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**Improving Medicaid Quality
Through Advancement of Measurement:
*The Need for Clear Federal Responsibility, Authority, and Resources***

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In July, I presented to you the recommendations of the nation's children's hospitals for establishing a leadership role the Centers for Medicare and Medicaid Services (CMS) must play if it is to exercise its responsibility as the nation's largest payer of health care for children to promote significant measurement and improvement of the quality of the care they receive.

Today, I speak to you on the same topic – the need to improve Medicaid quality through advancement of its measurement – but this time on behalf of the Partnership for Medicaid, a national coalition of organizations representing the nation's safety net providers and health plans that devote a disproportionate share of their patient care to individuals who are uninsured or rely on public assistance to pay for their health care.

Background

While the field of quality measurement is growing rapidly, to date most of its focus has been on the health care of either working families who rely on employer-based health coverage or the elderly who rely on Medicare.

Comparatively little work has focused on the unique health care needs and challenges of the major populations served by Medicaid:

- children – particularly their inpatient care – and their mothers who together represent about 75% of all Medicaid recipients,
- people of all ages with disabilities and special health care needs, and,
- people whose health can be compromised by the challenges of their socio-economic conditions – unsafe housing, inadequate nutrition, environmental contamination, or lack of consistent health coverage and access to care.

Similarly, little work has focused on measures that are specific to the experience of safety-net providers that serve patients assisted by Medicaid or other public programs or who are uninsured. Most of the work on quality measurement under the aegis of Medicaid has occurred through health plans, not at the level of providers.

Medicaid must play an important role in helping to determine how appropriate quality measures can be developed and used to evaluate the care provided to these populations.

A 2006 survey of state Medicaid and SCHIP programs found most states are engaged in either identifying and using quality measures for public reporting, performance evaluation, or reimbursement, or exploring how to do so. In fact, at least 12 states have implemented pay-for-performance initiatives under Medicaid.

However, most state Medicaid programs lack the financial resources, the population base, or the experience to support the development of measures.

Currently, CMS also lacks the resources and authority to support private sector development of measures that would be appropriate to Medicaid.

The challenges facing the development and application of appropriate quality measures to the care of people covered by Medicaid are compounded by the need for health information technologies. The acquisition and implementation of such technologies are expensive and often can exceed the capital resources of safety net providers.

Potential Solutions

There are a number of ways that CMS could support quality measurement through Medicaid. The following recommendations are representative of the requests of the safety-net provider community, and have been included in a larger set of

recommendations that the Medicaid Partnership has presented to the Commission:

Congress and the administration should ensure that CMS has the ability – both legally and financially – to do the following:

- Provide financial support for the **identification and distribution** of available quality measures that have, by professional consensus in the private sector, been identified as potentially appropriate for Medicaid recipient populations.
- Provide financial support for the private sector’s **development of new measures** appropriate to the health care needs of different populations covered by Medicaid, including the development of a hospital consumer satisfaction instrument.
- Provide financial support for **consensus–based decision–making processes**, such as those of the Ambulatory Quality Alliance, Hospital Quality Alliance, and National Quality Forum.
- Provide financial support for **individual and multi–state demonstrations** of the use of such measures with different Medicaid populations, including demonstrations that reward public reporting against such measures.
- Provide financial support for the **ability of safety net providers to acquire and use the tools** necessary for effective quality and performance measurement, including tools such as HIT.

In addition, the federal government, through CMS, should provide financial support for the collection of comparative data at the national level, which could help the federal government, states, Medicaid beneficiaries, providers, and health plans assess the relative quality of health plans participating in Medicaid. In both commercial and public managed care, HEDIS has long been recognized as a standard for such comparison.

Conclusion

It is the strong hope of safety net providers that the Commission will strongly consider the proposed solutions. The Commission would make an important contribution to the reform of Medicaid and the improvement of health care for millions of Americans by recognizing the importance of federal financial support for quality measurement improvement through Medicaid. As the rest of the medical community moves ahead in the measurement of quality and

performance in health care, patients covered by Medicaid, and the safety-net providers that give them care, literally cannot afford to be left behind.