Office of Clinical Standards and Quality
Quality Improvement Group
Proposed Summary of Draft 8th Statement of Work

Introduction

This proposed summary of the draft of the Statement of Work (SOW) for the 8th Quality Improvement Organization (QIO) Contract Cycle is intended to let interested parties see and comment on the work that is currently envisioned for that 3-year contract cycle beginning in August 2005, as we explore how best to accomplish our purpose under existing law and most effectively and efficiently. This summary provides a brief description of each proposed subtask and the metrics that are proposed to evaluate performance.

The proposed contract differs from that of the 7th SOW in two significant respects. First, it aims to promote transformational changes in the ability of providers to achieve higher levels of quality. Second, it requires proof of capability of the ability to do the work of each subtask. Additionally, we seek in this contract to better assess the impact of QIO work on the quality of care provided to Medicare beneficiaries.

Transformational Change and Breakthrough Priorities. In the 8th SOW, QIOs are expected to provide assistance to providers that enables them to develop the capacity for, and to achieve the vision of the program, which is that every person receives the right care every time. QIOs shall accomplish this by working with providers, practitioners, Medicare Advantage organizations, beneficiaries, and other stakeholders in support of quality improvement. Assistance will typically involve seeking to promote improvements in organizational culture, systems adoption and use, and redesign of care processes.

To facilitate transformational change, CMS has identified a set of Breakthrough Priorities for improvement. The purpose of these Breakthrough Priorities is partly to improve care, but more important is to transform the expectations of participants in improvement by making very substantial improvement a fully credible ambition. QIO work in these areas will be part of a broader set of strategies which the Agency will employ in order to achieve breakthrough levels of performance.

CMS has identified Breakthrough Priorities where:

A. There is a substantial gap between known good practice and actual practice.

B. A very substantial improvement in performance seems possible.

C. CMS intends to coordinate work in these areas across the organization, using payment, coverage, public information, partnership development, and other strategies to leverage greater change.

D. The intent of these breakthrough areas is to show the public and the healthcare system that major change is possible. QIOs will need to pursue a flexible strategy to take advantage of the opportunities presented by this strategy.

The Priorities currently being considered are:

Breakthrough Priority	Department Strategic Plan	Contract Subtask
Adult Immunization	1.1	Hospital, Nursing Home (developmental measure), Physician Office (part of preventive measure set)
Colorectal cancer screening	1	Physician office (part of preventive measure set)
Pressure ulcers	5.4	Nursing Home
Restraints	5.4	Nursing Home
Surgical complications	5.4	Hospital
Vascular access for hemodialysis	5.2	ESRD Network Contract, Hospital (part of surgical complication measure set)
Workforce turnover	5	Hospital, Nursing Home

Proof of Capability and Competitive Subcontracting. Historically, a QIO that holds a contract is considered able to do all the subtasks in the contract. Because of the increasing breadth and complexity of the contract, and the aim to achieve transformational change, we are proposing two new options for executing the work of the subtasks.

In the first option, in the 8th SOW each QIO would be required to demonstrate its capability for excellent performance on each subtask. How it does so would depend on the type of subtask:

A. For subtasks not related to the provision of assistance to physician offices (1d1, 1d2, and 1d3), the QIO would have to have demonstrated, based on performance on the related task in the 7th SOW, that it is capable of excellent performance on the 8th SOW task.

B. For subtasks relating to the provision of assistance to physician offices (1d1, 1d2, and 1d3), the QIO would be required to demonstrate its capability for excellence based on 7th SOW performance and would be required to be certified to meet several additional requirements, including the availability of appropriately trained staff, the approval of physician stakeholder organizations in the state, and acceptable performance during a pilot period of work with a sample of providers.

If the QIO failed to demonstrate capability for excellent performance on the work of a subtask, then it would be required to competitively subcontract the work of that subtask from among organizations that CMS would designate. CMS would approve each subcontract to assure that it results in the capability for the work of the contract to be successfully performed.

For subtasks relating to item A above, CMS would use QIO performance in the 7th SOW as the basis for designating entities that can be subcontracted. CMS would explore, and is interested in comments on, including non-QIO entities in the list of designated entities for this item. For subtasks relating to item B, CMS would create a list of both QIO and non-QIO entities that can be subcontracted.

In the second model, for subtasks 1d1, 1d2, 1d3, and the requirements in 1c1 relating assistance that is provided to promote adoption and use of health information technology, irrespective of demonstrated QIO capability, the QIO would be required to subcontract with multiple entities to provide a choice to providers of which entity (potentially including the QIO) delivers the assistance.

We invite comments on these two options, and also invite entities that would be interested in providing assistance services to both comment on these options and communicate their interest to CMS.

CMS is actively exploring the resource, staffing and time requirements of implementing these options. Because they would require increased program and contract oversight by CMS, we expect to undertake a comprehensive review of the existing infrastructure in place at CMS prior to the effective date of the 8th scope contracts.

Assessment of QIO Impact. CMS intends to develop a methodology by which to better assess the impact of QIO improvement activities. The Medicare Modernization Act requires an Institute of Medicine study of the QIOs, including their effectiveness. This study has already started; although the final report from this study is not due until June 2006, CMS expects guidance on assessment methodology from preliminary reports from the Institute of Medicine Study Committee, and will also draw from best practices (randomization and related designs) for evaluating quality improvement interventions in the private sector and in research.

The Proposed Statement of Work

Task 1: Assisting Providers in Developing the Capacity for and Achieving Excellence

Note: For Task 1, QIOs are expected for most subtasks to work at the statewide level and also at the start of the contract to select a group of providers ("identified participants") with whom to work more intensively.

Task 1a: Nursing Home

QIO work in the nursing home setting will seek to promote transformational change among a group of identified participants by seeking to promote organizational culture change within this group and by focusing on improving the publicly reported quality measures for pressure ulcers, physical restraints, pain (both post-acute and chronic), and depression. In addition, QIOs will, at the statewide and identified participant level, encourage facilities to set improvement targets, and to implement key process changes. As a part of this effort, QIOs will work on both an identified participant and statewide level.

For the identified participants, QIOs will work with 10 percent of nursing homes in the state.

QIO Performance Criteria for Nursing Home in the 8th Statement of Work		
Performance Measure	**Statewide Improvement**	**Identified Participant Improvement**
Pressure Ulcers	Statistically significant improvement in high-risk pressure ulcer rate	The average level of improvement across these measures shall be greater than the statewide average at a statistically significant level
Physical Restraints	Maintain rate if <2%; reduce rate by a quarter if >2%	
Pain (both chronic and post acute)	Statistically significant decrease in chronic and post acute pain	
Depression	Statistically significant decrease in the prevalence of depression	
Target setting	**Target setting for clinical measures:** 80 percent of nursing homes set targets for at least physical restraints and pressure ulcers	**Target setting for clinical measures:** Set targets with all identified participants for quality measures for pressure ulcers, physical restraints, pain (chronic and post acute), and depression
Culture change	Not applicable	-- Increased resident satisfaction as measured using a Nursing Home Consumer Assessment of Health Plans Survey, which is currently under development -- Increased staff satisfaction as measured using the Eden Warmth Survey -- 50 percent decrease in the number of employees (across all departments including custodial, dietary, administrative, and direct care staff) leaving in less than one year -- 15 percent decrease in the number of CNAs (Certified Nursing Assistants/Aids) leaving in less than one year
Process change implementation	Not applicable	80 percent of identified participants send quarterly data to the QIO warehouse on: 1) skin assessment at admission, 2) skin risk assessment on a quarterly basis, 3) pain assessment at admission, and 4) depression assessment at admission, on 90 percent of their residents.

Task 1b: Home Health

QIO efforts in the home health setting will focus on increasing home health agencies' ability and proficiency in using quality improvement methodologies, with emphasis on Outcome-Based Quality Improvement (OBQI), to improve the CMS publicly reported quality measure rates. CMS will publicly report a select set of quality measures for home health agencies prior to the 8th SOW. In order to accelerate the rate of improvement, CMS has selected two OASIS quality measures for national focus: acute care hospitalization and emergent care utilization. As a part of this effort, QIOs will work on both an identified participant and statewide level.

The number of identified participant home health agencies in the state that meet or exceed a set national rate in two of the publicly reported Outcome and Assessment Information Set (OASIS) quality measures (not including acute care hospitalization and emergent care utilization) shall equal 20 percent of the total number of home health agencies in the state. Also, CMS will measure QIOs on statewide and identified participant improvement in the quality measure rates for either acute care hospitalization or emergent care utilization, or both (CMS will provide more detail on the statewide evaluation component based on the Technical Expert Panel findings in November 2004).

QIO Performance Criteria for Home Health in the 8th Statement of Work		
Performance Measure	**Statewide Improvement**	**Identified Participant Improvement**
OASIS quality of care measures (publicly reported measures, except for acute care hospitalization and/or emergent care utilization)	Not applicable	The number of identified participants shall equal 20 percent of home health agencies in the state, including a percentage of low performing home health agencies. Identified participants must select two publicly reported quality measures (not including acute care hospitalization and emergent care utilization). The average rates of identified participants for each publicly reported measure (not including acute care hospitalization and emergent care utilization) must meet or exceed the national target rate for that particular measure.
Acute care hospitalization and/or emergent care utilization*	Specified level of improvement on acute care hospitalization and/or emergent care utilization	Number of identified participants that meet state-specified levels of improvement in acute care hospitalization and/or emergent care utilization = 20 percent of home health agencies in the state
*Notes that CMS will provide more detail on the statewide evaluation component based on the Technical Expert Panel findings in November 2004.		

Task 1c1: Hospital

QIOs will continue the work done under the 7th SOW to improve hospital performance through quality improvement projects and assistance with quarterly data submission on quality measures for four major clinical topics: acute myocardial infarction, heart failure, pneumonia and surgical complications improvement projects (SCIP). However, this work will be focused on achieving a more transformational level of improvement. This will be accomplished by evaluating performance using an Appropriate Care Measure—which combines the assessment of compliance or failure on each of the AMI, CHF, and pneumonia measures for each individual patient receiving care related to any of these topics—and by providing assistance to hospitals on seeking to improve workforce retention through organizational culture change or implementation of CPOE/barcoding systems.

QIO Performance Criteria for Hospital in the 8th Statement of Work		
Performance Measure	**Statewide Improvement**	**Identified Participant Improvement**
Appropriate Care Measure (This is a measure which combines the assessment of compliance or failure on each of the AMI, CHF, and pneumonia measures for each individual patient receiving care related to any of these topics.)		10 percent of hospitals must achieve a 50 percent reduction in failure rate, using 2nd quarter '04 data, on the Appropriate Care
Measures Reporting (Full set of quality measures, beyond the 10 required under MMA section 501(b)	-- 25 percent of hospitals will report the expanded set of quality measures	Not applicable
Surgical Complications Improvement Projects (SCIP)	8 percent reduction in the gap between current performance and 100 percent performance based on 2nd quarter '04 data	Not applicable
Flu/Pneumonia Immunizations Standing Orders	50 percent reduction in the gap between current performance and 100 percent performance based on survey at beginning of 8th SOW	Not applicable
Workforce Retention	Not applicable	QIO to work with 10 percent of hospitals, not to overlap with those on the Appropriate Care measure, and achieve full implementation of a plan by 50 percent of the identified participant group
Adoption of bar coding or CPOE	Not applicable	As per workforce retention measure

Task 1c2: Rural/Low Volume Hospital (R/LVH)

To increase the focus of QIO work on the provision of assistance appropriate to the needs of rural hospitals, in the 8th SOW QIOs will work with selected identified participant rural/low volume hospitals (R/LVHs). QIOs will assist R/LVHs in reporting performance data on a set of modified hospital quality measures that better reflect the care given by these facilities. In addition, QIOs will work with a subgroup of the identified participant R/LVHs on improving R/LVH clinical measures, increasing IT adoption, or improving organizational safety culture.

The measure of success for QIOs will be to increase the number of R/LVHs in the state reporting performance data on the new measures. From this group of R/LVHs reporting to CMS, 10 percent of identified participant R/LVHs must successfully complete one of two improvement projects.

QIO Performance Criteria for Rural/Low Volume Hospital in the 8th Statement of Work		
Performance Measure	**Statewide Improvement**	**Identified Participant Improvement**
Clinical measures which under development to reflect care provided in rural hospitals such as pre-transfer and early care indicators for AMI and pneumonia	Specified increase in the number of reporting hospitals	-- Specified proportion of reporting hospitals implementing a quality improvement plan -- Specified proportion of reporting hospitals exceeding a performance improvement target
Structural (IT and Patient Safety processes)	Not applicable	-- 10 percent of R/LVHs implement plans for IT systems change. -- 10 percent of R/LVHs administer staff climate survey, implementation of safety culture improvement changes, and systems redesign to address locally identified patient safety issues

Task 1d1: Physician Office

QIO quality improvement efforts in the physician office setting will seek to promote systems changes, including adoption and effective use of information technology (IT) such as electronic prescribing and reminder systems, in conjunction with redesign of office processes. QIOs will focus on more reliable delivery of preventive services and effective management of patients with chronic conditions, such as diabetes and heart disease. As a part of this effort, QIOs will work on both an identified participant and statewide level, including Medicare Advantage organizations.

In order to achieve continuous quality improvement that values and works toward safe, effective, patient-centered, and efficient care, QIOs will provide technical assistance to physician offices that include: chronic disease and preventive/screening measures, promotion of the adoption and effective use of IT for quality improvement efforts, promotion of care management process redesign, and increased effective management of patients with chronic conditions.

For the identified participant physician offices (i.e., 10 percent of the physician offices that bill Medicare for primary care services in the state), QIOs will:

1) Promote the adoption of clinical information systems, and use of rigorous purchasing practices by physician offices
2) Promote effective implementation of systems and associated workflow changes to achieve efficiencies
3) Implement care management and patient self-management processes;
4) Report the Doctor's Office Quality (DOQ) clinical measures into the QIO clinical data warehouse and
5) Meet a targeted level of performance on these measures

For the statewide component, CMS will use administrative claims data to measure diabetes and mammography quality measure rates for fee-for-service (FFS) beneficiaries. The second set of indicators will reflect the care received by Medicare Advantage members in the state. The Medicare Advantage breast cancer and diabetes indicators will be derived from a weighted average of the most recently available annual Health Plan Employer and Data Information Set (HEDIS) data prior to the start of the 8th SOW, as reported by the Medicare Advantage plans in the state. The weights will reflect the proportion of the total Medicare Advantage membership in the state. Statewide flu and pneumococcal (PPV) immunization rates will be based on annual Consumer Assessment of Health Plans Study (CAHPS) surveys of FFS and Medicare Advantage beneficiaries.

QIO Performance Criteria for Physician Office in the 8th Statement of Work		
Performance Measure	**Statewide Improvement**	**Identified Participant Improvement**
Claims-Based Clinical Measures	**Diabetes, Cancer Screening, and Adult Immunizations:** 8 percent relative improvement on claims-based rates from baseline to re-measurement	
DOQ-IT Measures		Assessment of the amount of progress a physician office makes relative to each of the following performance parameters: ■ Adoption and effective use of health information technology (e-prescribing, e-lab, e-registry/care management, full EHR, and contribution of data to a PHR/LHII) ■ Implementation of processes to support care management and patient self-management ■ Reporting of clinical quality measures to QIO data warehouse (CAD, HTN, CHF, DM, Preventive Care) ■ Achievement of specified levels of performance on clinical quality measures
Medicare Advantage Plans	Provide assistance to Medicare Advantage plans	Not applicable

Task 1d2: Underserved Populations

In the 8th SOW, QIOs will focus their work in disparities in care received by underserved populations on improving care in the physician office setting. In conjunction with efforts in task 1d1, QIOs will promote cultural competency and improved quality of primary care to underserved populations. QIOs will focus their efforts on a specified proportion of physician offices that provide care to underserved populations (identified participant group), to improve on DOQ-IT performance measures and to improve on measures of cultural competency. In addition, QIOs will work to improve care for Medicare underserved beneficiaries on a statewide basis, based on quality measures for preventive services (cancer screening and adult immunizations) and care for chronic disease (diabetes).

QIO Performance Criteria for Underserved Populations in the 8th Statement of Work		
Performance Measure	**Statewide Improvement**	**Identified Participant Improvement**
Clinical Measures	**Diabetes, Cancer Screening, and Adult Immunizations:** absolute improvement in claims-based measures for underserved populations	Not applicable
DOQ-IT and Cultural Competency Measures	Not applicable	-- Demonstrate improvement in cultural competency for providers who serve underserved populations (Measures are being developed and will be available prior to the 8th SOW, with training provided to the QIOs by the Underserved QIOSC in July 2005) -- Demonstrate an improvement comparable to the Task 1d1 for DOQ-IT measures

Task 1d3: Part D Benefit

As an additional part of the QIO efforts in the physician office setting, QIOs will work with Medicare Prescription Drug Plans (PDP), Medicare Advantage prescription drug plans (MA-PD), and fallback plans (referred to as drug plans) and with providers to improve care for beneficiaries enrolled in these plans. QIOs will identify and offer technical assistance to all drug plans that serve beneficiaries within their state to implement quality improvement programs under Part D.

QIOs will implement quality improvement projects to establish measures that determine the baseline level of performance of the drug plans and providers with whom it is working; to develop and implement interventions; to assess the interventions' effect on the measures; and to report on the drug plans and providers.

CMS will measure QIOs on their ability to report the required information on drug plans and providers (including pharmacies) with whom it has worked and interventions that it has deployed, intervention strategy and its deployment, contribution to the program knowledge base through provision of information to other QIOs and conduct of a project that contributes to program learning, and appropriate activity to include drug plans and providers in quality improvement activities.

QIO Performance Criteria for Part D Benefit in the 8th Statement of Work		
Performance Measure	**Statewide Improvement**	**Identified Participant Improvement**
Clinical Measures: avoidable drugs (elderly and disease-specific), drug interactions, therapeutic monitoring, generic use, key ratios (drugs that have strong evidence base for effectiveness and value versus others within the therapeutic class), multiple drugs in class (polypharmacy), medication therapy management	Not applicable	Project options – work with MA/PDPs and identified participants (which may be the same as those in Task 1d1 or 1d2 and may include pharmacies) -- Improving prescription choices (avoidable drugs, drug interactions, key ratios) or improving disease-specific treatment (therapeutic monitoring, multiple drugs in class); and -- Improving medication therapy management services or QIO-proposed project

Task 2: Creating an Environment for Quality

To achieve the vision of the "right" care, an environment must be created which sets clear and consistent expectations for, and values and rewards such care, and in which providers are offered support for striving for it. Through clear, consistent and integrated communications and effective partnerships, the QIO will create an environment for quality improvement by working with providers, stakeholders, purchasers/payers, and the media to help stimulate widespread change in attitudes and behavior with regards to the importance of ongoing quality improvement in health care.

QIOs will continue to promote CMS' publicly reported performance measures much like they did during quality initiatives currently under the 7th SOW. The primary goal of this promotional effort will be to ensure that providers and stakeholders are aware of the priority areas of focus and are in alignment with CMS' expected areas of improvement.

In addition, the QIO will integrate communications, outreach, and marketing strategies into other 8th SOW tasks, and will utilize communication tactics (e.g., campaigns, promotion and publicity efforts, etc.) and partnership and coalition building activities to contribute to the overall execution of the 8th SOW. Furthermore, promoting development and awareness of pay for performance will also be part of this work. QIOs will interact with payers and provide information in order to build awareness about how CMS incentive programs, as well as similar private sector programs, may positively impact provider participation in quality improvement.

In general, QIOs will create an integrated awareness campaign for generating ongoing awareness of the QIO program, including its resources (e.g., quality improvement services, beneficiary protection, etc.) and effectiveness. QIOs will promote the QIO program and its resources (e.g., www.cms.gov, www.medicare.gov, www.medqic.org, or 1-800 MEDICARE, etc.) to help increase efficiency in quality improvement and increase awareness of the tools, products and materials available to both providers and consumers.

CMS will conduct a series of customer surveys to assess the degree to which QIOs meet the needs of their customers. These surveys will be conducted at baseline, mid-term, and conclusion of the 8th SOW. CMS will also attempt to use the surveys to assess satisfaction with the quality of QIO technical support, with the perceived environment for quality, and with QIO communications and partnerships related to Task 2 objectives.

QIO Performance Criteria for Creating an Environment for Quality in the 8th Statement of Work	
Performance Measure	**Customers**
Customer perceptions of QIO technical assistance, environment for quality, and QIO communications and partnerships	■ Identified participant providers in Task 1 ■ Non-identified participant providers in Task 1 ■ Medicare Advantage plans ■ Key stakeholder organizations identified by the QIO ■ Key stakeholder organizations identified by CMS

Task 3: Protecting Beneficiaries and the Medicare Program

Task 3a: Beneficiary Protection

QIO efforts that focus on beneficiary protection encompass a wide variety of case review activities by the QIO, including the beneficiary complaint process through which beneficiaries or their representatives can access the QIO regarding the quality of care received, evaluations of potential dumping violations (EMTALA), and beneficiary appeals of decisions to terminate acute care services, and other activities.

Beneficiary complaint review was substantially changed in the 7th SOW to focus on meeting the expectations of the complainant, and using the review to stimulate quality improvement activities by the provider. A new mediation process was introduced. In the 8th SOW these initiatives will be strengthened by increasing the focus on complainant satisfaction with the outcome of the complaint and introducing new methods of review that involve the provider early in the process.

Additionally, in the 8th SOW, QIOs will be expected to coordinate the quality improvement activities arising from complaint reviews with similar activities related to Task 1 topics.

QIO Performance Criteria for Beneficiary Protection in the 8th Statement of Work	
Performance Measure	**Statewide**
Beneficiary Satisfaction with the complaint process	-- Measure, through beneficiary surveys, beneficiary satisfaction with the beneficiary complaint process -- Achieve a specified level in average process satisfaction
Beneficiary Satisfaction with the complaint outcome	-- Measure, through beneficiary surveys, beneficiary satisfaction with the beneficiary complaint outcome -- Achieve a specified level in average outcome satisfaction
Quality Improvement Activities related to complaint reviews	-- Measure the proportion of complaint reviews for which a quality improvement activity was suggested -- Utilize case review information in their conduct of quality improvement activities
Timeliness for all reviews	Meet 90 percent timeliness requirement
Reliability of Review - Internal (IRR) for all reviews	-- Conduct internal IRR evaluation -- 80 percent IRR for both PRs and NPRs
Reliability of Review - External (IRR) for all reviews	-- Participate in external IRR assessment -- 70 percent IRR for both PRs and NPRs

Task 3b: Hospital Payment Monitoring Program (HPMP)

QIO efforts in support of the Hospital Payment Monitoring Program (HPMP) are to protect the Medicare Program through surveillance and improvement assistance related to hospital payment errors. The purpose of HPMP is to measure, monitor, and reduce the incidence of improper payments for inpatient PPS, including errors in diagnostic related group (DRG) coding, provision of necessary services, appropriateness of setting, and billing. Reducing such errors will, in turn, protect the Medicare Trust Fund. A random sample of cases is reviewed, and a state and national payment error rate is calculated based on this data. When a problem is detected, the QIO may propose a special project to reduce the incidence of such errors. QIO work for this task is based on the statutory directive in section 1154 of the Social Security Act to review services and items to ensure they are reasonable, medically necessary, and provided in the appropriate setting.

QIOs will be evaluated on absolute (i.e., overpayment minus underpayment) and net (i.e., overpayment plus underpayment) payment error rates in relation to the respective net or absolute baseline payment error rate, timeliness of review, reliability, monitoring activities, and projects to reduce payment errors. In the 8th SOW, QIOs are expected to demonstrate improvement in payment error reduction projects.

QIO Performance Criteria for Hospital Payment Monitoring Program in the 8th Statement of Work		
Performance Measure	**Statewide**	**Project Specific**
Hospital payment errors related to coding or admission necessity	-- Rates no greater than 1.5 standard errors above the baseline payment error rates (absolute and net rates) -- Monitoring activities, timeliness of review, and reliability	For QIO specific project proposals, demonstrate reduction in payment errors relating to specific instances of coding or admission necessity