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MEDICARE FACT SHEET

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MEDICARE RELEASES SOLICITATIONS FOR QUALITY IMPROVEMENT ORGANIZATIONS' 9TH STATEMENT OF WORK

Goal of Three-year Contract Is to Promote Quality and Safety of Care for Medicare Beneficiaries and Improve Management of QIOs

Overview:

On January 22, 2008, the Centers for Medicare & Medicaid Services (CMS) released the 9th Statement of Work (SOW) for Medicare's 53 Quality Improvement Organizations (QIOs). The 9th SOW is focused on improving the quality and safety of services for beneficiaries. It provides CMS additional tools to better manage the QIOs by linking the work completed by the organizations to measurable outcomes reviewed and measured during the entire length of the three-year contract.

Responding to concerns from the Institute of Medicine (IOM), the Government Accountability Office (GAO), and Congress, and in an effort to improve oversight of the QIOs, CMS is channeling additional efforts and resources to ensure the QIOs provide Medicare beneficiaries with the highest value in their efforts to improve the quality of care among health care providers.

As part of the contract requirements, QIOs will center their improvement efforts on Protecting Beneficiaries, Care Transitions, Patient Safety and Prevention. Each program has measurable criteria, close monitoring and performance improvement plans to gauge each QIOs performance under the contract.

Under the 9th SOW, QIOs must work with a variety of health care providers during the three-year contract beginning August 1, 2008. By starting the contract period for all QIOs simultaneously, CMS will be better equipped to ensure the QIOs meet their contract requirements. Also, the QIOs will have to meet periodic milestones to further ensure they are serving the needs of beneficiaries.

In addition, the QIOs will help Medicare promote value-driven health care, support the adoption and use of interoperable health information technology and reduce health disparities in their communities.

Background:

The Quality Improvement Organization Program was created by statute in 1982 to improve the quality, safety and efficiency of health care services delivered to Medicare beneficiaries. QIOs are Medicare contractors hired to work with health care providers like home health agencies, hospitals, nursing homes and physicians' offices to improve health care services by assuring the right care for every patient, every time.

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In an IOM report to Congress published in 2006 titled *Improving the Medicare Quality Improvement Organization Program*, the IOM called on CMS to:

1. Focus more on quality improvement and performance measurement;
2. Prioritize program resources so that QIOs can help providers who demonstrate the most need or who face significant challenges to providing quality care;
3. Strengthen organizational structure and governance of the QIOs;
4. Strengthen management of the QIO Program by CMS; and
5. Strengthen the evaluation system for the QIO program.

In a GAO report issued in 2007 titled *Nursing Homes: Federal Actions Needed to Improve Targeting and Evaluation of Quality Improvement Organizations*, the GAO recommended that CMS, among other actions:

1. Increase the number of low-performing nursing homes that QIOs assist intensively;
2. Direct QIOs to focus intensive assistance on those quality-of-care areas on which nursing homes most need improvement;
3. Collect more complete and detailed data on the methods QIOs are using to assist nursing homes and the impact that these methods have on quality of care; and
4. Identify a broader spectrum of publicly reported quality measures to evaluate changes in nursing home quality.

In particular, the GAO suggested CMS redirect its QIO resources so that the program helps nursing homes with the greatest need for assistance in implementing quality improvement initiatives.

Responding to those concerns, CMS is focusing additional efforts to ensure that the QIOs provide Medicare beneficiaries – and the Medicare program – with the highest value of services in their efforts to improve the quality of care among health care providers who serve people with Medicare.

Protecting Beneficiaries:

Under the 9th SOW, QIOs will continue to carry out statutorily mandated review activities, such as:

- Reviewing quality of care provided to beneficiaries;
- Reviewing beneficiary appeals of certain provider notices;
- Reviewing potential anti-dumping cases (under the Emergency Medical Treatment and Active Labor Act); and
- Implementing other quality improvement activities.

In the 9th SOW, QIOs will be increasing their efforts to link case review activities to improvements in the quality of care, specifically by developing quality improvement activities focused on system-wide changes. These activities will be aimed at using the data available from these case review activities to determine potential problems in quality of care, and then designing programs aimed at helping providers to address these problems.

Care Transitions:

The Care Transitions theme is designed to help improve coordination across the continuum of care. In particular, promote seamless transitions from the hospital to home, home health care, or skilled nursing care.

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Some QIOs will also work to help reduce unnecessary readmissions to hospitals of Medicare beneficiaries that may increase risk or harm patients and cost the Medicare program. Under Care Transitions, CMS will look to QIOs to implement projects that effectuate process improvements that address issues in medication management, post-discharge follow-up, and plans of care for patients who move across healthcare settings. The QIOs will lead projects that focus on designing: 1) changes that impact a hospital or a community at-large; 2) changes that impact processes of care for patients with specific diseases (such as heart failure or pneumonia); and 3) changes that target specific reasons for re-hospitalizations.

Patient Safety:

QIOs will build on current efforts and best practices of other QIOs to reduce avoidable pressure ulcers and use of physical restraints in nursing homes to improve the quality of care for beneficiaries in these facilities.

Surgical care improvement, reducing the incidence of drug-resistant staph infections in hospitals, and improving drug safety are also key elements in the new SOW.

QIOs will help specific facilities—nursing homes and hospitals—in need of improvement on specific quality measures posted at Nursing Home Compare and Hospital Compare at www.medicare.gov or www.hospitalcompare.hhs.gov respectively.

Under the 9th SOW, QIOs will concentrate their efforts on facilities with the greatest opportunity for improvement in each individual measure. CMS has identified these hospitals and nursing homes, and has published this list on its website as part of the 9th SOW proposal solicitation process. By posting information about these facilities, CMS strengthens its commitment to increasing the transparency of information available to consumers in the healthcare market by providing the public with the information needed to make informed choices about health care. More importantly, CMS addresses one of the IOM’s key recommendations for improving the QIO Program—prioritizing program resources so QIOs can help providers who demonstrate the greatest need to partner with QIOs to improve the quality of care available to beneficiaries. In addition to those facilities identified by CMS, QIOs will also have the opportunity to choose 15 percent of facilities based on the QIOs’ own criteria, which will also be part of their 9th SOW proposals. CMS expects many QIOs will select these facilities based on other criteria; for example, facilities that have already made great improvement or can share “best practices” in the required measures. “Best practices” may be management or technical approaches to patient care that have been shown to either result in improvement in quality, or the sustained attainment of benchmark performance in any particular measure.

Prevention:

QIOs will work with consumers, physicians and other caregivers to refine care delivery systems to make sure patients get the right care at the right time, particularly patients from underserved populations. Health care disparities, including geographic disparities, are significant and increasing in the Medicare population. In the 9th SOW, QIOs will be focusing on reducing health care disparities for Medicare beneficiaries with diabetes. The QIOs will be using evidence-based methods to improve primary care physicians’ adherence to recommended national clinical standards of diabetes care.

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The organizations will also work closely with physicians and physician practices to encourage the use of secure and interoperable electronic health records. These practices will all report regularly from their electronic health records systems the practices' adherence to recommended guidelines for adult immunization of the Medicare population, as well as two cancer screening tests (colorectal carcinoma screening and mammography).

QIOs will work to help improve vaccination rates for flu and pneumonia, increase the early identification and reduce the progression of chronic kidney disease, encourage the use of colorectal cancer screening and mammography, and support provider adoption of secure and interoperable electronic health records. They will analyze the impact that their prevention efforts have on the number of Medicare claims submitted for vaccinations, urine tests to detect kidney malfunction, and cancer screening tests, as well as the number of prescriptions filled for kidney patients for certain types of drugs for high blood pressure that may help to prevent the progression of the disease.

9th Statement of Work Bidding Process:

CMS evaluated the QIOs in all 53 jurisdictions to determine the quality and effectiveness of how each organization met the 8th SOW contract requirements CMS set in accordance with Section 1153 (c) (2) of the Social Security Act. The contract requirements included performance targets for the QIO to attain for each sub-task of the 8th SOW. Based on these requirements, and the submission of additional data to support their performance, eight QIOs are being required to compete for contract awards under the 9th SOW. This is a first step towards increasing the transparency of the QIO contract process. Through competition, CMS can assure that the Program provides the greatest impact to the quality and safety of care for beneficiaries at a price that is the greatest value for the government.

The QIOs from eight states — California, Minnesota, Mississippi, North Carolina, Nevada, New York, Oklahoma, and South Carolina — are being required to compete because these contractors did not meet all of the performance criteria outlined in the 8th SOW and did not meet the criteria CMS developed for automatic renewal.

These criteria include the QIOs' success in conducting statutorily mandated case review activities and other activities, including alternative dispute resolution, sanction activities, and quality improvement activities. Additionally, QIOs were held accountable for effectuating changes in four health care settings—nursing homes, home health agencies, hospitals, and physicians' offices—which include:

- Clinical performance;
- Clinical performance reporting;
- Adoption and use of interoperable health information technology systems;
- Implementing key process changes; and
- Organizational culture transformation.

A small sample of the more specific quality improvement criteria provided in the 8th SOW includes:

- Reducing pressure ulcers in nursing homes by achieving a relative improvement rate of 15 percent or more for participating providers;
- Reducing the use of physical restraints in nursing homes by achieving a relative improvement rate of 15 percent or more for participating providers; and
- Achieving a reduction in failure rate of 50 percent or more for acute care hospitalization rates for participating home health providers.

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Under the 8th SOW, CMS holds contracts with five QIOs whose organizations are located outside of the state they service. To the extent that CMS receives proposals from other qualified organizations, these five QIOs — QIOS for Alaska, Idaho, Maine, Vermont and Wyoming — will also have to compete for their 9th SOW contracts, in accordance with QIO contracting laws.

More information about the QIO 9th Statement of Work can be found at:
www.cms.hhs.gov/QualityImprovementOrgs.

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