



1155 21st Street, NW  
Suite 202  
Washington, DC 20036  
T 202.331.5790 F 202.331.9334  
[www.ahqa.org](http://www.ahqa.org)

**FOR IMMEDIATE RELEASE**  
**August 2, 2007**

**Contact:** Jennifer Felsher  
**Phone:** 202-261-7565  
**Email:** [jfelsher@ahqa.org](mailto:jfelsher@ahqa.org)

### **Study: QIO Program Is 'Good Value for Health Care Dollars'**

**Washington, DC** (August 2, 2007) – In a study released earlier this year, researchers found that Quality Improvement Organization (QIO) program efforts in nursing homes were “a very sound investment” for Medicare, costing significantly less than \$10,000 per quality-adjusted life year (QALY). In the U.S., a QALY falling between \$50,000 and \$100,000 is commonly considered a good value.

Published in the Spring 2007 edition of Health Care Financing Review, the study, “Medicare’s Quality Improvement Organization Program Value in Nursing Homes,” attempts to answer the question, are the benefits of the QIO program worth Medicare’s investment? The answer, the authors conclude, is yes. “Even with conservative assumptions about QIO program impact, investment in QIO nursing home QI activities appears to be a good value for health care dollars,” wrote study authors Anthony Shih, MD, MPH, of The Commonwealth Fund; Diane M. Dewar, PhD, of the University of Albany; and Thomas Hartman, of IPRO, the New York QIO. The study is available at:

[http://www.cms.hhs.gov/HealthCareFinancingReview/08\\_2007%20Edition.asp](http://www.cms.hhs.gov/HealthCareFinancingReview/08_2007%20Edition.asp). An executive summary of the study is available on The Commonwealth Fund Web site at: [http://www.commonwealthfund.org/publications/publications\\_show.htm?doc\\_id=512641](http://www.commonwealthfund.org/publications/publications_show.htm?doc_id=512641).

“Policymakers and federal officials are already planning for the QIO program’s next contract cycle, which will begin in August 2008,” said David Schulke, American Health Quality Association (AHQA) Executive Vice President. “This study will help them understand the value that QIOs provide to American taxpayers through the Medicare program.” AHQA represents the national network of QIOs that work under contract to the Centers for Medicare & Medicaid Services (CMS) and others to improve health care quality across the nation.

## Findings

The authors used data from three of the five quality measures most frequently addressed by QIOs during the first national QIO nursing home improvement effort from 2002-2005: short-stay residents with moderate to severe pain, long-stay residents with moderate to severe pain, and residents with physical restraints. The analysis was stratified into three levels, each assuming a percent of overall improvement that could be attributed to QIO interventions: 50 percent, 75 percent, and 100 percent. During the time period studied, the QIO program was the only coordinated, national effort to help nursing homes improve on care.

Estimates of CMS' investment in the QIO program were calculated based on the total reported cost of QIO efforts in nursing homes by quality-adjusted life year (QALY) at each assumed attribution level. QALYs are a measure of cost effectiveness. According to the 2006 National Health Care Quality Report, published by the Agency for Healthcare Research and Quality, "1 year in perfect health is equal to 1.0 QALY and a year in poor health would be something less than 1.0." (See below for a comparative list of interventions based on cost/QALY.)

Schulke commented, "The study makes an important contribution by evaluating three different levels of impact attributable to the QIOs. It is reasonable to believe that nursing homes would have improved to some extent on their own, without help from the QIOs, suggesting that less than 100 percent of the observed improvement should be attributed to the federal program and its QIO contractors. Yet, during the time period studied, the QIO program was the only coordinated national effort to help nursing homes improve on care, suggesting that it is reasonable to attribute a significant share of the improvement to QIO activities. Before this study, policymakers could only argue back and forth about whether the QIOs had no effect at all or were entirely responsible for the observed improvement, both of which are implausible."

At 50 percent attribution (assuming the QIO program was responsible for 50 percent of the improvement in nursing home care), the study authors estimated:

- 10,144 fewer short-stay residents experiencing moderate to severe pain
- 23,483 fewer long-stay residents experiencing moderate to severe pain

- 13,416 residents being physically restrained
- A mean of 18,805 QALYs gained at a cost of \$5,365 per QALY

At 100 percent attribution (assuming the QIO program was responsible for all of the improvement in nursing home care), the study authors estimated:

- 20,288 fewer short-stay residents experiencing moderate to severe pain
- 46,966 fewer long-stay residents experiencing moderate to severe pain
- 26,832 residents being physically restrained
- A mean of 37,610 QALYs gained at a cost of \$2,683

“The improvements occurring in nursing homes with QIO assistance represent an excellent value for Medicare even under the most conservative estimates in this study,” concluded Schulke.

QIOs are community-based organizations that work under contract to the Centers for Medicare & Medicaid Services to improve care for the nation’s 43 million Medicare beneficiaries. QIOs are working in all 50 states, the District of Columbia, and two U.S. territories. The program is the largest coordinated federal investment in health care quality and its funding amounts to less than one tenth of one percent of all Medicare spending.

###

*AHQQA is dedicated to improving the safety and effectiveness of health care. AHQQA 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.ahqqa.org](http://www.ahqqa.org)*

**Comparative cost-effectiveness for selected interventions by Quality-Adjusted Life Year (QALY):**

- Mammography screening for breast cancer: \$10,000 - \$25,000/QALY\*\*
- Colon cancer screening: \$10,000 - \$25,000/QALY\*\*
- Osteoporosis screening: \$10,000 - \$25,000/QALY\*\*
- Hypertension medication: \$10,000 - \$60,000/QALY\*\*
- Cholesterol management: \$10,000-\$50,000/QALY\*\*
- Dialysis in end-stage renal disease: \$50,000 - \$100,000/QALY\*\*
- Aspirin for all eligible patients with coronary disease: \$11,000/QALY\*

- Heart failure outpatient management program: \$20,000/QALY\*
- Pneumococcal vaccination: \$10,000 - \$23,000/QALY\*
- Lifestyle training for diabetes: \$54,000\*

\*Data is derived from the CEA Registry at: <http://www.tufts-nemc.org/cearegistry/>.

\*\*Data is derived from “Medicare and Cost-Effectiveness Analysis,” Neumann, et al., New England Journal of Medicine, October 6, 2005.

Ranges are provided because actual cost varies based on target populations and the strategies used.