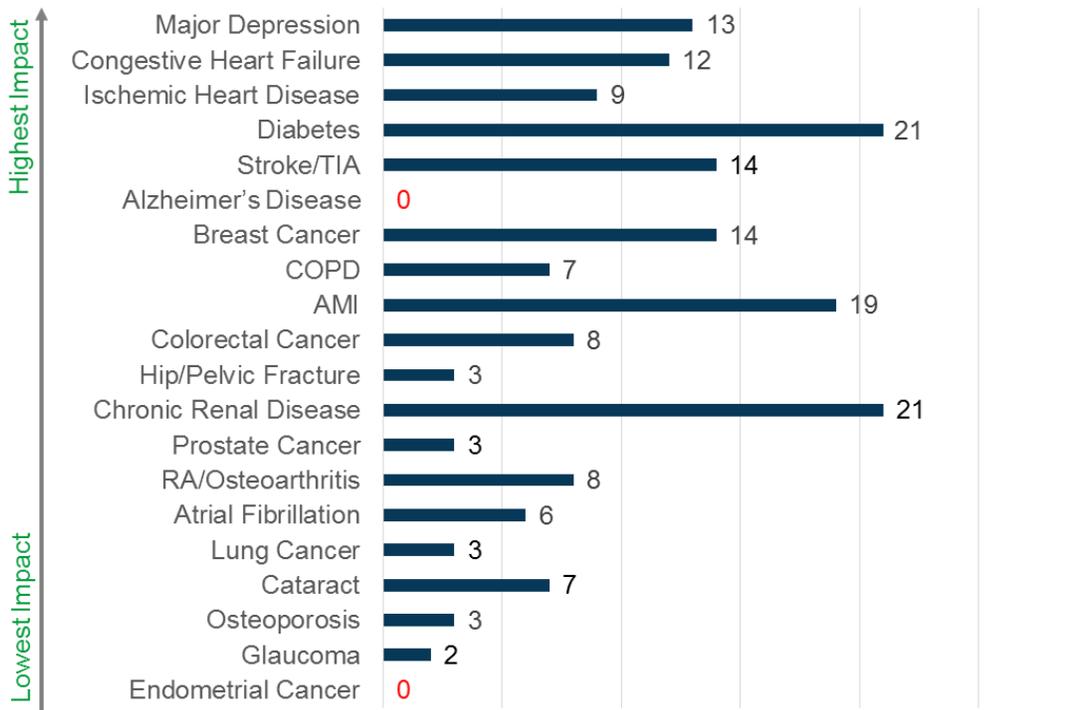


Lack of Quality Measures for Cancers and Other Serious Diseases Limits Medicare’s Ability to Pay for Value

A new Avalere assessment of the quality measures landscape shows that many important medical conditions are not fully represented in Medicare pay-for-quality programs, which limits Medicare’s ability to pay for value. The release frames the importance of the American Society of Clinical Oncology’s (ASCO) new conceptual framework for determining/reviewing the value of various cancer treatments.

Consumers have a strong interest in the financial incentives that are facing health plans and providers, as payments increasingly move from volume based reimbursement to payments based on quality. For many chronic conditions—including many cancer types—effective quality measurement remains elusive. The graph below shows the number of quality measures included in Medicare programs for the top 20 highest impact conditions. While conditions such as diabetes and chronic renal disease have 21 measures each, prostate cancer, and lung cancer each have only three measures. Among cancers in the top 20 highest impact conditions, there are currently no Medicare quality measures for endometrial cancer.

Quality Measures Included in Medicare Programsⁱ for the Top 20 High Impact Conditionsⁱⁱ



High impact conditions, as defined by the National Quality Forum Measure Prioritization Advisory Committee in 2010, are prioritized based on the relative cost, prevalence, variability, improvability, disease burden, and disparities of each chronic condition to the Medicare population. The purpose of this prioritization was to identify measure gaps in Medicare. However, five years later, evidence suggests that measure development and adoption is still highly uneven among leading conditions.

“Quality measures are increasingly driving the economics of Medicare Advantage and other coordinated care programs,” said Dan Mendelson, CEO at Avalere. “As Medicare and other payers move towards value based payments for services and pharmaceuticals, we need more meaningful quality measures in oncology and selected other areas of medicine to ensure alignment.”

Methodology

Quality measures are aggregated in Avalere’s Quality Measures Navigator™. The analysis includes 20 Medicare programs that evaluate quality of care for clinicians, hospitals, ambulatory surgical centers, end stage renal disease facilities, health plans, and long-term care facilities. Programs included are: Ambulatory Surgical Center Quality Reporting (ASCQR), End Stage Renal Disease (ESRD) Quality Incentive Program, Home Health Quality Initiative, Hospice Quality Reporting, Hospital Acquired Condition (HAC) Reduction Program, Hospital Inpatient Quality Reporting (IQR), Hospital Outpatient Quality Reporting (OQR), Hospital Readmission Reduction Program (HRRP), Hospital Value-Based Purchasing (VBP) Program, Inpatient Psychiatric Facility Quality Reporting (IPFQR), Inpatient Rehabilitation Facility (IRF) Quality Reporting, Long-Term Care Hospital (LTCH) Quality Reporting Program, Medicare Advantage Star Rating Program, Medicare and Medicaid EHR Incentive Program for Eligible Professionals, Medicare and Medicaid EHR Incentive Program for Hospitals and CAHs, Medicare Shared Savings Program (MSSP), Nursing Home Quality Initiative, Physician Quality Reporting System (PQRS), Prospective Payment System (PPS) - Exempt Cancer Hospital Quality Reporting (PCHQR) Program, and Value-Based Payment Modifier (VBPM) Program Calendar Year (CY).

Avalere Health is a strategic advisory company whose core purpose is to create innovative solutions to complex healthcare problems. Based in Washington, D.C., the firm delivers actionable insights, business intelligence tools and custom analytics for leaders in healthcare business and policy. Avalere’s experts span 230 staff drawn from Fortune 500 healthcare companies, the federal government (e.g., CMS, OMB, CBO and the Congress), top consultancies and nonprofits. The firm offers deep substance on the full range of healthcare business issues affecting the Fortune 500 healthcare companies. Avalere’s focus on strategy is supported by a rigorous, in-house analytic research group that uses public and private data to generate quantitative insight. Through events, publications and interactive programs, Avalere insights are accessible to a broad range of customers. For more information, visit avalere.com, or follow us on Twitter @avalerehealth.

ⁱIncludes 20 Medicare quality programs based on Avalere’s Quality Measures Navigator™. See methodology for specific programs.

ⁱⁱ High impact conditions based on cost, prevalence, variability, improvability, and disparities. National Quality Forum (NQF). Prioritization of High-Impact Medicare Conditions and Measure Gaps. May 2010. Available at: http://www.qualityforum.org/Publications/2010/05/Committee_Report,_Prioritization_of_High-Impact_Medicare_Conditions_and_Measure_Gaps.aspx