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# 42 U.S. Code § 1395aaa

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## Contract with a consensus-based entity regarding performance measurement

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### **(a) Contract**

#### **(1) In general**

For purposes of activities conducted under this chapter, the Secretary shall identify and have in effect a contract with a consensus-based entity, such as the National Quality Forum, that meets the requirements described in subsection (c). Such contract shall provide that the entity will perform the duties described in subsection (b).

#### **(2) Timing for first contract**

As soon as practicable after July 15, 2008, the Secretary shall enter into the first contract under paragraph (1).

#### **(3) Period of contract**

A contract under paragraph (1) shall be for a period of 4 years (except as may be renewed after a subsequent bidding process).

#### **(4) Competitive procedures**

Competitive procedures (as defined in section 132 of title 41) shall be used to enter into a contract under paragraph (1).

### **(b) Duties**

The duties described in this subsection are the following:

#### **(1) Priority setting process**

The entity shall synthesize evidence and convene key stakeholders to make recommendations, with respect to activities conducted under this chapter, on an integrated national strategy and priorities for health care performance measurement in all applicable settings. In making such recommendations, the entity shall—

(A) ensure that priority is given to measures—

- (i) that address the health care provided to patients with prevalent, high-cost chronic diseases;
- (ii) with the greatest potential for improving the quality, efficiency, and patient-centeredness of health care; and
- (iii) that may be implemented rapidly due to existing evidence, standards of care, or other reasons; and

(B) take into account measures that—

- (i) may assist consumers and patients in making informed health care decisions;
  - (ii) address health disparities across groups and areas; and
  - (iii) address the continuum of care a patient receives, including services furnished by multiple health care providers or practitioners and across multiple settings.
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## **(2) Endorsement of measures**

The entity shall provide for the endorsement of standardized health care performance measures. The endorsement process under the preceding sentence shall consider whether a measure—

- (A) is evidence-based, reliable, valid, verifiable, relevant to enhanced health outcomes, actionable at the caregiver level, feasible to collect and report, and responsive to variations in patient characteristics, such as health status, language capabilities, race or ethnicity, and income level; and
- (B) is consistent across types of health care providers, including hospitals and physicians.

## **(3) Maintenance of measures**

The entity shall establish and implement a process to ensure that measures endorsed under paragraph (2) are updated (or retired if obsolete) as new evidence is developed.

## **(4) Removal of measures**

The entity may provide input to the Secretary on quality and efficiency measures described in paragraph (7)(B) that could be considered for removal.

## **(5) Annual report to Congress and the Secretary; secretarial publication and comment**

### **(A)<sup>1</sup> Annual report**

By not later than March 1 of each year (beginning with 2009), the entity shall submit to Congress and the Secretary a report containing the following:

#### **(i) A description of—**

- (I) the implementation of quality measurement initiatives under this chapter and the coordination of such initiatives with quality initiatives implemented by other payers;
- (II) the recommendations made under paragraph (1);
- (III) the performance by the entity of the duties required under the contract entered into with the Secretary under subsection (a);
- (IV) gaps in endorsed quality measures, which shall include measures that are within priority areas identified by the Secretary under the national strategy established under section 280j of this title, and where quality measures are unavailable or inadequate to identify or address such gaps;
- (V) areas in which evidence is insufficient to support endorsement of quality measures in priority areas identified by the Secretary under the national strategy established under section 280j of this title and where targeted research may address such gaps; and
- (VI) the matters described in clauses (i) and (ii) of paragraph (7)(A).

#### **(ii) An itemization of financial information for the fiscal year ending September 30 of the preceding year, including—**

- (I) annual revenues of the entity (including any government funding, private sector contributions, grants, membership revenues, and investment revenue);
- (II) annual expenses of the entity (including grants paid, benefits paid, salaries or other compensation, fundraising expenses, and overhead costs); and
- (III) a breakdown of the amount awarded per contracted task order and the specific projects funded in each task order assigned to the entity.

#### **(iii) Any updates or modifications of internal policies and procedures of the entity as they relate to the duties of the entity under this section, including—**

- (I) specifically identifying any modifications to the disclosure of interests and conflicts of interests for

committees, work groups, task forces, and advisory panels of the entity; and

(II) information on external stakeholder participation in the duties of the entity under this section (including complete rosters for all committees, work groups, task forces, and advisory panels funded through government contracts, descriptions of relevant interests and any conflicts of interest for members of all committees, work groups, task forces, and advisory panels, and the total percentage by health care sector of all convened committees, work groups, task forces, and advisory panels.<sup>[1]</sup>

**(B) Secretarial review and publication of annual report**

Not later than 6 months after receiving a report under subparagraph (A) for a year, the Secretary shall—

- (i) review such report; and
- (ii) publish such report in the Federal Register, together with any comments of the Secretary on such report.

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