

## Total Cost of Care and Total Resource Use Measures Support

### Supporting Organizations

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- Alliance of Community Health Plans (ACHP)
- America's Health Insurance Plans (AHIP)
- Capital District Physicians' Health Plan
- Capital Health Plan
- Cigna
- The Dartmouth Institute
- Geisinger Health Plan
- HealthPartners Medical Group
- Institute for Healthcare Improvement (IHI)
- Integrated Healthcare Association (IHA)
- Kansas City Quality Improvement Consortium
- Minnesota Community Measurement (MNCM)
- Park Nicollet Health Services
- Pittsburgh Regional Health Initiative
- Priority Health
- Quality Quest for Health Illinois
- Select Health
- Stillwater Medical Group
- Tufts Health Plan
- UCare
- UPMC Health Plan

### National Quality Forum Public and Member Comment Period

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August 29, 2011 – September 26, 2011

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**Combined Comments:****NQF Measure #1598: TOTAL RESOURCE USE POPULATION-BASED PMPM INDEX****NQF Measure #1604: TOTAL COST OF CARE POPULATION-BASED PMPM INDEX**

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**Comment By: Elliott Fisher, MD, MPH, Dartmouth Medical School**

The need for standardized measures of total costs and resource use for the commercially insured population has never been greater. Data on the over-65 population has been increasingly available, but we still know little about regional differences and trends in under-65 spending and the contribution of prices and volume to these differences. The HealthPartners Total Cost of Care and Total Resource Use measures fill this critical gap, and should allow payers and other stakeholders to track resource use and price changes in local markets — a key step in the much-needed effort to slow the growth of health care spending. I strongly support NQF endorsement of these measures.

Elliott S. Fisher, MD, MPH  
Director, Population Health and Policy  
The Dartmouth Institute

**Comment By: Emma Dolan, MPP, MPH Integrated Healthcare Association**

The Integrated Healthcare Association (IHA) strongly supports the endorsement of the proposed Total Cost of Care and Total Resource Use measures. These measures fill a gap in “triple aim” measurement and provide a standard for consistent approaches across communities. IHA has developed its own Total Cost of Care metric that we are currently testing for measurement of physician organizations that participate in our statewide Pay for Performance Program in California. The proposed measure is quite similar to our Total Cost of Care measure, and if it receives NQF endorsement, we would definitely consider adoption of this measure in place of our own. NQF endorsement for these measures is an important first step in standardizing cost measurement across the country, which will help promote value in health care when used with standardized quality measurement.

**Comment By: Diane Mayberry, MHA, RN, CPHQ, Minnesota Community Measurement**

MN Community Measurement strongly supports the endorsement of the HealthPartners’ Total Cost of Care and Total Resource Use measures. The HealthPartners’ measures offer an innovative and tested approach to articulating Total Cost of Care and Resource Use and can accelerate improved affordability of health care in the United States. HealthPartners has been a leader in measure development in our community for many years and we have worked with them to spread measures across our community to ensure greater impact. The Total Cost of Care and Total Resource Use measures fill a gap in triple aim measurement and provide a standard for consistent approaches across communities. Regional Health Improvement Collaboratives such as ours need standardized and credible cost and resource use measures to help drive improvement in the value of care. Payers and providers in communities across the country are searching for cost and resource use measures to use in their value based purchasing and accountable care contracts. Now is a critical time to endorse standard measures that can be used in these processes. We would welcome the opportunity to work with NQF and HealthPartners to use nationally endorsed cost and resource use measures across our community and with other Regional Health Improvement Collaboratives.

Similar supportive comments received from:

- Catherine Davis, Ph.D., Kansas City Quality Improvement Consortium
- Gail Amundson, MD, FACP, Caterpillar Inc., Quality Quest for Health Illinois
- Karen Feinstein, Ph.D., Pittsburgh Regional Health Initiative

**Comment By: Patricia Smith, ACHP**

As a member of the National Quality Forum Health Plan Council, the Alliance of Community Health Plans supports for endorsement the Total Cost of Care/Total Resource Use measure submitted by HealthPartners. Creating measures that help payers and providers understand the drivers of cost in health care is an essential part of driving sustainability and affordability of health care in the future. This total cost of care metric is an essential step toward the nation's ability to achieve the broader goal.

Earlier this year ACHP and its members were oriented to this measure when HealthPartners led a webinar for the ACHP Medical Directors Committee that provided details about the Total Cost of Care/Total Resource Use measurement system and examples of how to use it. Our organization was particularly impressed by the capacity of the measure to highlight both intraregional and interregional variation in utilization and cost. Moreover, by allowing for site-of-care efficiencies in delivery, HealthPartners' metric can be a key tool in driving efficiencies in health care delivery. Finally, because of the comprehensive nature of the data that is captured as part of this metric the Total Cost of Care/Total Resource Use measure would be the most complete look at resource use available to organizations to date.

Patricia Smith  
President and CEO  
Alliance of Community Health Plans

Similar supportive comments received from ACHP Partner Plans:

- Duane Davis, MD, Geisinger Health Plan
- Paul Kasuba, MD Tufts Health Plan
- James F. Byrne, MD Priority Health

**Comment By: Bruce Nash, MD, MBA Capital District Physicians' Health Plan, Inc.**

Capital District Physicians' Health Plan, Inc. would like to express our support for endorsement of the HealthPartners' Total Cost of Care and Total Resource use measures. These measures provide a balanced and innovative approach to measure health care cost and resource use that is applicable across the country. Partnering Total Cost of Care and Total Resource Use measures with utilization, quality and patient experience measures can drive greater health care value for purchasers and patients.

**Comment By: Nancy McClure and Brian Rank, MD, HealthPartners Medical Group**

HealthPartners Medical Group (HPMG) supports the Total Cost of Care and Total Resource Use measures put forth by the HealthPartners Informatics team. HPMG is a medical group with over 800 physicians across 50 locations, serving over 500,000 patients in the Twin Cities and Western Wisconsin.



Since 2004, HPMG has integrated the Total Cost of Care and Total Resource Use measures to drive care design changes. Our goal in transforming primary care is improved outcomes in all aspects of the triple aim: health, experience and affordability. The Total Cost of Care measure has been essential to improving the affordability and value we provide our patients.

To impact Total Cost of Care and Total Resource Use, HPMG has improved quality of care and resource use efficiency, while tightly managing price increases. We have used these measures to focus our efforts on appropriate use of services, such as diagnostic imaging and generic prescribing rates, while reducing the unit cost growth rate. This has resulted in a total cost trend below local market and national averages.

Nancy McClure  
Senior Vice President, HealthPartners Medical Group

Brian Rank, MD  
Medical Director, HealthPartners Medical Group

**Comment By: Doug Johnson, Stillwater Medical Group**

As a relatively new member of the HealthPartners family who has several years of experience working with their measurement approach, we support the endorsement of the method they have developed for reporting total cost of care and total resource use. We have used the reports for several years and have found these reports to be highly valuable, actionable and representative of our practice. This measurement system is a mechanism we leverage to achieve improvements towards providing our patients with affordable care options. These measures allow us to identify specific areas for improvement.

Stillwater Medical Group has a rich history in Minnesota and Wisconsin's St. Croix Valley dating back to 1902. We are a patient-centered, collaborative, compassionate medical group with 45 primary care physicians and 20 specialty physicians. Our pursuit of excellence is marked by three opportunities we embrace: statistically improve care outcomes, cause patients to recommend us to their family and friends and to provide easy affordable access to care.

Doug Johnson  
Chief Financial Officer  
Stillwater Medical Group

**Comment By: Jeffrey Kang, MD, MPH, formerly of Cigna**

I would like to express support for endorsement of the HealthPartners' Total Cost of Care and Total Resource use measures. These measures are similar to our definitions and add value with a standard approach to resource use measurement. The methods offer an approach for the industry to begin to have meaningful discussions about the affordability dimension of the triple aim. The measures provide usable information to understand variation and identify areas to improve.

Jeffrey Kang, MD, MPH  
Chief Medical Officer  
SVP Medical Strategy and Policy

**Comment By: Bill Telleen, Park Nicollet Health Services**

As a National Quality Forum provider council member, Park Nicollet Health Services supports for endorsement the HealthPartners' Total Cost of Care and Total Resource Use measures. As I stated in my letter to Janet Corrigan on May 5, 2011, Park Nicollet has partnered with HealthPartners to improve the health and well-being of Minnesotans for over 20 years. We have worked with HealthPartners towards achieving the Triple Aim on quality improvement, patient experience and affordability. Through experience, we have found, the Total Cost of Care and Total Resource Use measures to be actionable, resulting in improved value for our patients. These measures have allowed us to determine where to focus our improvement efforts.

Park Nicollet believes that by endorsing the HealthPartners' Total Cost of Care and Total Resource Use measures, the National Quality Forum will help advance population-based total cost of care and resource use optimization, improving the affordability of health care for all Americans.

William F. Telleen, Vice President Payer Relations  
Park Nicollet Health Services

**Comment By: Carmella Bocchino, MBA, America's Health Insurance Plans**

We support the total cost of care measure as it is useful in understanding all costs associated with a patient population. This measure is directly tied to the three-part aim articulated in the National Quality Strategy and will help in monitoring and implementing programs that make care more affordable. In addition to a total cost of care measure, episode-based cost of care measures for specific conditions may also be needed. Episode-based cost of care measures can help isolate costs associated with treatment of specific clinical conditions like diabetes and exclude costs not linked to the treatment of diabetes such as orthopedic trauma from an auto accident. The two measures would help complement each other. Clarifications on the following topics can also help strengthen the measure:

- Specifying that risk adjustment was performed using retrospective risk.
- Specifying that risk adjustment uses models based on pharmacy data for patients with pharmacy benefits and conversely for patients without pharmacy benefits.
- Suggestions to truncate outlier dollars after risk adjustment because higher risk patients will have higher costs and therefore more outliers compared to the general population.
- Provide additional information on the statistical testing of the measure as current documentation did not appear to contain such information.
- Methods to address stability of the measure at small sample sizes.

*HealthPartners has addressed the request for clarification through the National Quality Forum (NQF) Consensus Development Process (CDP), please visit <http://www.healthpartners.com/tcoc> for detailed information on the Total Cost of Care and Total Resource Use measures.*

**Comment By: Debra Ness, MS, National Partnership for Women & Families**

We strongly support this measure, which will provide critical information on resource use at the level of the group/practice and community. In accordance with our previous comments, we do encourage the measure developer to specify the measure at the individual physician level in the near term.

**Comment By: David Hopkins, MS, Ph.D., Pacific Business Group on Health**

- We strongly support this measure. It provides critical information on resource use at the level of the group/practice and community.
- We encourage the measure developer to specify the measure at the individual physician level in the near term.

**Comment By: Thomas Nolan, Ph.D., Associates in Process Improvement**

As a practicing Process Improvement Specialist and Statistician, I have had the opportunity to be directly involved in the work of HealthPartners and offer my support for the endorsement of their measurement of non-condition specific Total Cost of Care/Total Resource Use (1598) measurement. It is now a cliché that our health system is fragmented. This fragmentation results in no entity taking responsibility for the performance of the whole system. Even if an entity wanted to take responsibility for the whole they would find it challenging to measure the performance at the system level. Based on the analysis of the Committee this measure provides a technically sound approach to total cost of care from a total resource use viewpoint. I believe that endorsement would also further the four strategic issues that NQF has enumerated: drive toward higher performance, emphasize composites, move toward outcome measurement, and consider disparities in all we do. That the Total Cost of Care/Total Resource Use pushes the envelope on the first three is self-evident. But the measure also contributes to making progress on disparities. Money spent on health care that is wasted diminishes investment in other determinants of health that disproportionately impact the poor and minorities.

**Comment By: Stephen Barlow, MD, SelectHealth**

SelectHealth, the wholly owned insurance company of Intermountain Healthcare, would like to endorse the Total Cost of Care/Total resource use measures developed by HealthPartners. The measure is more comprehensive than existing measures, has been validated by use for a number of years, and allows for comparisons between and within regions.

Stephen Barlow M.D.  
Chief Medical Officer  
SelectHealth

**Comment By: Nancy Van Vesse, MD, Capital Health Plan**

Capital Health Plan, a non-profit HMO in Florida, endorses standardized measurement of total resource use population-based PMPM measures. It is critical to the future of health care in the US that we are able to address regional variation in utilization and cost. We know there is waste in our current health care system which is affecting our nation's economy, impacting employer and family income, and leading to anxiety in the general population about the future. More is not better. Measurement of total resource use will help us all assess where we are and change course where appropriate to maximize the benefit that health care can offer to our populations.

**Comment By: Russel Kuzel, MD, M.M.M. UCare, rkuzel@ucare.org**

UCare had the opportunity to review the Total Cost of Care/Total Resource Use measurement system at a webinar presented by HealthPartners. The presentation was to the ACHP Medical Directors Committee. The tool was impressive especially in the capacity of the measure to highlight both intraregional and interregional variation in utilization and cost.

It also allows for site of care efficiencies in delivery. The metric can be a very good tool for driving efficiencies in health care delivery. The comprehensive data capture that is part of the measure allows the Total Cost of Care/Total Resource Use measure to be a valuable and complete view of resource use available to organizations.

Thank you for your consideration.

Russel Kuzel, M.D., M.M.M.  
Sr VP, Chief Medical Officer

**NQF Measure #1604: TOTAL COST OF CARE POPULATION-BASED PMPM INDEX**

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**Comment By: Debra Ness, MS, National Partnership for Women & Families**

We strongly support this measure. Contrary to the concern expressed in the report that the use of actual cost data will make the measure ungeneralizable to different populations, we believe the use of actual cost data is what makes this measure commendable. In the private market, providers have demanded higher reimbursements on the basis of their market share rather than quality of care. If resource measures rely on standardized prices, they are not useful to consumers who want to be able to hold providers accountable for using oligopolistic powers to extract higher prices. Measures are not typically “one size fits all,” and this type of scrutiny is not placed on quality measures. For many consumers who are paying the bills, this type of data is extremely important. Finally, we note that HealthPartners developed its measures in close collaboration with providers and has strong support from them.

**Comment By: David Hopkins, MS, Ph.D., Pacific Business Group on Health**

- We strongly support this measure, which uses actual cost. In the private market, providers have demanded higher reimbursements on the basis of their market share rather than quality of care. If resource measures rely on standardized prices, they cannot be employed by consumers and purchasers to hold providers accountable for using oligopolistic powers to extract higher prices.

- In the report, some steering committee members expressed concerns about this measure because it applies actual cost and is therefore not “generalizable to different populations outside of the geographical region in which it is used.” This should not be a barrier to endorsement. The NQF measure evaluation process has not placed such scrutiny on quality measures. And as a steering committee representative noted, “Not all endorsed measures are useful for every region and population” (page 36). Measures are not always a one size fits all.
- The steering committee allowed measure developers to submit attribution instructions along with the measure. The steering committee did a detailed review of Measure 1604’s attribution approach and some had reservations about it (page 37). But we remind the steering committee that the attribution approach is a guideline and not a specification. Measure users can adopt the attribution method that best suits their needs. Like quality measures, NQF should not make its decision about a measure based on the attribution approach generally used by the measure developer. This is not done for quality measures. We also want to recognize that HealthPartners developed its measures in close collaboration with providers and have strong support from them.
- We are concerned that the report’s following comment on the Health Partner attribution guidance may not accurate: “For example, a doctor could be held responsible for a patient's inpatient stay before ever seeing the patient in an outpatient visit.” We encourage NQF to review the transcript of the steering committee’s meeting on this measure, and revise as appropriate.

**Comment By: Thomas Nolan, Ph.D., Associates in Process Improvement**

As a practicing Process Improvement Specialist and Statistician, I have had the opportunity to be directly involved in the work of HealthPartners and offer my support for the endorsement of their measurement of non-condition specific Total Cost of Care Population Based PMPM Index (1604) measurement. It is now a cliché that our health system is fragmented. This fragmentation results in no entity taking responsibility for the performance of the whole system. Even if an entity wanted to take responsibility for the whole they would find it challenging to measure the performance at the system level. The committee was more divided on this measure than for 1598. The measure opens the way for discussions of affordability rather than simply efficiency. Only a small number of communities are probably ready to take action on affordability. These are the pioneers. Endorsement of this measure would boost their efforts.

HealthPartners has been a key partner in IHI’s Triple Aim innovation efforts towards achieving care transformation and triple aim results. They have one of the most advanced and balanced Triple Aim measurement approaches, which incorporates the Total Cost of Care/Total Resource Use measurement. IHI routinely calls upon HealthPartners as faculty on this topic because of their pioneering and reliable measurement methods.

**Comment By: Stephen Barlow, MD, SelectHealth, [stephen.barlow@selecthealth.org](mailto:stephen.barlow@selecthealth.org)**

SelectHealth would like to endorse the Total Cost of Care Population-based PMPM Index. It has been tested and found valid and actionable in the Minnesota marketplace. It will allow comparisons and actions across regions and within regions.

Stephen Barlow M.D.  
Chief Medical Officer  
SelectHealth



**Comment By: Nancy Van Vesseem, MD, Capital Health Plan, [nvvessem@chp.org](mailto:nvvessem@chp.org)**

Capital Health Plan endorses HealthPartners' measure "Total Cost of Care Population-based PMPM Index". Affordability is the crisis facing health care today. We need transparency regarding the costs of care from region to region and between health systems. This will help up answer questions regarding benefit design, and compare cost to quality and member satisfaction metrics. This measure could be an important part of the value equation that is currently absent.

**Comment By: Stephen Perkins, MD, UPMC Health Plan, [perkinss@upmc.edu](mailto:perkinss@upmc.edu)**

Earlier this year ACHP and its members were oriented to this measure when HealthPartners led a webinar for the ACHP Medical Directors Committee that provided details about the Total Cost of Care/Total Resource Use measurement system and examples of how to use it. Our organization, UPMC/UPMC Health Plan, was particularly impressed by the capacity of the measure to highlight both intraregional and interregional variation in utilization and cost. Moreover, by allowing for site-of-care efficiencies in delivery, HealthPartners' metric can be a key tool in driving efficiencies in health care delivery. Finally, because of the comprehensive nature of the data that is captured as part of this metric the Total Cost of Care/Total Resource Use measure would be the most complete look at resource use available to organizations to date.

I fully support HealthPartners in their development of this resource and encourage the National Quality Forum to provide its endorsement.

Sincerely,

Stephen E. Perkins, MD  
Vice President, Medical Affairs  
UPMC Health Plan  
Pittsburgh, PA

**Comment By: Dr. Carol Sakala, MSPH, Ph.D., Childbirth Connection**

We strongly support this measure and appreciate its focus on actual cost. To hold the health system accountable, resource measures should not rely on standardized prices. We disagree with those Committee members who disapproved of this measure due to geographical variation in resource needs. Again, the same standards should apply to all measures, and this standard has not been applied to process and outcome of care measures. We agree that actual costs are of utmost importance to purchasers and payers.

While some Committee members had concerns about the attribution approach supplied by the measure developer, the Committee and broader NQF community should recognize that this approach is a recommendation and not a requirement. Further, HealthPartners carried out this work in close collaboration with providers, who support their submission. Again, this standard has not been applied to process and outcome measures.

Finally, we are puzzled by the following statement, and encourage clarification or correction: "... a doctor could be held responsible for a patient's inpatient stay before ever seeing the patient in an outpatient visit."