



Office of Clinical Standards & Quality

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FACT SHEET: CMS AWARDS CONTRACTS FOR QUALITY IMPROVEMENT ORGANIZATIONS' 9TH STATEMENT OF WORK *Nationwide Network of Contractors to Work with Providers to Improve Quality and Safety of Health Care for Medicare Beneficiaries*

Overview:

In August 2008, the Centers for Medicare & Medicaid Services (CMS) awarded contracts for the 9th Statement of Work (SOW) for the 53 contractors participating in Medicare's Quality Improvement Organization (QIO) Program. The 9th SOW focuses on improving the quality and safety of health care services to Medicare beneficiaries. The QIO contracts extend from August 1, 2008, through July 31, 2011, and mark a new direction for the QIO Program.

The 9th SOW builds on the Administration's health care quality improvement initiatives and a growing evidence base about how to improve the quality and efficiency of health care delivery. It also implements several recommendations from the Institute of Medicine, the Government Accountability Office, and members of Congress about how the Program can deliver maximum benefit to patients at the greatest value to the government. The new contracts also provide additional tools for CMS and the QIOs themselves to track, monitor, and report on the impact that QIOs have on the care provided in their states/jurisdictions.

Background:

CMS contracts with one entity in each state, as well as the District of Columbia, Puerto Rico, and the U.S. Virgin Islands to serve as that state/jurisdiction's QIO contractor. QIOs are private, mostly not-for-profit organizations. They are mainly staffed by professionals, such as physicians and other health care professionals, who are trained to review medical care, help beneficiaries with complaints about the quality of care and implement improvements in the quality of care delivered. QIO contracts are 3 years in length, with each 3-year cycle referenced as a successively numbered "SOW."

¹ August 5, 2008, is the date of original release. This fact sheet was last updated in March 2009 to reflect the renewal of the North Carolina QIO contract to the incumbent QIO for that state.

By law, the mission of the QIO Program is to improve the effectiveness, efficiency, economy, and quality of services delivered to Medicare beneficiaries. Based on this statutory charge, and CMS' Program experience, CMS identifies the core functions of the QIO Program as:

- Improving quality of care for beneficiaries;
- Protecting the integrity of the Medicare Trust Fund by ensuring that Medicare pays only for services and goods that are reasonable and necessary and that are provided in the most appropriate setting; and
- Protecting beneficiaries by expeditiously addressing individual complaints, such as beneficiary complaints; provider-based notice appeals; violations of the Emergency Medical Treatment and Active Labor Act (EMTALA); and other related responsibilities as articulated in QIO law.

The 9th SOW signals some significant changes in the way that CMS and the QIOs will approach quality improvement work. Some of these changes include:

- Working on projects that span across the entire spectrum of the health community, rather than in “silos” based on specific care settings;
- Focusing quality improvement resources where they are needed most; challenging QIOs to direct their efforts strategically by providing intensive support to those providers most in need of QIO assistance;
- Developing a more robust monitoring/evaluation framework that will allow CMS and the QIOs themselves to track the impact they are having on the quality of care provided to Medicare beneficiaries; and
- Addressing key priorities of health care quality, including the identification and reduction of health care disparities across the continuum of care and across racial/ethnic, geographic, socioeconomic, and demographic lines.

QIO Program—National Themes, Local Interventions:

The QIO Program's 9th SOW aims to improve the quality of care and protect Medicare beneficiaries through the following national themes, to be implemented by each of the 53 QIO contractors nationwide throughout the contract period:

- **Beneficiary Protection.** QIOs will carry out statutorily mandated review activities such as reviewing the quality of care provided to beneficiaries, reviewing beneficiary appeals of certain provider notices and implementing projects that make system-wide quality of care improvements based on case review activities.
- **Patient Safety (also known as the “CMS National Patient Safety Initiative”).** QIOs will focus on: 1) reducing rates of health care-associated methicillin-resistant *Staphylococcus aureus* (MRSA) infections; 2) reducing rates of pressure ulcers in nursing homes and hospitals; 3) reducing rates of physical restraint use in nursing homes; 4) improving inpatient surgical safety and heart failure treatment in hospitals; 5) improving drug safety; and 6) providing quality improvement technical assistance to Nursing Homes in Need.

- **Prevention.** QIOs will work with physician offices to leverage electronic health record (EHR) systems in ways that will help improve immunization rates for influenza and pneumonia as well as breast cancer and colorectal cancer screenings.

Projects Targeted in Specific States/Jurisdictions:

In addition to these national themes, QIOs in select states will focus on the following tasks:

- **Prevention: Disparities.** QIOs will work in 5 states/jurisdictions to support Diabetes Self-Management Education efforts for diabetic patients across racial/ethnic populations. These states/jurisdictions are the District of Columbia, Georgia, Louisiana, Maryland, and New York.
- **Care Transitions.** QIOs will work in 14 states to coordinate care and promote seamless transitions across settings, including from the hospital to home, skilled nursing care, or home health care. QIOs will also look to reduce unnecessary readmissions to hospitals that may increase risk or harm to patients and cost to Medicare. These states are Alabama, Colorado, Florida, Georgia, Indiana, Louisiana, Michigan, Nebraska, New Jersey, New York, Pennsylvania, Rhode Island, Texas, and Washington.
- **Prevention: Chronic Kidney Disease.** QIOs will work in ten states to slow the progression of chronic kidney disease to kidney failure and to improve clinical care for all kidney patients. These states are Florida, Georgia, Missouri, Montana, Nevada, New York, Rhode Island, Tennessee, Texas, and Utah.

These three tasks were awarded competitively among the universe of QIO 9th SOW bidders. CMS conducted a rigorous sub-national award process to increase competition within the QIO Program, as well as help these newer projects succeed by implementing them on a smaller scale than the national basis upon which historical QIO projects have been launched. CMS awarded these tasks in these states based on a number of factors, including the need for quality improvement work in differing populations/geographic areas and the quality of the proposals received from QIO bidders.

Contract Award Process:

Earlier this year, CMS evaluated all 53 QIOs that were engaged under the Program's 8th SOW to determine the quality and effectiveness of how each of them performed CMS' contract requirements, based on the provisions of QIO law. Based on these requirements, CMS renewed contracts to continue QIO work in 46 of the nation's 53 QIO states/jurisdictions without competition.

For the remaining states/jurisdictions, CMS conducted a full-and-open competition under the auspices of Federal acquisition law. Through this competition, CMS worked to 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.

As a result of competitions in these states, CMS has renewed its contracts with the existing QIO contractors in Nevada, North Carolina, Oklahoma, South Carolina,

Mississippi, and Idaho, and has awarded a QIO contract to a new contractor in California: the Health Services Advisory Group of California.

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

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