

Risk Adjustment for Socioeconomic Status

The National Quality Forum (NQF) is at the forefront of a national discussion about whether health care performance measures should be adjusted for socioeconomic status (SES) and other demographic factors, such as income, education, and health literacy, among others. The academic community has debated this issue for years, and in 2014, the U.S. Department of Health and Human Services provided funding that allowed NQF to advance the discussion toward an ultimate resolution.

After an extensive examination of the issue led by an NQF-convened Expert Panel, NQF's Board approved a change in its current policy to allow for SES risk adjusting of appropriate performance measures during a robust, two-year trial. The results of the trial will guide NQF on whether to make this policy change permanent. Opened officially on April 2015, the trial currently includes 32 measures that span the areas of cost and resource use, all-cause admissions and readmissions, and cardiovascular. [View all the measures currently in the trial.](#)

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GROWING INTEREST PROMPTS CALL TO ACTION

Risk adjusting outcome performance measures to account for differences in patient health status and clinical factors (e.g. comorbidities, severity of illness) that are present at the start of care is widely accepted. In fact, NQF recommends to developers that outcome measures be adjusted for clinical severity because it affects performance results. But growing evidence shows that socioeconomic status and other

demographic factors may also influence patient outcomes. There also has been growing interest from policymakers and other health care leaders regarding whether measures used in comparative performance assessments, including public reporting and pay-for-performance, should be adjusted for SES in order to improve the comparability of performance results.

To inform both the quality field and NQF policy, NQF sought to answer the key question, “What, if anything should be done about SES factors in relation to outcome performance measurement?”

EXPERT PANEL EXAMINES SCIENCE, MAKES RECOMMENDATIONS

NQF empaneled an Expert Panel to thoroughly examine the most current science related to adjusting performance measures for SES and other sociodemographic factors. The issues that concerned the Panel included:

- Performance measures needing to be adjusted to account for differences in the complexity of patients served, including SES complexity, in order to make correct comparative assessments
- Providers avoiding serving disadvantaged populations to ward off being labeled a poor performer, which then could worsen care for vulnerable patients
- Consumers and payers avoiding providers who serve disadvantaged populations because they are labeled poor performers, which may not accurately reflect underlying quality of care.

The Panel concluded that the current policy may unintentionally be weakening the network of providers that serve disadvantaged populations, which could end up worsening disparities. In their report, the Panel recommended that NQF change its policy to allow for risk adjustment of certain performance measures under certain conditions.

The report and recommendations garnered more than 670 comments from the public – the largest amount ever received by NQF on a single topic. While the comments overwhelmingly favored the Panel's recommendations, those that disagreed raised vitally important issues that the Panel worked to address, resulting in modified recommendations. A key change was the Panel's recommendation that NQF establish a trial period rather than a transition period for implementation of recommendations to adjust for SES and other demographic factors.

CSAC AND NQF BOARD REVIEW

In its deliberations on the report's policy implications, NQF's Consensus Standards Approval Committee recommended, and the NQF Board of Directors approved, a trial period during which the NQF restriction against SES adjustment will be lifted.

They also approved the creation of a new standing Disparities Committee. The Board emphasized

- the need for a time-limited, robust trial period and strongly urged the field to develop and use
- SES-adjusted measures to generate the data necessary to inform NQF's permanent policy in this area. NQF has developed the necessary procedures and guidance for measure developers, provided training and other support to facilitate the inclusion of designated measures into the trial.

WHY DOES THE NQF PROCESS MATTER?

NQF's process of careful deliberation that includes reviewing the evidence base, consensus building, and checks and balances on implementation helps ensure that we ultimately endorse the right measures and recommend standards and approaches that propel our health system forward.

THE SES RISK ADJUSTMENT TRIAL

NQF's groundbreaking work continues through its ongoing two-year trial to determine the impact of its temporarily revised policy to allow for risk adjustment of socioeconomic status and other demographic factors. Currently, NQF Standing Committee with measures included in the trial are identifying which SES factors that measure developers should test in their empirical analyses of SES adjustment. Once measure developers have collected the needed data, the Standing Committees will evaluate it to determine how risk adjusting for SES affects a measure. The Standing Committees will also assess for any unintended consequences will help to provide the field with needed information to move forward with these measures.

The NQF Disparities Standing Committee (DSC) is charged to enhance NQF's focus on reducing and eventually eliminating disparities through quality measurement. A key initial focus of the Committee will be to review how the Standing Committees are implementing the revised NQF policy to allow for SES risk adjustment and to evaluate the trial overall. Informed by this and other work, the DSC will develop a high-level roadmap to better measure disparities and consider how measurement can proactively reduce disparities.