ISSUE BRIEF

Digital Quality Transformation

Caprice Knapp, PhD, Managing Director, HMA
Daniela Simpson, MA, MBA, Senior Consultant, Wakely Consulting Group LLC, an HMA Company
Jeff Booth, MBA, Principal, HMA
Mark Marciante, Director, Digital Health, Leavitt Partners, an HMA Company
Ryan Howells, Principal, Leavitt Partners, an HMA Company
David Wedemeyer, BSN, RN, Principal, HMA

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Quality reporting has traditionally relied on a mix of structured claims, administrative data, and labor-intensive manual data collection from a sample population and their medical charts. This manual process is extremely costly, requiring payers and providers to invest millions of dollars annually. Importantly, it also fails to provide a comprehensive assessment of quality or actionable insights. Accreditation services like the National Committee for Quality Assurance (NCQA) recognize this issue and, consequently, are phasing out the use of this type of data for quality reporting.

Enhanced clinical data collection can reduce operational costs, improve care management, support value-based agreements, and provide better health equity insights.

Key Value Proposition

It is critical to develop a business-driven strategic plan that focuses on the shift away from sample data to collecting full population clinical data using open standards. Organizations that have embraced this trend have seen operational costs for reporting drop as much as 50 percent. In addition, it provides a foundation to leverage the data for more timely patient care, better insights for providers, more innovative plans for employers, and sets a foundation for better value-based arrangements.

Digital Quality Transformation General Overview

Introduction

The health care industry is moving toward digitization of quality measurement, offering health care organizations opportunities to redesign systems to improve outcomes and operational efficiency. This transition affects how the underlying data are collected, managed, stored, and shared. It also changes how the technical specifications are expressed, shared, and executed. Once federal interoperability and prior authorization rules take effect in January 2027, we will see the beginning of widespread data exchange using modern internet techniques (e.g., Fast Healthcare Interoperability Resources (FHIR) Application Programming Interfaces (APIs)) to solve myriad health care needs, including quality measurement. As a result, fully digital quality measurement becomes possible. **Payers and providers that invest now will be able to optimize health care data and outcomes.**

This brief outlined the federal policies and national changes that have made digital quality measurement possible, the challenges that digital measurement pose for the health insurance industry, and what payers and providers can achieve.

WHAT IS THE PROBLEM?

Manual and unstructured data, such as those collected and abstracted from medical charts, are not reusable. Payers and providers spend millions to collect and use this manual data.

It is critical that providers increase the volume of clinical data and information obtained by connecting to provider systems via mandated APIs and decrease manual data collection. By following this strategy, the power of that reusable data translates across the enterprise to drive improved patient experience, health advocacy, and better health outcomes.

Changes in federal policy are affecting the landscape of health care data exchange. The US health care industry is nearing two decades of concerted efforts to modernize its data infrastructure, particularly in data storage and sharing. These changes will accelerate opportunities for digital quality measurement.

Federal efforts to modernize the data infrastructure began with the adoption of electronic health records (EHRs). The Health Information Technology for Economic and Clinical Health (HITECH) Act of 2009 catalyzed the widespread adoption of EHRs. The evolution continued with the 21st Century Cures Act of 2016, which extended the focus from merely collecting and storing data to enhancing interoperability. The Cures Act established essential mechanics and guidelines for sharing health care-specific patient information, ensuring that data could flow seamlessly between different systems and stakeholders. **The innovation, policy frameworks, and resources advanced through federal legislation have been crucial for the advancement and implementation of EHRs.** As a result, the health care industry has made significant strides in using data from EHRs to enhance quality measurement and patient outcomes.

Further federal initiatives have promoted health care data interoperability. In 2020, the Department of Health and Human Services finalized interoperability requirements in the Centers for Medicare & Medicaid Services (CMS) Interoperability and Patient Access final rule and in the Office of the National Coordinator for Health Information and Technology's (ONC's) 21st Century Cures Act final rule. These mandates, part of the Cures Act, are intended to ensure "complete access, exchange, and use of all electronically accessible health information," and are set to expand the availability of standardized, readily accessible data for quality measurement. The CMS and the Assistant Secretary for Technology Policy rules, scheduled to take effect in 2027, are ambitious and will require substantial policy and operational efforts from all health care stakeholders to ensure compliance. These regulations lay the groundwork for reducing administrative burdens on health care providers, improving health outcomes, and advancing value-based care, all of which require appropriate access to and use of clinical patient data.

Key components of the regulations include:

- ***Data Sharing Requirements.*** Provider systems must implement standardized application programming interfaces (APIs), specifically HL7® FHIR® APIs, to facilitate seamless health care data exchange among stakeholders to improve patient care and reduce administrative burdens. This standardization is crucial for ensuring that different systems can communicate effectively. In addition, the regulations require both claims and clinical data to also be available using these APIs between providers and payers. **Data exchange is no longer an option. It is a requirement.**
- ***Interoperability Standards.*** The rules also establish a framework for the adoption of interoperability standards, ensuring that data can be shared across multiple platforms and systems, with guidelines to support the use of standardized data formats and terminologies.
- ***Quality Measurement.*** By enhancing interoperability, the rules are designed to improve quality measurement systems by including more non-claims-based data such as clinical data, notes, and other key data. Improved interoperability will enable more accurate and affordable tracking and more timely and actionable interventions to improve health. Better representation of health outcomes will facilitate the transition to value-based care models.

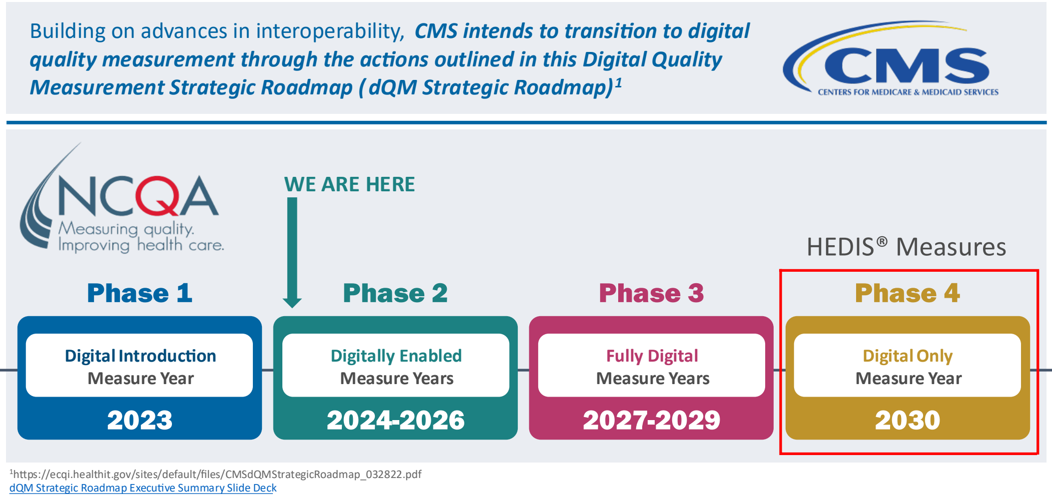
All health care stakeholders will need to meet interoperability requirements to participate in government programs such as Medicare, Medicaid, and the Health Insurance Marketplace on the federal exchange.

Moving Forward: The Digital Quality Measurement Strategic Roadmap

The health care industry faces significant but manageable challenges in the transition to digital quality measurement. As digital quality measurement becomes the standard for quality reporting and value-based care arrangements, organizations need to be prepared to adopt new tools and approaches. Those providers and organizations that approach this as an opportunity will be at a competitive advantage.

Despite various setbacks and delays, the timeline and requirements for digital quality measurement are becoming closer and more certain. CMS has issued its Digital Quality Measurement Strategic Roadmap[1] (dQM Strategic Roadmap), which outlines the necessary actions for a the transition to fully digital measures by 2030. The National Committee for Quality Assurance (NCQA) is actively involved in the dQM Strategic Roadmap, focusing on converting health care quality measures like HEDIS® (the Healthcare Effectiveness Data and Information Set) into digital formats that extract information from EHRs and other non-claims-based data systems. As indicated in the figure below, digital quality measures (dQMs) will be submitted for the first time in calendar year 2025 for measure year 2024.

FEDERAL REQUIREMENTS



Building on advances in interoperability, ***CMS intends to transition to digital quality measurement through the actions outlined in this Digital Quality Measurement Strategic Roadmap (dQM Strategic Roadmap)[1]***

Phase 1 — Digital Introduction Measure Year — **2023**

Phase 2 — Digitally Enabled Measure Years — **2024-2026**

Phase 3 — Fully Digital Measure Years — **2027-2029**

Phase 4 — Digital Only Measure Year — **2030**

[1]https://ecqi.healthit.gov/sites/default/files/CMSdQMStrategicRoadmap_032822.pdf
dQM Strategic Roadmap Executive Summary Slide Deck

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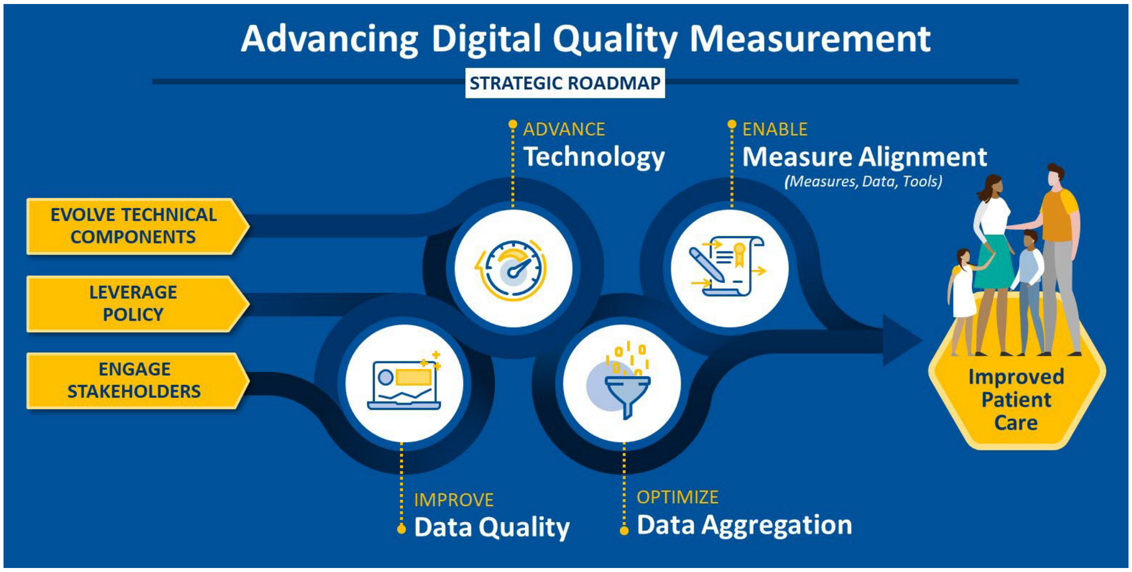
[1] Centers for Medicare & Medicaid Services. Digital Quality Measurement Strategic Roadmap. March 2022. Available at: https://ecqi.healthit.gov/sites/default/files/CMSdQMStrategicRoadmap_032822.pdf.



Source: CMS Digital Quality Measurement Strategic Roadmap.

In 2023, NCQA took a significant step toward implementation when it published a subset of digital measures centered on quality improvement and population health analytics. Over a two-year span (2024−2026), NCQA intends to accelerate digital enablement, targeting the administrative components of all 80 measures for digital transition. NCQA has already transitioned its measures to be run digitally with its Digital Content Services product. These measures have specific implications for regulators and health plans because dQMs can be used for health plan reporting.

The timeline for milestones in the dQM Strategic Roadmap for both CMS and NCQA is driven by the Digital Quality Implementation Community (DQIC), which ensures that the HL7 open standard CQL (clinical quality language) is mature enough to run the quality measures in production. The DQIC, led by Leavitt Partners, a Health Management Associates, Inc. company, aligns its efforts with the 2027 implementation deadline for the new federal interoperability rules, marking a pivotal moment in NCQA's initiative to phase out traditional reporting and hybrid measures and replace them with full digital population health data collection.

WHAT IS THE SOLUTION?

Payers and providers who fully transform and meet the requirements will benefit from achieving scale, realizing savings, and enabling reuse of clinical data and information data across departments and functions.

Available Approaches for Clinical Data Access

The three main approaches to getting access to the clinical data at present include:

1. **Manual approaches,** such as chart chasing vendors, health information exchanges (HIEs), and other legacy approaches. This method is the status quo, and it is costly and nonreusable.
2. **Proprietary approaches,** such as Epic's Payer Platform, Allscripts Carport, and others. These systems allow payers to integrate with an EHR's proprietary platform for clients that are on the platform but excludes providers and organizations that are not. These are very costly solutions that only meet a portion of the need and do not scale for other use cases. In addition, relying solely on vendor-specific solutions for limited patient populations could lead to misinterpretation of the data and lead to variations in care and interventions.
3. **Open standards-based approaches** that scale across EHRs. Initiatives such as the OneUtah Digital Health Interoperability project allow multiple payers and providers in a given state to collaboratively implement the open standards required in the regulations. This type of an approach is more scalable, far less expensive, and will lead to better adoption in the long-term.