



Saving Money, Saving Lives, Improving Quality

The Value of Requiring Health Plans To Report NCQA's HEDIS Quality Measures

States, employers and other health care purchasers are struggling with skyrocketing health care costs. However, shortsighted spending cuts that threaten quality can actually *increase* spending long term by increasing preventable problems. To help ensure that savings do not come at the expense of keeping people healthy, most states and many employers *require* health plans to report HEDIS® quality measures.

HEDIS (the Healthcare Effectiveness Data and Information Set)¹ is the most widely used health care quality measurement tool in the United States. It includes the **Consumer Assessment of Healthcare Providers and Systems (CAHPS)**² experience of care survey. More than 90% of managed care plans and a growing number of PPOs use HEDIS to measure over 70 important dimensions of care and service. Most states, many Fortune 500 companies and other purchasers require HEDIS reporting from HMOs – and, increasingly, PPOs – because they can see that it leads to both significant savings and better health outcomes. **Why?**

What Gets Measured Gets Improved. When plans report quality measures, they can find weaknesses and strategies for steady improvements. In plans that report HEDIS, children today are nearly three times as likely to have all recommended immunizations as in 1997; diabetics are twice as likely to have cholesterol controlled as in 1998; and more than 97% of heart attack patients get beta-blockers – up from 62% in 1996.

Plans That Improve Quality – and Customers Choosing Quality Plans – Save Lives and Money. If all Americans were in plans that did as well as the top 10% in controlling diabetics' blood sugar, we could have saved up to 27,000 lives, and from \$300,000,000 to \$600,000,000 on hospital care in 2010. If all plans did as well at preventing breast cancer, up to 10,000 lives and \$300,000,000 could have been saved.

Reporting Helps Consumers Choose Care Based on Quality. Too often, customers do not know that some health plans are much better at keeping enrollees healthy. Purchasers and individual consumers either do not know that quality comparisons exist or how to find them. That gives plans little incentive to deliver high quality or try to improve. The rigorous, apples-to-apples comparisons of quality that HEDIS provides can help purchasers and consumers choose the best plans. It also provides a solid basis for paying plans based on how well they do at keeping enrollees healthy instead of just on how much they spend on care.

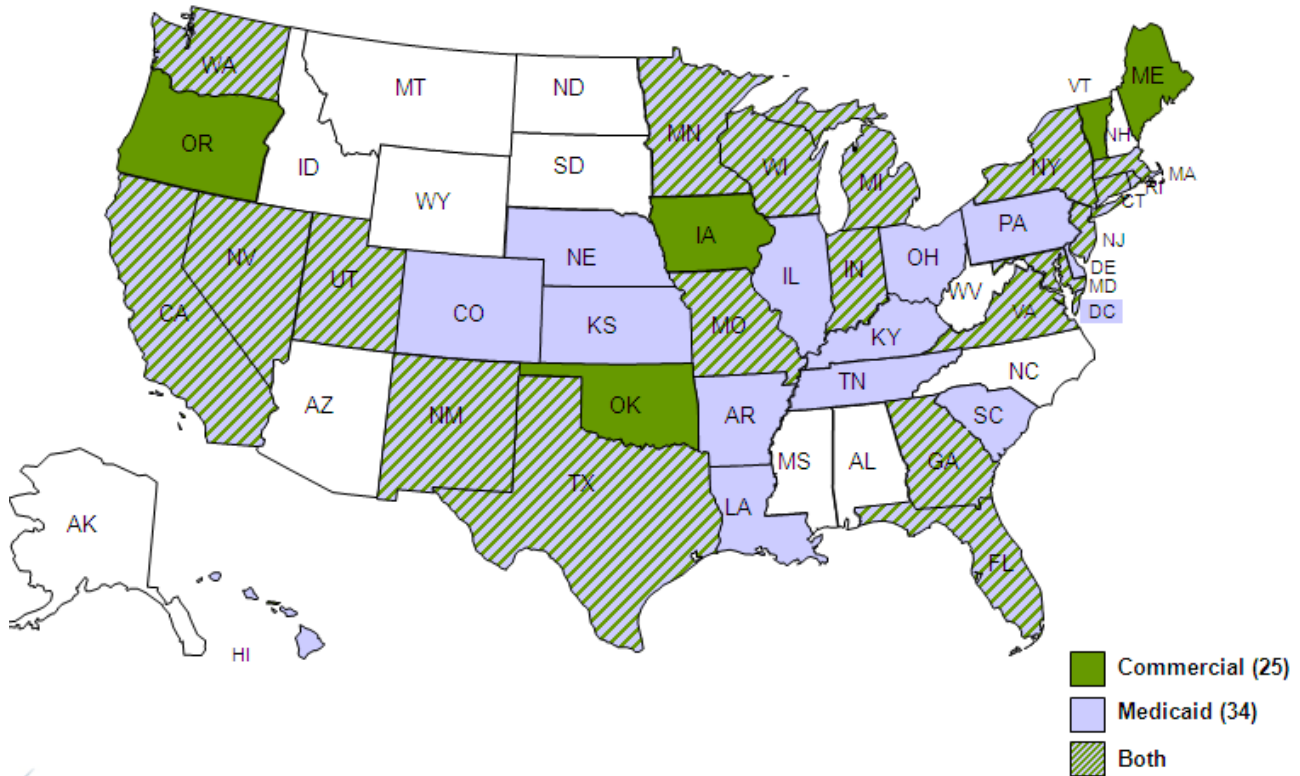
Quality Information Lets Public Health Officials Make Regional Comparisons and Set Benchmarks. HEDIS provides comparable data for analyzing widespread regional differences in health care quality. It helps identify high-performing areas that get high-quality health outcomes.

¹ HEDIS is a registered trademark of NCQA.

² CAHPS is a registered trademark of the Agency for Healthcare Research and Quality, which oversees the survey.

HEDIS Helps States Meet Federal Requirements. State Medicaid and Children’s Health Insurance Plans need to meet basic quality thresholds. New State Health Insurance Exchanges also need to evaluate the quality of participating health plans. HEDIS closely aligns with both these requirements, and its standardized measurement reduces burden on plans that serve many different state programs.

39 States Already Require Use of HEDIS and CAHPS



HEDIS Results are Verified and Continuously Raise the Bar

To ensure that results are valid, certified auditors evaluate all HEDIS data submitted to NCQA. **NCQA regularly updates HEDIS through a rigorous, multi-stakeholder process** to keep up with advances in medical evidence, and retires measures that show no room for improvement. This continually pushes plans to strive for even more improvement, and not just “check-a-box” on quality work.

HEDIS also now includes **“Relative Resource Use” (RRU) measures**. **RRUs** tabulate the resources – hospital stays, doctor visits, drugs, etc. – used to treat patients with prevalent chronic illnesses that together account for over 50% of total health care spending. Combined with HEDIS quality measures, RRUs begin to help identify plans providing the best *value* by linking cost-related resource use and quality together.

Requiring plans to report HEDIS is an essential step for health care purchasers who want to do all they can to save money, improve quality, and keep people healthy. Call NCQA’s Public Policy Department today at (202) 955-1709 or visit www.ncqa.org to start getting better value for your scarce health care dollars now.