NATIONAL QUALITY FORUM

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Balancing Cost and Quality for Value

The push to improve healthcare quality has, over the years, resulted in the development of hundreds of measures to help providers and purchasers assess their performance. These measures have driven remarkable results in both hospital and outpatient settings—from reductions in hospital-acquired infections and readmissions to better care for patients with chronic diseases and more. But improved quality of care does not necessarily indicate greater value.

Related Information

Total Cost of Care Measure

HealthPartners TCOC Overview

Best Care at Lower Cost: The Path to Continuously Learning Health Care in America

The Institute of Medicine noted in its September 2012 report, Best Care at Lower Cost: The Path to Continuously Learning Health Care in America, that about one-third of health spending is wasted on unnecessary services, fraud, and other problems. In light of these findings and ever-rising healthcare costs, determining a means to assess value—the intersection of cost and quality—has never been more important.

Coupled with quality measures, an NQF-endorsed measurement approach is helping to do just that. Endorsed by NQF in January 2012, HealthPartners' Total Cost of Care measure considers both the cost of care provided to a patient and the resources used in providing that care. The measure accounts for costs both in and out of the hospital setting, from surgical procedures to pharmacy services and durable medical equipment.
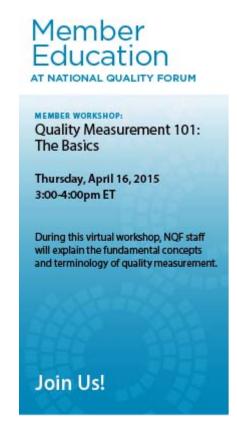
The methodology was used to help compare costs from more than 1.5 million patients in a recent report from MN Community Measurement (MNCM), a Minnesota nonprofit that aims

to improve health by publicly reporting healthcare information. The report shares information from 115 medical groups representing 1,052 clinics across the state and neighboring communities, using 2013 claims data from the four health plans in Minnesota with the largest commercially insured populations. It found that the average monthly cost of medical care per patient was $435, and that a reduction in the average per patient cost of just $12 per month could save Minnesotans $750 million in healthcare costs annually.

"We were able to show that there is indeed variation in cost of care across the population, and this information will benefit both providers and consumers," said MNCM President James Chase. Physician groups can use the total cost of care information in the MNCM report to see how they compare with each other. Consumers, meanwhile, may find that the information helps them make informed decisions about, for example, purchasing insurance policies that may have higher premiums if they cover care by higher cost providers.

MNCM now is working on a paired measure to tease out resource use from the total cost of care.

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Member Education
AT NATIONAL QUALITY FORUM

MEMBER WORKSHOP:
Quality Measurement 101:
The Basics

Thursday, April 16, 2015
3:00-4:00pm ET

During this virtual workshop, NQF staff will explain the fundamental concepts and terminology of quality measurement.

Join Us!

NQF Announces New Member Engagement Opportunities Full story

Get Involved with National Quality Partners

Measure Endorsement

NQF revises procedures for decisions, appeals, and committee nominations Full story

Eisenberg Patient Safety and Quality Awards Full story

Submissions open through October 31

Improving Population Health

NQF guide highlights best practices, resources for communities Full story

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NATIONAL QUALITY FORUM

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			NQF Governance
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