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## National Effort to Measure and Report on Quality and Cost-Effectiveness of Health Care Unveiled

WASHINGTON, DC – A broad-based group of health care organizations and health quality experts today kicked off a national effort to help improve the quality of U.S. health care. The Robert Wood Johnson Foundation (RWJF) will provide nearly \$16 million in grants to develop and test a single, national approach to bring consistency to efforts to measure and report information on the quality and cost of care that patients receive.

The project will combine data from many different national health plans to provide a broader picture of physicians' care across their entire practices. It will work with Medicare to aggregate data across the public sector and the private sector. The project will use quality measures endorsed by the National Quality Forum (NQF), and it will collaborate to develop and implement new measures for comparing the cost of care.

This work will support the vision of the Quality Alliance Steering Committee (QASC) to advance high-quality, cost-effective, patient-centered health care by providing a national framework for implementing quality and cost measures to improve care around the country. QASC participants reflect a very broad range of health care stakeholders including provider groups, consumer groups, business alliances, payer groups, regional collaborations to improve quality and government agencies. QASC was established in 2006 by two established quality alliances – the AQA alliance and the Hospital Quality Alliance, along with other stakeholders, to help develop an overall framework for the effective use of standard quality and cost measures nationwide.

Receiving grants will be the Engelberg Center for Health Care Reform at the Brookings Institution (\$8.7 million) and America's Health Insurance Plans (AHIP) Foundation (\$4.2 million). Grants totaling an additional \$3 million will be made in conjunction with these activities for identifying feasible cost measures and conducting additional activities. Organizers say this quality and cost information is needed to help:

- Providers improve;
- Consumers make decisions; and
- Guide effective policies, payment policies and consumer incentives that reward or foster better provider performance.

Many different private- and public-sector groups have designed models for assessing performance and reporting data. This effort builds on existing approaches to measuring health care quality that have advanced the enterprise, but have not achieved the level of coordination and consistency in implementing measures of quality that can be achieved by the broad group of stakeholders represented by QASC. The goal of this project is to provide a potential solution by bringing everyone together and helping the public get a more complete and accurate picture of the quality of health care.

Throughout the project, resulting information on quality and cost of care will also be used to help identify and address racial and ethnic disparities in health care.

"Given that the quality and cost of health care a patient receives can vary among different doctors and different hospitals, consumers need information that helps them pick the right physician when they have a particular medical condition or need surgery," said RWJF Senior Vice President John Lumpkin, MD, MPH. "Compiling and reporting information on how physicians and hospitals compare against nationally accepted quality measures will help doctors and hospitals improve, and help consumers make informed health care decisions."

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“Our collective goal is to make better information about the quality and cost of health care available, because better information is the best way to drive improvements in care. Consumers will have, often for the first time, information they can use to guide decisions about their health care, like they use for many other important purchasing decisions,” said QASC Co-Chair Mark McClellan, MD, PhD, who will coordinate the project. Former administrator of the Centers for Medicare & Medicaid Services, McClellan now directs the Engelberg Center. “We know that providing valid, meaningful information to doctors about the care they provide helps them to improve. We also know that employers want more information on the quality and cost of care that specific doctors provide, so they can make informed choices about which health plans to offer to their employees.”

Project participants expect work related to the data aggregation activities to begin this year. They expect all aspects of the project to be completed by 2010 – including the implementation of ongoing quality reporting. The timetable allows for ample review by individual physicians of the reports that will be generated after aggregating data on their practices.

Specific elements of the RWJF-funded work include:

### **Aggregating Patient Data Nationally**

The project will collect data from multiple health plans through a grant from RWJF to the AHIP Foundation, under the strategic guidance of QASC. The federal government is expected to contribute Medicare data to the initiative. The project will implement a pilot set of standard performance measures by aggregating data from these health plans by physician and provider group. The result will be a more comprehensive picture of how the care provided by a given physician across his/her entire practice compares to national standards.

“This will be the first time data have been aggregated nationally in this way. The result will be information that informs consumer and purchaser decisions, as well as physician quality improvement efforts,” said Karen Ignagni, MBA, AHIP’s president and CEO.

### **Identifying Cost Measures**

QASC leaders say that measures of cost of care are an important – and largely missing – component in improving quality of care. They say providers and the public need to understand how different physicians and hospitals use resources and compare to national cost measures. In collaboration with the NQF endorsement process and the AQA alliance, the project will initially work to identify measures of cost for 20 common conditions. This will result in a new set of measures that take into account appropriate use of resources and provide a broader picture of quality of care for these conditions and an approach that can be applied in other areas of cost measurement.

“Tracking performance by adherence to quality standards tells patients only part of what they need to know in order to make informed decisions about health care services,” said McClellan. “They also need to know how the cost for these services compares. Consistent measures for cost generally have not been implemented, so the project will work to provide new, needed cost measures.”

### **Sharing Information in Communities**

The project will work with the Agency for Healthcare Research and Quality (AHRQ) to make the quality and cost measures available to communities to use in providing information to consumers, physicians, nurses, clinics and hospitals, and to gather data on how communities are using the information to improve care.

“Consumers want reliable, valid information to help them make informed decisions about treatments and services, and providers want it to help them improve the quality and value of the health care they provide,” said AHRQ Director Carolyn Clancy, MD, who serves as QASC co-chair. “By bringing all stakeholders in the health care system together, this new project is an important step in accelerating the current slow pace of improvement in health care quality.”

### **Using the Information to Address Health Disparities**

Because research shows disparities in health and in the quality of care for many patients of different races and ethnicities, a critical aspect of the project will include identification and measurement of these gaps in order to help providers develop specific interventions that attempt to minimize these differences.

“Anyone working in health care understands the impact that racial and ethnic health care disparities have on achieving and sustaining improvements in quality,” said McClellan. “Our work will ensure that these new efforts to implement quality and cost measures nationally will be done in ways that identify, and ultimately help address, important racial and ethnic disparities.”

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The **Robert Wood Johnson Foundation** focuses on the pressing health and health care issues facing our country. As the nation's largest philanthropy devoted exclusively to improving the health and health care of all Americans, the Foundation works with a diverse group of organizations and individuals to identify solutions and achieve comprehensive, meaningful and timely change. For more than 30 years the Foundation has brought experience, commitment, and a rigorous, balanced approach to the problems that affect the health and health care of those it serves. When it comes to helping Americans lead healthier lives and get the care they need, the Foundation expects to make a difference in your lifetime. For more information, visit [www.rwjf.org](http://www.rwjf.org).

The **Engelberg Center for Health Care Reform at the Brookings Institution** was formed to address the challenges of access, quality and financing that face the U.S. health care system today. Led by Senior Fellow Mark McClellan MD, PhD, the mission of the Center is to effect lasting change by providing practical solutions that result in high-quality, innovative, affordable health care, with particular emphasis on identifying opportunities on the national and local levels. The Brookings Institution is a private nonprofit organization devoted to independent research and innovative policy solutions. For more than 90 years, Brookings has analyzed current and emerging issues and produced new ideas that matter - for the nation and the world. For more information about the Engelberg Center visit [www.brookings.edu](http://www.brookings.edu).

The **AHIP Foundation** is a non-profit, 501(c)(3), educational, scientific, and research organization headquartered in Washington, DC. The Foundation seeks to build on the health insurance plan industry's dedication to innovation and advances in care delivery. The Foundation strives to create, support, and enhance programs in health insurance plans which will improve quality, effectiveness, and value in health care through research, education, information sharing, and other activities which strengthen and reward exemplary practices by individuals and organizations.