Outcome Quality Measures: Risk Adjustment for Socioeconomic Status

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National Health Policy Forum
September 26, 2014
“(iii) ADJUSTMENT FOR SOCIO ECONOMIC STATUS.—

“(I) IN GENERAL.—In determining a hospital’s excess readmission ratio under clause (i) for purposes of making payments for discharges occurring on or after October 1, 2016, the Secretary shall risk adjust re-admissions to account for the socio economic status of the patients served by the hospital.
Is this the right solution?
Is this the right solution for these goals?

- Measures that illuminate healthcare quality
- Programs that incentivize improvements in care and outcomes and lessen disparities
- A strong healthcare safety net
Outline

• Measuring quality:
  – Why SES is not just like other risk-factors

• Improving outcomes:
  – Hospital Readmission Reduction Program

• Protecting the safety-net:
  – Changing policies rather than measures
Measuring Quality – why SES is not like other risk-factors
Real concerns: Variation in health care quality
Outcome quality measures to leverage improvements

- Assess results of care that are meaningful to patients
- Illuminate variation and opportunities for improvement
- Empower patients
Importance of risk-adjustment
Risk-adjustment

- Ensuring measures are fair
- Establishing the “expected” rate for an outcome
- Setting the standard for comparison

- But SES is different than other risk-factors….
Poor and minority patients receive lower quality care

Research

Original Investigation | SURGICAL CARE OF THE AGING POPULATION

Socioeconomic Disparities in Mortality After Cancer Surgery Failure to Rescue

Bradley N. Reames, MD, MS; Nancy J. O. Birkmeyer, PhD; Justin B. Dimick, MD, MPH; Amir A. Ghaferi, MD, MS

Low-Quality, High-Cost Hospitals, Mainly In South, Care For Sharply Higher Shares Of Elderly Black, Hispanic, And Medicaid Patients

By Ashish K. Jha, E. John Orav, and Arnold M. Epstein
“There is a significant gap for all Americans between best possible care and that which is routinely delivered; and this gap is larger for patients who are members of minority groups, poor, of lower educational level, or disabled”

- Carolyn Clancy
The challenge of healthcare disparities and quality measurement

- Poor and minority patients receive lower quality care

- Risk-adjustment for SES
  - Setting the standard based on lower quality
  - Expecting poorer outcomes
  - Enshrining disparities
Is this the right solution for measuring quality?
Improving Outcomes: Hospital Readmission Reduction Program
Safety net hospitals achieve good outcomes

Readmission Reduction Program

- Improving patient outcomes
- Improving safety-net performance
- Little impact of risk-adjustment for SES
Improving patient outcomes
Impact of risk-adjustment
Is this the right solution?
Protecting the healthcare safety net
Measurement versus implementation

• Risks of changing measures
  – Legacy of lower standards
  – Obscuring quality information
  – Invisible policy tool
  – Little impact on hospital results

• Opportunities for changing implementation
“It may take a greater investment of resources by hospitals...to achieve best outcomes for low SES patients ...... if we had evidence that a pill helped low socioeconomic status patients avoid readmission, we might cover the cost for it, but in the case of readmission, that pill might actually be resource-intensive services such as social workers, extra time with translators, follow-up phone calls or bus rides to the next appointment.”
Alternatives

• Peer-group thresholds for penalty (MedPAC)
  – Single measure across all hospitals
  – Penalty threshold set within sub-groups of hospitals
  – Transparent and flexible
Better policy solutions

• Quality measurement that does not enshrine disparities

• Policy solutions for vulnerable safety-net
  – Setting thresholds for peer groups (MEDPAC)
  – Improvement measures
  – Phasing in penalties
  – Funding for quality improvement collaboratives