



# CALIFORNIA Health Policy Forum



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## Measuring and Reporting Provider Performance

Over the past few decades, numerous stakeholders in the public and private sectors have worked to further the science of performance measurement in health care. On the quality side, this has included a series of steps involving complex decisions: defining quality, developing measures of quality, testing and refining to reach consensus on measures, collecting and analyzing data, and sharing results. Recently, performance measurement has begun to include cost and efficiency measures, which are necessary to fully understand the value of care delivered. In several of its provisions, such as the development of a National Quality Strategy, a focus on quality reporting for hospitals and physicians, and movement toward payment based on value (quality and cost), the *Affordable Care Act (ACA)* provides opportunities to advance an agenda around performance measurement and public reporting, which are essential to transforming health care delivery in America.

### The Mechanics of Performance Measurement

Two often-cited definitions of quality care come from the federal Agency for Healthcare Research and Quality (AHRQ) and the Institute of Medicine (IOM). AHRQ defines quality care as “doing the right thing, at the right time, in the right way—and having the best possible results,” and the IOM identifies six aims for quality care—safety, effectiveness, patient-centeredness, timeliness, efficiency, and equity.<sup>2</sup> Using these definitions of quality, various organizations have developed measures that address specific aspects of quality.

There are many types of quality measures—the most common are 1) measures of clinical care, including process measures that show whether steps proven to benefit patients are followed correctly and whether an action was completed, and outcome measures that assess the actual results of care; and 2) measures of patient experience of care.<sup>3</sup> While various organizations develop and test quality measures, those endorsed by the National Quality Forum (NQF) are subject to a rigorous review process and must meet four criteria: important to measure and report, scientifically acceptable, useable and relevant, and feasible to collect.<sup>4</sup>

Records used to assess performance on quality measures have historically come from claims or administrative data, but are

beginning to include patient experience data gathered through surveys and clinical data obtained through electronic health records. Because there has not been a uniform approach to measure selection across measurement projects initiated by various federal and state government agencies, private sector purchasers, and others, providers are often required to submit different types of data for different projects. This creates an

**“Performance measurement and public reporting are fundamental building blocks for a reformed system that provides high-quality, high-value health care.”<sup>1</sup>**

— Robert Wood Johnson Foundation

undue administrative burden for providers and involves wasteful and duplicative data collection.<sup>5</sup> Focus areas for future measure development include: appropriateness of care, care coordination, and measures most relevant to vulnerable populations.<sup>6</sup> Although the Centers for Medicare & Medicaid Services (CMS) will implement a number of new measurement and reporting programs under the ACA, CMS has stated its commitment to aligning initiatives in an effort to ease the burden of measurement and reporting.

Measurement is intended to provide valuable information to those who provide care, receive care, and purchase care. The management adage that “you cannot manage what you do not measure” is certainly true in health care—there is widespread agreement that health care costs are too high, and that there are large gaps in the quality of care delivered. To effectively address these problems, stakeholders must be able to identify and act upon opportunities for improving quality and lowering costs. This includes providers, who need data to assess their performance and identify opportunities to improve care, as well as purchasers and consumers, who need data to make informed health care decisions.

## Example of a Public Report of Provider Performance in California

The California Office of the Patient Advocate (OPA) publicly reports performance information on medical groups and health plans across the state. In alignment with the principles outlined by AHRQ, the data are presented in an easy-to-understand format and use star ratings to summarize overall performance. Figure 1 is an example of an OPA report card showing ratings of medical groups in Kings County. The report card provides overall (composite) ratings for medical groups in terms of meeting national standards of care and patient experience of care. Detailed information is also available that shows how well providers perform on 1) clinical measures related to care for asthma, cancer, diabetes, heart disease, bronchitis, and other conditions; and 2) patient ratings related to communication, care coordination, timely care, health promotion, and the helpfulness of office staff.<sup>21</sup> Each medical group is assigned a star rating between one and four, where one star denotes “poor” performance and four stars denotes “excellent” performance. The report shows variation in quality ratings by medical group and notes the reasons when data are not available for a particular group (e.g., too few patients in sample to report, not willing to report, no report due to incomplete data, not rated by patients).

### Example of Medical Group Ratings, Kings County

**Meeting National Standards of Care:** We compared each medical group's patient records in 2009 to a set of national standards for quality of care.

**Patients Rate Medical Groups:** We compared how medical group patients rate their care and service during 2009.

	Meeting National Standards of Care	Patients Rate Medical Groups
Family HealthCare Network	Too few patients in sample to report	Not Rated
Kaiser Permanente Medical Group: Fresno Medical Center	★★★★	★★★★
Key Medical Group, Inc	★	★★★
Sante Community Physicians	★★★	★★

★★★★★ Excellent  
 ★★★★ Good  
 ★★★ Fair  
 ★ Poor

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Over the past two decades, public reports of performance results have evolved. Initially, reports focused on health plans and results were used for health plan accreditation by the National Committee for Quality Assurance (NCQA); recent reports provide information on hospitals, nursing homes, medical groups, individual physicians, and various other providers of health care services. A recent survey found that 68% of physicians support performance measurement as a way to improve care, but only 35% support public reporting.<sup>7</sup> Organizations that have been successful at public reporting state that involving providers throughout the measurement and reporting process is essential, including sharing data with them before releasing it publicly and giving them the opportunity to correct any errors. Public reporting is likely to continue to grow over time; for example, provisions in the ACA require CMS to expand its Physician Directory tool to include quality information.

When designing performance measurement and public reporting frameworks, there are a number of principles that should be considered. A robust performance measurement

framework is one that is *trusted* by those subject to measurement, measures aspects of care that are *meaningful*, reports results in an *accessible* way, and produces information that is *actionable*.

### Trusted: Building A Measurement Framework

Gaining trust from those subject to measurement requires that performance data be both valid and reliable. One of the best ways to ensure valid, reliable performance data is to aggregate data across payers, as individual health plans or payers may not have sufficient numbers of enrollees within a provider organization to yield valid, reliable performance results. Different measurement initiatives across plans also may yield conflicting results because of different measures, methodologies, or reporting formats;<sup>8</sup> this can lead to provider skepticism about the value of measurement and reporting. If performance is consistently measured across all of a provider's patients, however, performance results will be more accurate, which can help bring about buy-in on the part of those measured.<sup>9</sup>

#### References

- 1 Robert Wood Johnson Foundation, High-Value Health Care Project. *Aggregating Physician Performance Data Across Health Plans*, March 2011.
- 2 The Institute of Medicine. *Crossing the Quality Chasm: A New Health System for the 21st Century*. Washington, DC: National Academy Press, 2001.
- 3 National Quality Forum, *The ABCs of Measurement*, 2010.
- 4 Ibid.
- 5 National Quality Forum, Measure Applications Partnership. *Coordination Strategy for Clinician Performance Measurement*, Final Report.
- 6 Ibid.
- 7 Robert Wood Johnson Foundation. *Communicating with Physicians about Performance Measurement*, Winter 2009.
- 8 Robert Wood Johnson Foundation. *Aggregating Physician Performance Data Across Health Plans*.
- 9 Integrated Healthcare Association. *The California Pay for Performance Program: The Second Chapter*. June 2009.
- 10 Ibid.
- 11 National Quality Forum. *The ABCs of Measurement*.
- 12 National Partnership for Women and Families. *Overuse, Underuse and Misuse of Medical Care*, 2009.

Provider trust in measurement and reporting can also be engendered by making the formulation of the measurement set transparent; including providers alongside measurement experts, payers, and others in the measurement and reporting process; and giving them the opportunity to review data before it is published. This has been the experience of several communities participating in the Robert Wood Johnson Foundation's Aligning Forces for Quality program, as well as the California Pay for Performance (P4P) Program, which includes physician organization representatives on the committees making decisions on which measures are included in the program.<sup>10</sup>

### Meaningful: Measuring What Counts

When deciding what to measure, the focus must be on measures that *matter*—those with a high impact on care delivery, or that impact a large number of patients. Clinical measures, including both process and outcome measures, are those that providers most wish to affect.<sup>11</sup> Process measures can identify various types of quality problems: underuse, or when patients fail to receive necessary care; overuse, which occurs when treatment is given without scientific justification; and misuse, which occurs when a patient is harmed by the inappropriate use of a treatment.<sup>12</sup>

Patient experience is generally measured through the use of surveys that capture patients' perceptions about the quality of services. Surveys can capture elements of care delivery that patients believe are important but that cannot be captured using other data collection methods, such as whether their physical and emotional needs have been met; whether they have been involved in decision-making; whether their providers respect their beliefs and have anticipated their needs; and whether they are satisfied with their provider's communication skills, overall competence, and technical knowledge.<sup>13</sup>

### Accessible: Public Reports of Performance Data

Ideally, public reporting of health care data will improve the quality of care delivered, and there is some evidence that this does occur.<sup>14</sup> Provider groups may seek to make improvements in the quality of care delivered to increase market share, and consumers may use the information to choose higher-quality providers.<sup>15</sup> Affecting consumer behavior through public reporting is no small task: reports must balance the need for

**“The real challenge is turning the idea of transparency into the reality of quality improvement.”<sup>19</sup>**

— John Lumpkin, MD, MPH

understanding by and usefulness to consumers with the need for complete information about the care that is delivered, which is challenging given the complex and technical nature of clinical performance and the low rates of health literacy in the U.S.<sup>16</sup>

There are a number of challenges to designing useful public report cards for consumers. For example, consumers may be unaware that there are gaps in the quality of care being delivered, they may define quality differently than health care experts, some quality measures can be hard to understand and not meaningful to the general public, and using data to make decisions can be challenging.<sup>17</sup> To address these challenges, AHRQ produced a three-part series on best practices in public reporting. The authors suggest that those creating public reports focus on making the information more relevant, and easy-to-understand and use; this includes presenting the data in everyday language, summarizing and presenting results in order, and providing interpretations of the information for consumers.

A number of national and statewide organizations publicly report data on the performance of health care providers, including physicians, medical groups, and hospitals, as well as health plans. Reports that include information on clinical and patient experience measures, and increasingly, cost/efficiency measures, can give stakeholders a more complete perspective on the performance of a health care system. An example of a statewide public reporting effort by the California Office of the Patient Advocate is shown on page 2.

### Actionable: Using Data to Improve Care

A desired response to performance measurement and public reporting is performance *improvement*; thus, metrics chosen for public reporting should focus on elements of care delivery that are actionable by those delivering care, and data must be timely enough to ensure relevance. Performance

13 Shoshanna Sofaer and Kirsten Firminger. "Patient Perceptions of the Quality of Health Services." *Annual Review of Public Health*, 26(2005): 513-59.

14 Stephen M. Shortell, Julie Schmittiel, Margaret C. Wang et al. (2005). "An Empirical Assessment of High-Performing Medical Groups: Results from a National Study." *Medical Care Research and Review*, August 2005, 62(4):407-34.

15 Judith Hibbard and Shoshanna Sofaer. *Best Practices in Public Reporting No. 1: How To Effectively Present Health Care Performance Data To Consumers*. AHRQ Publication No. 10-0082-EF. Rockville, MD: Agency for Healthcare Research and Quality, May 2010.

16 Penny Glassman. *Health Literacy*. Shrewsbury, MA: National Network of Libraries of Medicine, September, 2010.

17 Hibbard and Sofaer, *Best Practices in Public Reporting No. 1: How To Effectively Present Health Care Performance Data To Consumers*.

18 Ibid.

19 John Lumpkin. "Seeing Clearly: Public reporting on processes, outcomes shows clinicians where they can improve." *Modern Healthcare*, July 25, 2011.

20 <http://www.calquality.org/programs/learningnetworks/>.

21 California Office of the Patient Advocate. [http://opa.ca.gov/report\\_card/medicalgroupcounty.aspx](http://opa.ca.gov/report_card/medicalgroupcounty.aspx)

improvement initiatives internal to an organization may focus on the use of quality improvement teams or channeling resources to processes needing improvement. Improvement initiatives external to an organization, such as those of the Institute for Healthcare Improvement or the California Quality Collaborative (CQC), offer providers the chance to learn from others and gain expertise in performance improvement.

An important aspect of public reporting is that it can be used by health care stakeholders to identify disparities in the quality of care delivered, which can galvanize efforts to improve quality. An example is regional variation uncovered by the California P4P program, which spurred the creation in 2007 of the Inland Quality Collaborative. This CQC initiative, focused on providers in San Bernardino and Riverside Counties, was designed to help accelerate improvement in the quality of care delivered by physician groups serving over 1.5 million patients in the Inland Empire. Between 2006 and 2010, the performance of physician groups working with the Collaborative improved by at least five points on seven measures covering chronic heart and diabetes care.<sup>20</sup>

## Policy Recommendations

Performance measurement and public reporting are essential to a strong health care delivery system and an integral part of many aspects of health reform in the ACA, including provider payment reform and health insurance exchanges. As described above, a robust performance measurement and reporting framework should be based on the principles of trust, meaningfulness, accessibility, and the ability to act on results. The following recommendations are designed to assist policymakers in designing a performance measurement and public reporting infrastructure:

**1. Include stakeholders in the development and implementation of any performance measurement and reporting initiative.** Numerous initiatives across the country

have highlighted the importance of including stakeholders such as providers and consumers at all stages of performance measurement and reporting projects. This transparency in the process can help facilitate buy-in; it also can help to ensure that data elements are feasible to collect, and that performance measures are useful to all parties, are fair to providers, and include domains that are important to consumers.

**2. A single performance measurement and reporting framework yields the best results.** Aggregating data across payers in a single measurement framework yields results that are more statistically robust and indicative of providers' true performance than measurement initiatives carried out by a single payer or purchaser, and also lowers administrative costs associated with data collection. A single public reporting framework across payers can also make information more easily accessible to consumers.

**3. Build on existing performance measurement and reporting frameworks.** Many providers in California are already subject to measurement requirements—for example, physician organizations that participate in the California commercial P4P program may face additional requirements if they participate in new Medicare initiatives identified in the ACA. Too much measurement can lead to “measure fatigue” and too much focus on measurement itself, rather than on the desired outcomes of measurement—improved care and lower costs. Thus, new measurement and public reporting initiatives should be aligned with and build on existing initiatives.

**4. Analyze public reporting results to identify opportunities for performance improvement.** Performance measurement is only one part of a quality improvement framework, which also includes endowing providers with the information and resources they need to improve. Analyzing publicly reported health care data can alert stakeholders to areas for improvement.



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