MHA Transparency Initiative

Price and Quality Transparency Initiative

November 10, 2015

Why Transparency?

- Unprecedented volumes of health care data is being released, but the information is difficult to navigate. Empowering consumers with information they understand will enable value-based decision making, which is essential for positive market change.[1]

We want to tell our own story.

[1] HealthSparq, "U.S. Healthcare Reform: The Call for Greater Cost and Quality Transparency."

MHA Board Action — Fall 2014

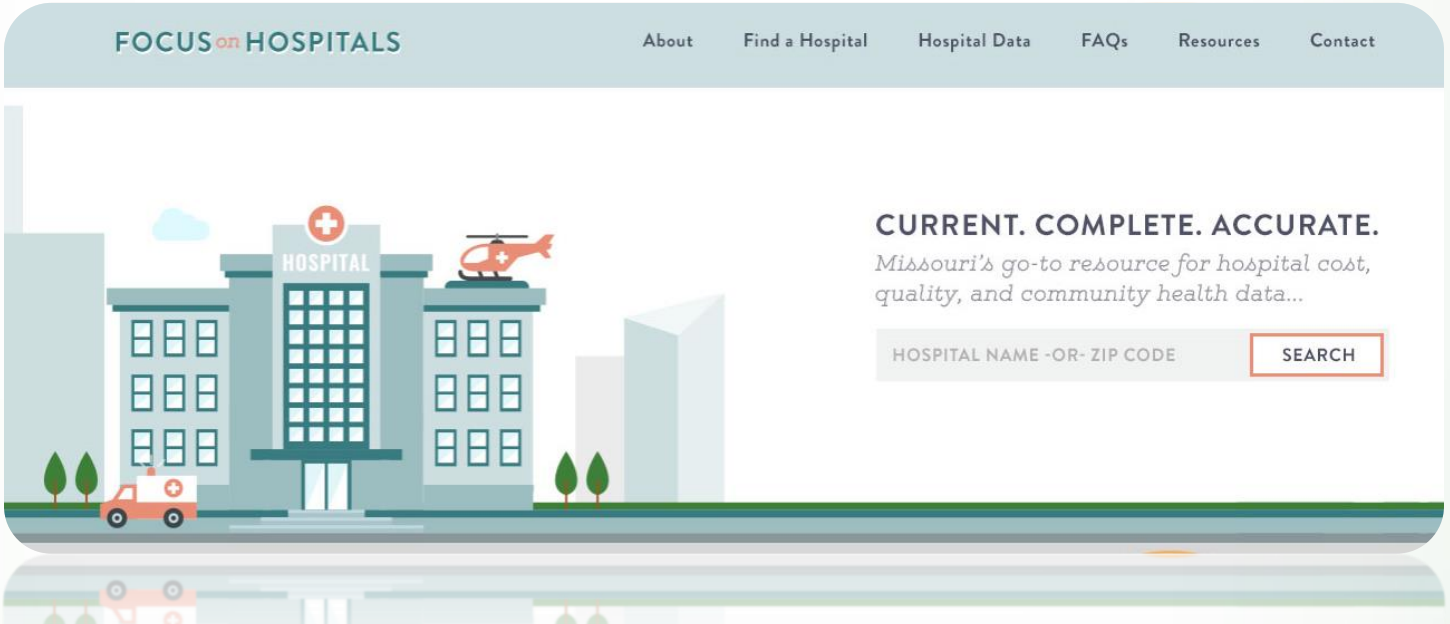
- Following recommendations from the MHA Price Transparency Work Group and the MHA Strategic Quality Advisory Committee, the MHA Board of Trustees approved a phased approach for voluntary, hospital-specific public reporting of price and quality data.
  - Hospital-specific data and education has been provided throughout 2015.
  - The public release of price and quality data will be in January 2016.

Transparency Strategy

- Strategy: Support hospitals in implementing the Triple Aim of better health, better care and lower costs
- Goals
  - Reduce variation
  - Coordinate care across the continuum of care
  - Increase transparency through non-competitive methods
  - Implement population-based health management and improvement strategies
- MHA Action
  - Focused technical and adaptive support
    - Importance – validity – accuracy – reliability – feasibility
  - Engagement

Transparency Initiative Milestones

- ✓ Agreement to participate
- ✓ Education
- ✓ Website development
- Data
  - Two modifications



Price Data

- Inpatient
  - 100 most prevalent statewide DRGs for FY2014
  - Minimum, maximum and median charges are calculated with the lowest and highest 10 percent outliers removed at the hospital and aggregate level
- Outpatient
  - Emergency department services will be grouped in the five facility levels. Note: Emergency department admissions will not show in the ED category.
  - **Outpatient data omitted — 45 procedural codes based on Clinical Classification System**

DRGs

DRGs are translated into layman's language and grouped into categories similar to Medical Diagnosis Categories.

- Nervous System
- Ear, Nose, Mouth and Throat
- Respiratory System
- Circulatory System
- Digestive System
- Hepatobiliary System/Pancreas
- Musculoskeletal/Connective Tissue
- Skin/Subcutaneous Tissue/Breast
- Endocrine/Nutritional/Metabolic
- Kidney/Urinary Tract
- Female Reproductive
- Pregnancy/Childbirth/Newborn and Other Neonates
- Blood/Related
- Neoplasms/Related
- Infection/Parasites
- Mental Disorders
- Substance Abuse
- Injury/Poisoning
- Other Factors

Review

- Members have had the opportunity to review and validate their price data on HIDI Analytic Advantage® since September 17.

- A reminder was sent October 13 that noted the removal of the 45 outpatient procedures.

Communication Tools

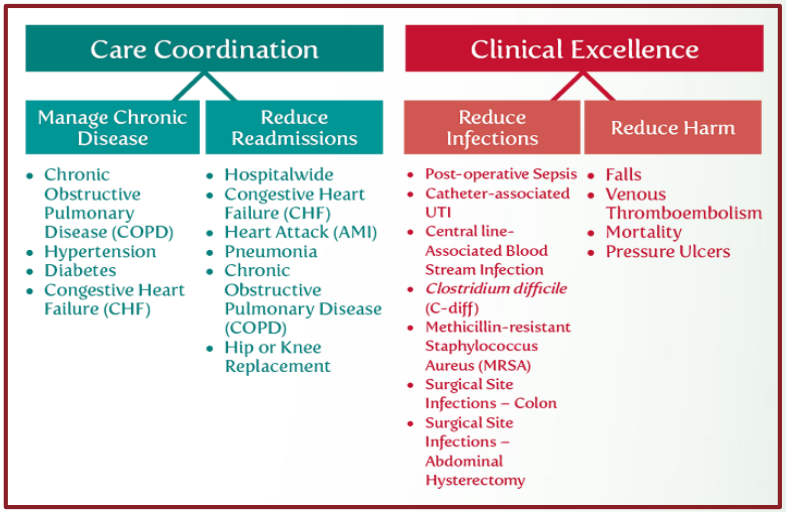
- Member toolkit — will be shared in tandem with the website preview.
  - News release
  - Data explanation
  - Background
  - Talking points
  - How to use website visual

Quality Outcome Data

Readmission Risk-Adjustment

Topic Analysis: Measure Selection

- **Quality of measure**
  - Validity — NQF endorsed
  - Reliability — defined numerator and denominator
  - HEN, eCQM, ACO
  - Claims data to reduce hospital burden
- **Financial implications**
  - Regulatory impact
  - Value-based purchasing
  - Readmission reduction
  - HAC
- **Ability to improve**
  - Variation across state
  - Variation from goal
- **Population health**
  - Align with CHNA
  - Impact through continuum



Problem Statement

- Risk-adjustment for age, gender and comorbidities to address variation in acuity is accepted methodology and practice.
- Despite national discussion, no consensus on which variables and how to adjust for social determinants that influence quality of care outcomes, e.g. readmissions.
  - The Hospital Readmission Reduction Program penalizes hospitals for readmissions, but does not adjust for social determinants.

Sociodemographic Status: National Discussion

- Exploratory research and perspective published
- National Quality Forum
  - Technical report June 2014
  - Testing 2015-2017
- Congress
  - S. 688 & H.R. 1343 - Establishing beneficiary equity in the Hospital Readmission Program Act of 2015. Would require CMS to adjust for SDS.
- Centers for Medicare & Medicaid Services
  - 2015 Rand report to CMS, CMS call letter and S. 2104 - A bill to amend Title XVIII of the Social Security Act to provide relief to Medicare Advantage plans with a significant number of dually-eligible or low-income subsidy beneficiaries and to prevent the termination of two star plans.

CMS CENTERS for MEDICARE & MEDICAID SERVICES

Health Affairs

NATIONAL QUALITY FORUM

JAMA The Journal of the American Medical Association

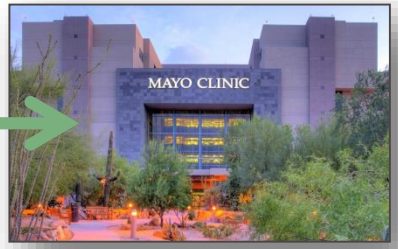
Opportunity

- Decrease variation of reported readmission rates among hospitals based on socio-demographic status for the transparency initiative on the consumer website.
- Encourage and advance the national policy discussion.
- Test and promote a better methodology, consistent with current research.

Competing Models

- Standard CMS/Yale Method
  - Adjust for age, gender and clinical comorbidities
  - Compare hospital performance to other hospitals within the context of *patient clinical acuity*

Henry Ford, Detroit



Mayo, Phoenix

- Socio-demographic Status (SDS) Enriched Method
  - Adjust for age, gender, clinical comorbidities, Medicaid status and census tract-level poverty
  - Compare hospital performance to other hospitals within the context of *patient community*

Methodological Comparison: Reduction in Variance

CMS/Yale Method and CMS/Yale w/ SDS-Enrichment for All MO Hospitals

	Risk-Adjusted Rate Minimum		Risk-Adjusted Rate Maximum		Range (% points)		Percent Change in Range (Reduction in Variance w/SDS)
Measure	CMS	SDS	CMS	SDS	CMS	SDS	
AMI	7.8%	9.3%	12.2%	11.8%	4.4%	2.5%	-43.2%
Heart Failure	11.7%	14.9%	23.9%	18.6%	12.3%	3.7%	-69.9%
Pneumonia	9.3%	12.5%	20.6%	16.1%	11.3%	3.6%	-68.1%
COPD	11.1%	12.8%	23.8%	18.9%	12.7%	6.1%	-52.0%
Total Knee & Hip	2.4%	3.5%	6.7%	4.1%	4.3%	0.5%	-88.4%
Hospital-wide	7.5%	9.3%	15.9%	12.2%	8.4%	2.9%	-65.5%

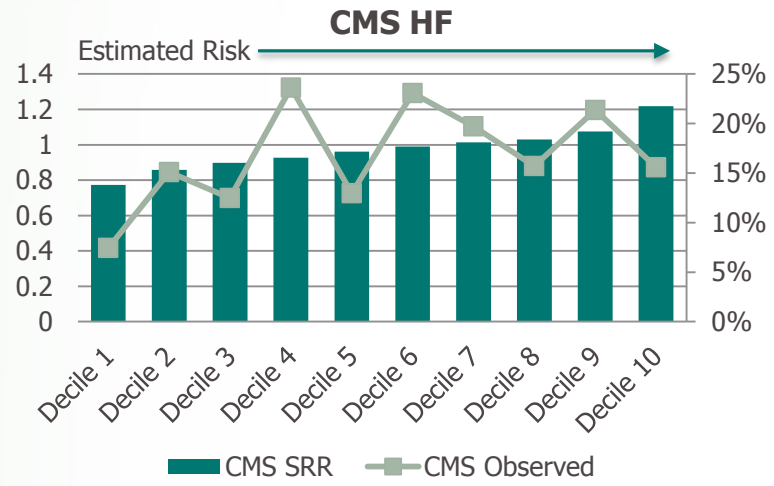
Methodological Comparison: Impact Distribution

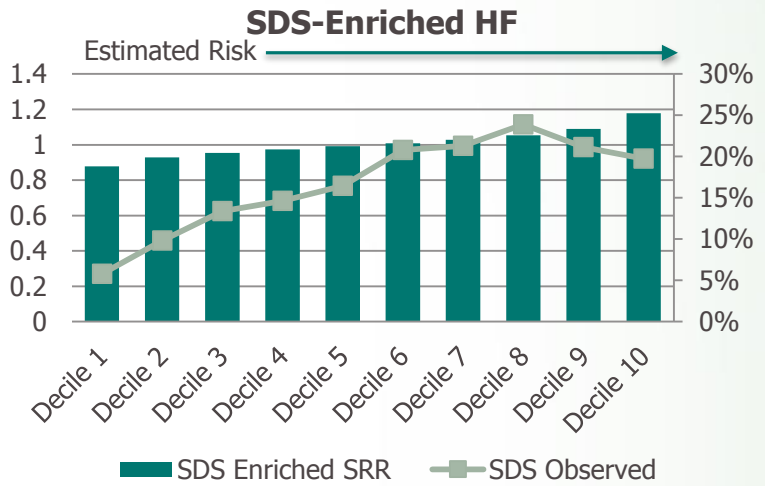
CMS/Yale Method and CMS/Yale w/ SDS-Enrichment for All MO Hospitals

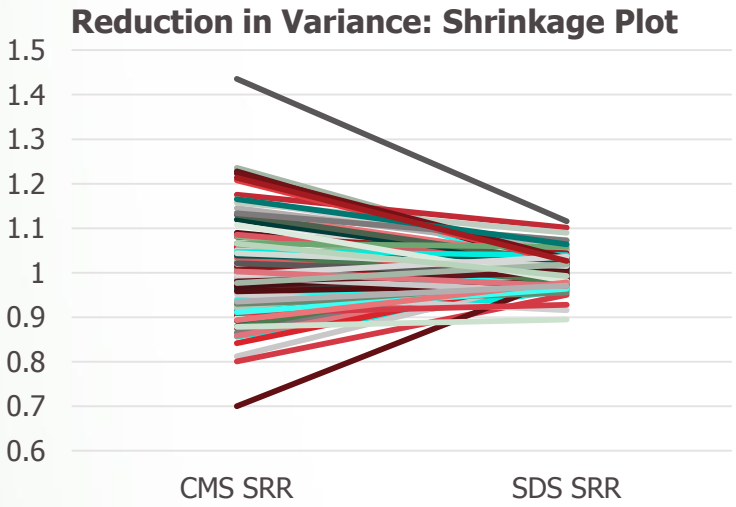
	Hospitals w/ Increased Risk-Adjusted Rate	Hospitals w/ Decreased Risk-Adjusted Rate	Moving from Under to Over Expected Rate (SDS SRR >1)	Moving from Over to Under Expected Rate (SDS SRR <1)	No change in Over to Under 1
AMI	53.7%	46.3%	19.6%	5.3%	75.1%
Heart Failure	52.3%	47.7%	16.2%	11.7%	72.1%
Pneumonia	55.2%	44.8%	18.1%	9.5%	72.4%
COPD	48.7%	51.3%	16.5%	8.7%	74.8%
Total Knee & Hip	52.5%	47.5%	20.0%	15.0%	65.0%
Hospital-wide	57.7%	42.3%	26.8%	4.1%	69.1%

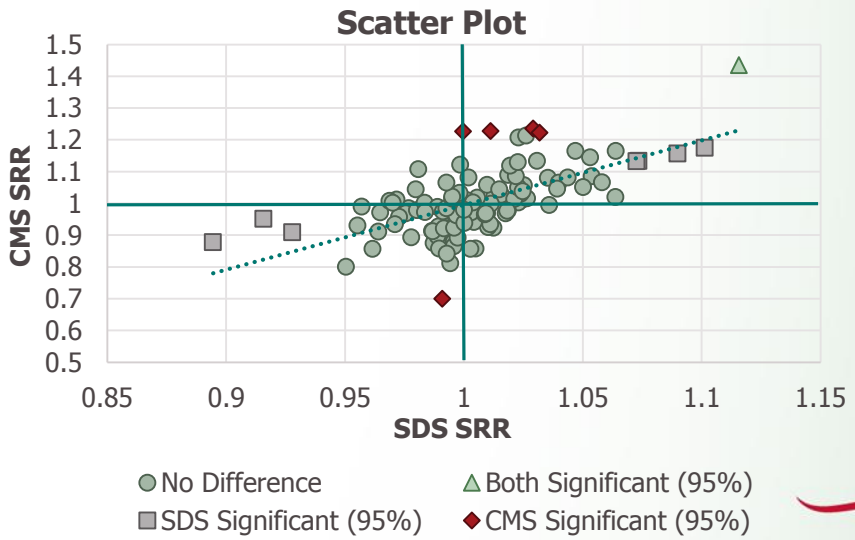
Methodological Comparison

- Calibration and reduction in variance (CHF example)









Evaluation Process

- ✓ Internal review of MHA staff
- ✓ External reviewers
  - David Nerenz, Ph.D., Henry Ford Health System
  - Katherine Baicker, Ph.D., Harvard economist
  - Bruce Hall, M.D., Ph.D., BJC and Washington University
- ✓ District council meetings
- ✓ Strategic Quality Advisory Committee recommendation
- ✓ MHA Board of Trustees decision
- • November-December — member feedback

Balancing Risk

Pros

- Reduced statistical variation among hospitals for population characteristics
- Current HIDI model promising
- "Essential for fair comparison"
- Aligns with MHA advocacy and policy agenda
- Additive information for the NQF pilot
- Advances national policy discussion
- Opportunity to introduce other SDS-related quality outcomes
- Public messaging

Cons

- Ahead of CMS and NQF
- "Masking disparities"
- No national consensus yet on which variables are most appropriate
- Rigor of national research still in process
- Public messaging

Conclusions

- SDS adjustment
  - Reduces variation beyond hospitals' control
  - More equitable comparison
  - Advance important policy agenda
  - Contribute to national research

Timeline and Resources

Launch Timeline

Action	Status	Implementation Date
Data Use Agreement	90 percent of all hospitals have signed	September 1
Hospital-specific quality data updates	Quarterly updates on HIDI Analytic Advantage® PLUS	February, May, July, October
Hospital-specific price data updates	Annual updates on HIDI Analytic Advantage® PLUS	September 17
Focus on Hospitals website	Redesign in process	November 15
Web-based member education	Ongoing throughout 2015	December 11
Hospital preview period for all participating hospitals to view all participating data (will require permission)	Pending website readiness	November 16 to December 15
Public launch		January 15

MHA Staff

- Mary Becker — mbecker@mhanet.com
  - Overall project, price data, website and communication strategy
- Mat Reidhead — mreidhead@mhanet.com
  - Data methodology, including socio-demographic status
- Leslie Porth — lporth@mhanet.com
  - Overall project, education and quality data
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