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Report to Congress Released on QIO Program *Recommendations Reflect House Bill (HR 5866)*

Washington, DC -- Secretary of Health and Human Services Michael O. Leavitt today released a report to Congress outlining his response to a March 9 study from the Institute of Medicine, which called for maximizing the potential of the Quality Improvement Organization (QIO) program. Many of the Secretary's recommendations are aligned with legislation introduced in July by Representative Michael Burgess (R-TX) to strengthen the QIO program and modernize it for the future.

The Secretary's report to Congress characterized the QIO program as "a cornerstone [of CMS] efforts to improve quality and efficiency of care for Medicare beneficiaries," saying that "The Program has been instrumental in advancing national efforts to measure and improve quality, and it presents unique opportunities to support improvements in care in the future."

The QIO program is a national network of independent contractors providing hands-on assistance to providers in every state and territory to improve the quality, safety and efficiency of care for Medicare beneficiaries. The program was created by Congress and is administered by CMS.

"We applaud the Secretary and CMS for this thoughtful and comprehensive response to the IOM report," said David Schulke, AHQA Executive Vice President. "The release of this

report signals that the time has come for formal consideration of the important policies proposed by Secretary Leavitt, the Institute of Medicine, Members of Congress and other national stakeholders. We look forward to working with Congress and with CMS to strengthen the program for the future.”

On Tuesday September 5th, the *Annals of Internal Medicine* will publish a study showing that providers who worked most closely with QIOs from 2002-2005 improved their care more than those who did not. “The *Annals of Internal Medicine* study demonstrates that the QIO program is more than capable of improving the quality of Medicare services and making a difference in patients’ lives, and strongly suggests that patient care is better for the work of these organizations,” said Schulke.

Leavitt’s report to Congress proposes important changes that are also reflected in HR 5866, such as increasing the ability of QIOs to be transparent and accountable to consumers, expanding outreach to educate beneficiaries about their right to make formal complaints about poor quality care and improving the evaluation of the QIO program. Other recommendations supported by AHQA include:

- Enhanced QIO ability to support the federal health care quality agenda through person-directed care programs, health IT, value-based health care purchasing, and performance measurement.
- Improvement in the design and management of the QIO contract.
- Greater influence on program goals by experts and local stakeholders.
- Increased QIO contract competition.
- Convening of a technical expert panel to advise HHS on evaluation plans and ensure there is a continual assessment of the QIOs’ impact.

The report to Congress also addresses governance issues, but in a way that goes far beyond requirements of other federal contractors, including those under Medicare. The report acknowledges that “any requirements related to contractor governance boards can create

barriers to competition,” yet the report’s appendix proposes to regulate details such as maximum board size and tenure. “Early this year, QIOs voluntarily agreed to a new code of conduct that sets high standards for board and executive compensation, diversity, travel expenses, and conflict of interest. QIOs responsible for 50 of the 53 QIO contracts agreed to implement the new code by the end of this year. We believe it would be much more effective for CMS to audit contractor compliance with existing industry standards of organizational integrity, which are drawn from extensive study of best practices in non-profit governance,” said Schulke.

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Editor’s Note: The Secretary’s report is available at:
www.cms.hhs.gov/qualityimprovementorgs/

The American Health Quality Association is dedicated to improving the safety and effectiveness of health care. AHQA represents the national network of Quality Improvement Organizations (QIOs) that work with hospitals, medical practices, health plans, long-term care facilities, home health agencies, pharmacists, and employers to encourage the spread of best clinical practices and improve systems of care delivery.