JULY 2012

Reform in Action: How Will Health Insurance Exchanges Improve Quality?

Insights from Aligning Forces for Quality

Aligning Forces for Quality **(AF4Q) is the Robert Wood Johnson Foundation's signature effort to lift the overall quality of health care in 16 targeted communities, as well as reduce racial and ethnic disparities and provide tested local models that help propel national reform.**

Health insurance exchanges don't just present opportunities to expand access to health insurance. Each state has a number of options for using its exchange to drive quality improvement at the insurance plan and provider level.

As states and the federal government work to create exchanges, lessons from *Aligning Forces for Quality* (AF4Q) and other resources from the Robert Wood Johnson Foundation (RWJF) on transparency and quality improvement can inform these efforts.

Overview

The day after the Supreme Court ruling on the Affordable Care Act, the Department of Health and Human Services announced new funding to help states continue implementing insurance exchanges.

States have a number of options for using their exchange to help drive quality improvement and delivery system reform, including:

- Providing plan performance information on specific quality metrics important to consumers, so that they can more easily assess which plans do a better job providing the services they want.
- Aligning quality improvement and reimbursement strategies for the exchange, Medicaid, Children's Health Insurance Program, state employee benefits programs, and, possibly, private employer purchasing alliances, so that a critical mass of health plans are sending a common set of signals to their provider networks.
- Using the exchange's Web portal to give consumers relevant and actionable information on plan and provider quality, and Web-based decision support tools to promote higher-value plans as consumers consider their plan choices.[1]

AF4Q'S Quick Tips For Exchanges

Public reporting programs should consider:

- **What performance metrics insurers will use to report on the quality of their providers;**
- **What information can be realistically extracted from these data sources; and**
- **Which conditions or diseases are most critical to their community.**

Engage stakeholders in public reporting by:

- **Involving stakeholders from the very beginning;**
- **Identifying champions who will carry the message;**
- **Making quality improvement tools and resources easy to access;**
- **Giving plans a chance to review their data; and**
- **Encouraging peer-to-peer learning and a climate that encourages transparency.**

Using Stakeholders to Select Performance Metrics

"State and exchange leadership will need to work to build the broad support and strong stakeholder leadership needed to drive and sustain a quality improvement agenda… Participating plans must provide to enrollees and prospective enrollees information on their performance on quality metrics that have been endorsed through a stakeholder consensus process."[2] Communities participating in AF4Q have created stakeholder "alliances" representing the people who get care, pay for care, and provide care. Early on, the alliances learned that any organization that is part of a community's health

Robert Wood Johnson Foundation

AF4Q's Quick Tips for Exchanges

- **Make it easy to identify and understand patterns. A number of display strategies help to make those patterns more readily apparent.**
- **Help users focus on topics or providers of interest. Some display strategies help users organize information in a way that highlights the topics of most interest. This allows users to focus on a limited set of topics or providers and shut out the rest.**
- **Reduce the amount of information for users. Some display strategies achieve this goal by giving users only a small number of data points. More detailed information is then available in a second or even third layer for those who want it.**

care operations should be engaged in public reporting efforts from their earliest stages. This includes a long list of individuals and entities involved in health care purchasing and delivery: representatives from health plans, large and small businesses, state Medicaid programs, health information technology firms, researchers and statisticians, consumer groups and advocates, and policy-makers. The selection of health plan performance metrics by exchanges is not entirely analogous to what the alliances in AF4Q had to do: alliances had to choose metrics for providers, while exchanges must select metrics for health plans based in turn on the performance of their provider networks. Even so, the process of stakeholder engagement used by alliances, including those in Maine, Minnesota, and Western New York, is applicable.

Displaying Quality Data Online for Consumers

In order to effectively compare the relative quality and value of participating health plans, exchanges must provide consumers with plan ratings on their Web portals.[3] All AF4Q communities designed—and redesigned—reports or websites to provide clear, actionable information to consumers on the quality of care being provided in their communities. They learned that designing an online Web portal that is consumer friendly can be a challenging and often iterative process. Overall, Web portals should have information that helps people understand the meaning and importance of specific measures—and guidance on how to use the information, especially to make decisions. Web portals should employ layering and navigation aids so that people are not overwhelmed with information or required to look at information that is of lesser interest.[4] The AF4Q alliance in Oregon designed its public reporting website around these concepts.

AF4Q Case Study: How to Work with a Health Insurance Exchange

Passed during the 2011 legislative session, the exchange in Oregon garnered support from legislators across the political spectrum. Oregon's exchange law created an independent public corporation with authority to establish rules and raise revenue through assessments of health insurance carriers. The exchange has contracted with the Oregon Health Care Quality Corporation, which runs the AF4Q alliance in Oregon, to leverage its expertise in selecting quality metrics. Exchanges should take advantage of the expertise the AF4Q alliances and other regional health care quality improvement initiatives have to offer. Watch a video on AF4Q's work with the exchange in Oregon.

The Benefits of Aligning Quality with Purchasing Decisions

Because an exchange can encourage plans to use a common set of performance metrics and quality-based reimbursement incentives, it holds the potential to be an important mechanism for extending quality and delivery system reforms to the private health insurance market. This kind of contracting can begin to align quality improvement and reimbursement strategies across health plans, so they are sending a common set of signals to their provider networks. In AF4Q, large employers and employer-purchasing coalitions are collaborating on purchasing priorities for health plans. For example, the AF4Q alliance in Puget Sound uses the National Business Coalition on Health's eValu8 tool to evaluate health plans, publishing a report card that compares the performance of plans in the region.[5]

What's Next?

New funding to help states continue implementing insurance exchanges provide 10 additional opportunities to apply for funding to establish a state-based exchange, state partnership exchange, or to prepare state systems for a federally-facilitated exchange. The final rules for implementing exchanges issued by the Department of Health and Human Services note several issues that it intends to address through future guidance. The preamble specifically notes that separate rule-making will address standards for exchanges and qualified health plans related to quality.[6]

For more information about *Aligning Forces for Quality*, visit www.rwjf.org/qualityequality/af4q.

Robert Wood Johnson Foundation

The Robert Wood Johnson Foundation focuses on the pressing health and health care issues facing our country. As the nation's largest philanthropy devoted exclusively to health and health care, the Foundation works with a diverse group of organizations and individuals to identify solutions and achieve comprehensive, measurable, and timely change. For 40 years the Foundation has brought experience, commitment, and a rigorous, balanced approach to the problems that affect the health and health care of those it serves. When it comes to helping Americans lead healthier lives and get the care they need, the Foundation expects to make a difference in your lifetime. For more information, visit *www.rwjf.org*. Follow the Foundation on Twitter *www.rwjf.org/twitter* or Facebook *www.rwjf.org/facebook*.

1 Volk J and Corlette S. *The Role of Exchanges in Quality Improvement: An Analysis of the Options.* Washington: Georgetown University Health Policy Institute, 2011, www.rwjf.org/files/research/72851qigeorgetownexchange20110928.pdf (accessed June 2012).

2 Ibid.

3 Ibid.

4 *Guidelines for Designing a Consumer-friendly Report. Sacramento:* Center for Health Improvement, 2009, http://forces4quality.org/guidelines-designing-consumer-friendly-report (accessed June 2012).

5 Volk J and Corlette S. *The Role of Exchanges in Quality Improvement: An Analysis of the Options.*

6 *Overview of Final Exchange Regulations.* Princeton, N.J.: Robert Wood Johnson Foundation, 2012, www.rwjf.org/files/research/74165.5784.overviewoffinalexchange.20120321.pdf (accessed June 2012).