Many of today’s healthcare concerns focus on the concept of value, which can be defined as a composite of cost, quality, and access. Expanding access through affordable healthcare insurance will only be possible if healthcare costs are contained through a focus on quality. Poor care quality results in costly errors, complications, and re-work. Conversely, high-quality care, namely, the right treatment at the right time, results in more cost-effective care. This emphasis on value is underscored by a lack of correlation between the increase in healthcare spending in recent years and health outcomes, which is often the result of a lack of information and tracking systems to determine the value of different treatments.

Greater value, therefore, can be achieved by reducing costs, increasing the quality of care, and/or increasing access. A recent report developed as a collaborative effort between different healthcare stakeholders and quality organizations calls for the development of metric systems that allow measurement and reporting the quality, as well as the cost of care. A new Medicare provision will provide $10 million annually to this end for fiscal years 2009-2012. These quality metrics are expected to help determine the value of different approaches to treatment and the definition of guidelines that maximize value in the US healthcare system. Private payers and some employer groups are also developing their own quality improvement initiatives, or are incorporating initiatives developed by quality organizations.

The Centers for Medicare & Medicaid Services’ (CMS) Physician Quality Reporting Initiative (PQRI) represents the first step toward a value-based system. PQRI is a voluntary pay-for-reporting system, in which participating professionals can earn a bonus payment for reporting to CMS on clinical quality measures specific to their practice. The information collected through this program will allow CMS to measure the quality of care and, in time, could lead to the establishment of a pay-for-performance (P4P) system.

Employers and private payers are also increasing their focus on value. The rise in healthcare insurance premiums has made employers consider quality measures in their insurance purchasing decisions, and in turn, more healthcare plans are seeking accreditation by national quality organizations, such as the National Committee for Quality Assurance (NCQA) and others.

Current Quality Improvement Environment

Today’s health quality organizations and initiatives are fragmented, with no definite leaders. Unlike other countries that have a more centralized system (eg, UK’s National Institute for Health and Clinical Excellence is...
KEY POINTS

- Quality metrics have the potential to increase the value of the US healthcare system by reducing costs and increasing access to quality care.
- The goal of this survey was to evaluate the extent of knowledge of medical and pharmacy directors of current healthcare-related quality improvement initiatives.
- Participants had limited knowledge of current quality organizations and initiatives, except for those that offer quality accreditation to health plans and pharmacy benefit management organizations.
- This finding, however, presents an opportunity for pharmaceutical companies to collaborate with private health plans to develop quality initiatives, especially for drug utilization.

the clear leader in developing quality measures and clinical guidelines), in the United States the variety of quality initiatives and organizations have different goals and missions and focus on different stakeholders (Figure 1).

At the federal level, CMS and the Agency for Healthcare Research and Quality (AHRQ) extend their quality measures and improvement efforts to all segments of the healthcare system through different initiatives. Other organizations focus their quality measures and improvement initiatives in 1 or 2 segments. For example, the Leapfrog Group and CheckPoint provide hospital ratings exclusively, whereas Bridges to Excellence focuses on physician quality measures. HealthGrades and different state and regional quality initiatives, as well as individual health plans, develop their own quality measures for both types of providers—physicians and hospitals. Finally, the NCQA and URAC (formerly Utilization Review Accreditation Commission) focus on rating the quality of healthcare plans and pharmacy benefit management (PBM) organizations. Despite this fragmentation, quality organizations interact and participate in each other’s development of quality metrics and guidelines.

Two organizations stand out for specific segments. For health plans, the NCQA, with its accreditation and its Healthcare Effectiveness Data and Information Set (HEDIS) rating, represents the most followed organization, because employers often consider it the decision factor for their choice of insurance plan. For providers, the National Quality Forum (NQF) is gaining acceptance as the reference for developing national standards of care at the physician level, because many of their quality metrics are part of CMS’s PQRI initiative.

Payers’ Knowledge of Quality Organizations

To determine the knowledge of healthcare plan decision makers about different quality improvement organizations and initiatives, we surveyed medical and pharmacy directors of health plans. The survey was conducted live during a single session of the March 2008 Managed Care Network (MCN) meeting of more than 100 leading medical and pharmacy directors, representing more than 150 million covered lives. The survey captured responses from 16 medical directors and 35 pharmacy directors, representing 52 health plans covering almost 74 million lives in commercial, Medicare, and Medicaid programs, or in a combination of them.

The managed care organizations (MCOs) represented in the survey included regional and national plans, as well as small plans (less than 200,000 lives) and large plans (more than 10 million lives). All participants (n = 51) responded to all questions asked during the session. Because 1 participant did not specify his/her job function, there is a discrepancy between the number of medical and pharmacy directors present and the number of health plans represented.

The survey was organized into 5 sections aimed to determine (1) pharmacy and medical directors’ level of knowledge about different quality organizations; (2) MCOs’ current collaboration/accreditation with quality organizations; (3) level of influence of different quality organizations in quality initiatives at MCOs; (4) MCOs’ interest in learning more about quality organizations and initiatives; and (5) MCOs’ openness to accept pharmaceutical companies as potential partners.
in quality improvement initiatives.

In the first part of the survey, participants were asked to rate their knowledge about different quality organizations. Table 1 (page 300) lists the public and private organizations covered in the first 3 sections of the survey.

Responses show that 92% of participants had high or very high knowledge of the NCQA (Figure 2). This is clearly in line with the NCQA’s focus on health plan accreditation and HEDIS ratings and the influence they have on employers’ choice of insurance. However, their knowledge of URAC (also providing quality accreditations for health plans and PBM organizations) was more varied: 42% of respondents had little or no knowledge about it (Figure 2).

Knowledge about other quality organizations included in the survey was limited. For any of those organizations, more than 70% of respondents had low or no knowledge, with the exception of AHRQ, with only 30% of respondents showing no or little knowledge. This lack of knowledge about quality initiatives represents a missed opportunity for MCOs to include some of these measures in their programs.

**MCOs’ Collaboration with Quality Organizations**

MCOs’ interaction with each quality organization is different. Both NCQA and URAC issue health plan accreditations, whereas the relationship of MCOs with other quality organizations is more collaborative. The level of interaction varies as shown in the survey results (Figure 3). NCQA was the organization with whom MCOs had the strongest relationship, with 74% of the respondents being or planning to be accredited by it. Furthermore, 34% of the plans were currently participating in other programs offered by NCQA. This again shows a great difference with URAC, with only 30% of plans being or seeking accreditation from URAC.

To further understand the reasons behind some of our observations, in January 2009 we conducted a follow-up online survey of the MCN meeting attendees on why the NCQA and URAC were the best known and most referenced for quality initiatives. Many respondents commented that the NCQA is seen as almost “mandatory or expected,” and sometimes listed as a requirement from employers to consider a health plan. Some respondents commented on the NCQA accreditation requirement by Medicare and some Medicaid state programs. Respondents who chose to seek accreditation from URAC said that they did so mainly because of the lower cost of the accreditation process and the more realistic expectations of the accreditation program for managed care plans. For pharmacy benefit managers and utilization management quality programs, URAC seems to be the first choice, given its recognized brand name and experience in this arena.

MCOs’ level of collaboration with any of the other quality organizations was very low, with less than 10% of the plans participating in any quality initiatives. The reasons for the low participation may be related to the relatively low knowledge of other organizations, as well as the limited health plans resources dedicated to quality programs. Respondents commented on the cost and...
Table 1: Organizations Covered During the First 3 Sections of the Survey

<table>
<thead>
<tr>
<th>Organization</th>
<th>What is it?</th>
<th>Mission</th>
<th>What does it do?</th>
<th>Stakeholders</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>AHRQ</td>
<td>Agency in the Department of Health and Human Services responsible for healthcare quality research</td>
<td>To improve the quality, safety, efficiency, and effectiveness of healthcare for all Americans</td>
<td>Sponsors/conducts research with evidence-based information on healthcare quality and outcomes, including comparative effectiveness of treatments</td>
<td>Hospitals; providers; patients; federal, state, and local policymakers; payers; health officials; academia</td>
<td>Formerly Agency for Health Care Policy and Research American Recovery and Reinvestment Act of 2009 designated $300 million for comparative effectiveness research</td>
</tr>
<tr>
<td>HQA</td>
<td>National public-private collaboration to promote reporting on hospital quality of care</td>
<td>To facilitate continuous improvement in patient care through: Implementing hospital care quality, cost, and value measures Developing and using measure reporting in hospitals nationwide Publicly sharing hospital performance information</td>
<td>Runs Hospital Compare website (<a href="http://www.hospitalcompare.hhs.gov">www.hospitalcompare.hhs.gov</a>), with performance information on &gt;4000 hospitals to help consumers assess hospital quality/value to make informed decisions</td>
<td>Consumer representatives, physician/nursing organizations, employers, payers, oversight organizations (eg, NQF), government agencies (eg, AHRQ)</td>
<td></td>
</tr>
<tr>
<td>ICSI</td>
<td>Independent health-care collaborative comprised of 37 medical groups representing about 85% of Minnesota physicians</td>
<td>To champion healthcare quality and accelerate improvement in the value of healthcare delivered to the populations served by ICSI</td>
<td>Develops healthcare guidelines and models that are recognized beyond Minnesota</td>
<td>Providers, medical groups</td>
<td></td>
</tr>
<tr>
<td>NCQA</td>
<td>Private, not-for-profit organization for healthcare quality improvement</td>
<td>To transform healthcare quality through measurement, transparency, and accountability</td>
<td>Provides quality recommendations to health plans; NCQA accreditation recognized by employers, regulators, and health plans as an important reference in evaluating healthcare quality</td>
<td>Employers, providers, public policy groups, consumer groups, health systems</td>
<td>Also provides accreditation to providers through participation in voluntary programs</td>
</tr>
<tr>
<td>NQF</td>
<td>Not-for-profit membership organization for developing and implementing a national strategy for healthcare quality measurement and reporting</td>
<td>To improve the quality of American healthcare by: Setting national performance improvement priorities and goals Endorsing national standards for measuring/reporting on performance Promoting national goals through education and outreach programs</td>
<td>Consensus standards endorsed by the NQF are often used by government agencies like CMS for measuring healthcare quality</td>
<td>Consumers, public and private payers, providers, employers, accrediting bodies (eg, NCQA)</td>
<td></td>
</tr>
<tr>
<td>PQA</td>
<td>Collaborative initiative focused on improving healthcare quality at the pharmacy/pharmacist level</td>
<td>To improve healthcare quality and patient safety in collaboration with key stakeholders to help them make informed choices, improve outcomes, and stimulate development of new payment models</td>
<td>Collects pharmacy performance data and reports findings to consumers, pharmacists, employers, health insurance plans, other health-care decision makers</td>
<td>Pharmacy/pharmacist associations, CMS, manufacturers</td>
<td></td>
</tr>
</tbody>
</table>
resources needed for quality collaboration/accreditation, and the need to limit themselves to what was required by their clients (large employers and employer groups) and standards, mainly NCQA and sometimes URAC.

### Influence of Quality Organizations on Healthcare Plans

We also asked pharmacy and medical directors to identify which quality organizations most influenced their MCOs’ quality improvement programs. Again, NCQA had the greatest influence, with URAC a distant second (73% and 12%, respectively). No other organization had significant influence on MCOs’ quality improvement priorities: 8% of plans indicated no influence from these external organizations and/or depend on internal decisions for setting quality improvement priorities (Figure 4).

### MCOs’ Interest in More Information

The next part of the survey aimed to determine the level of interest from healthcare plans to learn more about these quality organizations. Although some respondents did not think they missed opportunities by not participating in quality programs, most of them thought they lost some benefits. The main missed opportunities cited were (1) the chance to benchmark themselves against the competition and (2) the chance to enhance their clinical and service outcomes (Figure 5).

The level of interest of medical and pharmacy directors in learning more about various organizations and initiatives is described in Table 2.

URAC’s PBM accreditation standard garnered the most interest, with 34% of respondents expressing high/very high interest in learning more about it. And more than 30% of respondents showed high/very high level of interests in Pharmacy Quality Alliance (also related to quality of pharmacy programs), AHRQ, and NQF. The other organizations were less interesting to learn about, including the NCQA, probably because plans already know about it.

We also assessed the level of interest in additional quality programs and/or organizations. Guidelines developed by professional specialty organizations and P4P programs at other MCOs were the areas of main interest, with no or low interest in other initiatives, such as collaborations with state and regional programs, foreign healthcare agencies, or quality measures for other healthcare sectors (Figure 6).

### Pharmaceutical Companies as Partners in Quality

When asked if value-added programs from pharmaceutical companies supported the quality improvement initiatives of their organizations, the large majority of responses were negative (Figure 7). Pharmacy directors were more negative in their responses compared with medical directors (71% disagreed/strongly disagreed vs 42%, respectively). In the January follow-up survey, the
reasons for these negative responses included a preference for internal quality programs without external influence, skepticism from health plans on pharmaceutical company involvement with these types of initiatives, and the complaint that many of these programs seem to be geared toward a particular branded product rather than disease states.

However, even though pharmaceutical companies were mainly not considered as quality improvement partners, 36% of MCO directors express moderate to very high interest in getting more support and partnership from pharmaceutical companies. Specifically, pharmaceutical companies were viewed as more valuable in providing support in patient compliance/adherence programs, and in appropriate drug utilization programs (Figure 8).

Finally, we wanted to know how some of the larger pharmaceutical companies were rated for their current efforts to support quality improvement initiatives at MCOs. Novartis was the clear leader, with 25% of the responses, followed by GlaxoSmithKline with 19% of the responses (Figure 9). When asked in the follow-up survey about what made those companies’ support programs superior to others, the majority of respondents noted the focus on disease rather than a specific drug, the quality of the programs, the availability of nonbranded educational materials, and the flexibility of the support programs to be adapted to the specific payer quality program.

**Conclusion**

The high increase in healthcare costs in the past decade is starting to build a focus on quality as an integral part of addressing cost-containment without lowering health outcomes. By creating their own quality metrics and systems that allow the development of clinical guidelines, and by collaboration with external quality improvement organizations, health plans can more efficiently allocate their resources to maximize...
health outcomes for their members. Our survey shows clearly that today’s focus for MCOs is mostly limited to the organizations that provide health plan quality accreditation, such as NCQA or URAC, with less focus on other organizations. By not collaborating with these organizations, health plans may be missing opportunities to develop and adapt already existing quality measures and clinical guidelines for the benefit of their health plan needs.

Our survey also suggests an opportunity for pharmaceutical companies to increase their relationships with health plans by collaborating on quality improvement initiatives, such as patient adherence and compliance, drug utilization, and patient education. To be successful in such collaboration, pharmaceutical companies should develop evidence-based programs focused on a specific disease rather than a specific product, and offer flexible programs that could be adapted to each health plan’s need.

References

Stakeholder perspective next page
STAKEHOLDER PERSPECTIVE
The Missing Quality Standard for Medication Adherence

Payers: Performance with quality standards has shown steady improvement over the years, but one that has continued to lag is medication adherence. Best results have been seen in medications whose adherence has been highlighted in a specific quality standard. For example, the NCQA’s antidepressant drug management measure assesses patient adherence at 12 weeks and at 6 months. Medication adherence is strongly correlated with improved outcomes in depression, but for most drugs adherence is not routinely included in quality standards.

Payers and quality organizations should consider what impact a national quality standard for medication adherence across all patients for all drugs would have on stimulating collaborative and competitive efforts among all stakeholders. This single standard could become one of the most important metrics for payers in deciding which healthcare companies provide the best support for ensuring that their employees get well by adhering to their therapy. It could also catalyze collaboration between the industry and payers to develop, test, and implement innovative solutions to medication adherence beyond the current programs that mostly involve written communication to plan members, reinforcing the importance of adherence.

Pharmaceutical Companies: Poor medication adherence continues to be a major concern and opportunity for the pharmaceutical industry. The industry recognizes that the value a product demonstrates in a controlled clinical trial will not be translated in the real-world setting if patients do not adhere to their medication regimen. Drug companies face misperceptions of the value of their products if treatment failure is caused by poor patient adherence rather than by underperformance of the drug. The industry has a strong vested interest in doing anything possible to support medication adherence and the safe and appropriate use of their products. Improved adherence presents an opportunity not only to improve health outcomes but also to improve revenues essential for continued investment in research and development of innovative medicines.

The industry appreciates the complexity of this issue and realizes that improving medication adherence can only be achieved by fully leveraging each stakeholder—health plans, pharmacy benefit managers (PBMs), employers, healthcare professionals, and patients and their families. The industry faces many obstacles in addressing this complex issue, including payers’ reluctance to work with it, requests for only unbranded disease-specific programs rather than programs developed for a specific product, complex legal agreements, and varying interpretations between what is defined as marketing versus as a component of a disease/patient management program.

Reluctance to accept industry support for product-specific patient support programs is severely limiting the competition and innovation needed to address adherence. The industry conducts more market research on professionals who prescribe their products and on patients who depend on their products to improve their well-being than on any other entity. That research helps to develop beneficial programs for patients and family members that improve their understanding of their medical condition and medication, but because they are brand-specific, these programs are often shunned by stakeholders who could be playing a greater role in increasing their members’ awareness of these resources. To recreate what a drug company can do to build customized support programs for patients with more than 10,000 pharmaceuticals on the market is not practical for any payer, health plan, or PBM. Payers, providers, and patients could benefit from industry support.

The use of technology, interactive patient education, and patient education customized to address specific patient groups based on specific demographics are critical contributions the industry could make to improve product-specific patient education and medication adherence programs.

Not enough is being done to support high-quality, effective patient education designed to improve adherence. To gain dramatic improvement, collaborative efforts are needed that enable the industry to creatively design product-specific programs for patients in addition to unbranded education. Payer input into the design and content would allow for mutually acceptable brand-specific patient support and education, free of bias and nonpromotional.

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