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Senate Bill Aims to Modernize QIO Program

Washington, DC (August 3, 2007) – America’s Quality Improvement Organizations (QIOs) are seeking middle ground on sweeping Senate legislation to modernize the QIO program but strongly oppose a proposed reorganization of beneficiary protection activities without safeguards to ensure accountability and protect the Medicare Trust Funds.

Yesterday, Senate Finance Committee chairman Max Baucus (D-MT) and ranking member Charles Grassley (R-IA) introduced the “Continuing the Advancement of Quality Improvement (CAQI) Act of 2007.” The legislation would strengthen the quality improvement functions of the Medicare QIO program, and reinforce the QIO role in validating and facilitating public reporting of quality measures for use by providers, consumers and purchasers. In addition, the legislation seeks to create a new infrastructure of “Medicare Provider Review Organizations” (PROs) to handle beneficiary complaints and other medical record reviews.

“We believe that some provisions of the legislation would impose a more radical and costly solution than is necessary to solve the problems that have been documented,” said David Schulke, executive vice president of the American Health Quality Association. “We agree with Senators Grassley and Baucus in their desire to ensure Medicare beneficiaries receive the results of complaint investigations. But all that is needed to ensure the flow of that information is to rewrite a regulation that prohibits QIOs from telling those results when a physician objects to passing them along. It’s both costly and unnecessary to create a new national infrastructure of contractors to solve that problem.” The bill calls for handoffs between PROs and QIOs that are unlikely to work smoothly. By contrast, QIOs have achieved efficiencies by using case reviews to spur quality improvement by providers.

In other ways, the legislation pulls back from implementing reforms for which both Senators have actively campaigned. The proposed new contractors would be exempted from the increased governing body accountability that would be applied at every QIO. Schulke stated, “We understand the call for greater accountability for Medicare contractors, but we don’t understand the reason for giving a new group of companies a free pass, particularly when they will be doing the sensitive work of reviewing a hundred thousand patient medical records every year.”

QIOs have already committed to governance standards to ensure organizational integrity, and are working with CMS to implement even stronger measures by their next contract cycle, which is scheduled to start in August 2008. “These standards should apply to all contractors with the responsibility of protecting beneficiaries, whether that’s through quality improvement efforts with providers or reviewing medical records,” said Schulke.

AHQA agrees with several of the quality improvement provisions in the CAQI Act, including stronger contractor evaluation and more competition for QIO contracts. The bill does not incorporate needed safeguards against diversion of Medicare Trust Fund dollars to unrelated projects when these funds were originally apportioned to the QIO program. “We believe this problem is serious enough to warrant legislative language to guarantee Trust Funds are dedicated to the important work QIOs are doing in our communities to improve the care provided by doctors, hospitals, nursing homes and home health agencies,” Schulke commented. A bipartisan House bill, The Medicare Quality Improvement Organization Act of 2007 (H.R. 1046), which was introduced by Representative Michael Burgess, MD (R-TX) and cosponsored by Representative Tammy Baldwin (D-WI) includes safeguards addressing this problem, along with other provisions to modernize the program.

“We look forward to working with both Senators Baucus and Grassley as well as others on the Senate Finance Committee to find common ground that fairly and adequately protects the interests of Medicare beneficiaries,” said Schulke.

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AHQA is dedicated to improving the safety and effectiveness of health care. AHQA represents the national network of QIOs that work with hospitals, medical practices, long-term care facilities, home health

agencies, health plans, pharmacists, and employers to encourage the spread of best clinical practices and improve systems of care delivery. Find your local QIO at: www.ahqa.org