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We will begin momentarily

NCQA
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Improving health care.

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Assessing Health Plan Readiness for Digital Quality

Moving Forward with Clarity & Confidence

NCQA
Measuring quality. Improving health care.

Speakers

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Founder & CEO

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Housekeeping

Slides & Recording will be sent after the session

Please compete the survey at the end of the session

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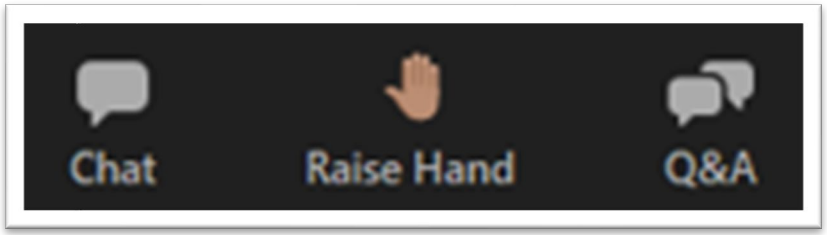
3) Your question will be responded to live by one of the presenters.



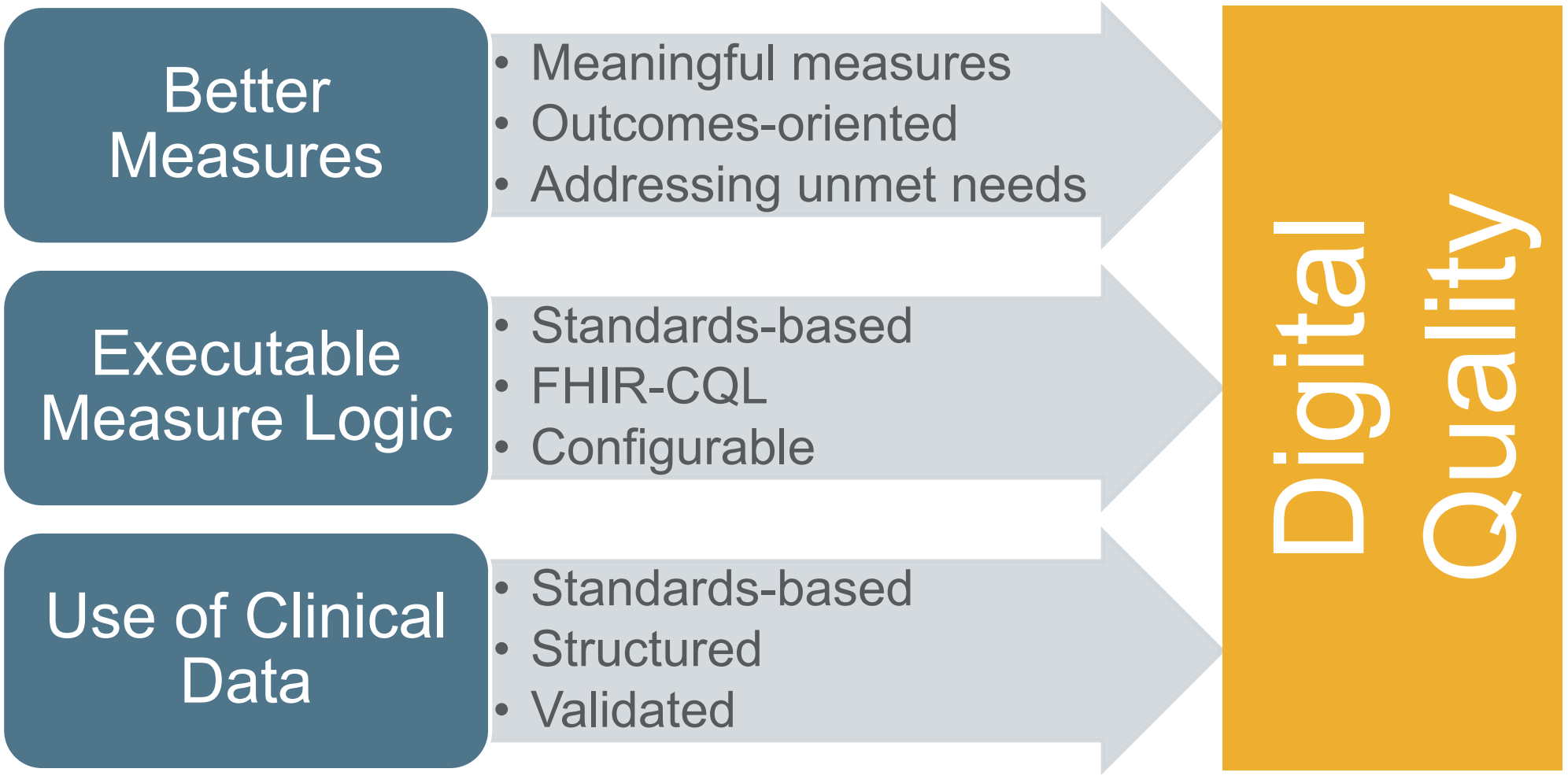
Main Topics

1. Why Digital Quality?
2. What Is Changing?
3. How to Assess Readiness
4. How to Plan and Execute the Transition

Why Digital Quality?

The Core Premise of Digital Quality

A Quick Reminder



What Is Changing with Digital Quality?

Quality Measures

A Fundamentally Different Approach with Digital Quality Measures (dQMs)

Development

Better

- Measure authorities write measures
- Standardized in FHIR-CQL
- No interpretation of PDFs by vendors

Distribution

Faster

- Measure authorities provide digital measures
- Vendors “ingest” and validate measure implementation & execution

Reporting

Easier

- Standards-based software
- Standardized data - FHIR
- No changes to reporting (IDSS)

Digital Quality Transition - Timeline

Major Milestones & Dates

Assessing Payer Readiness
Planning & Executing the Transition

Assessing Key Categories

Major Capability Categories

Data Completeness

Data Readiness (FHIR®)

Software Capabilities

Quality/HEDIS® Reporting

Data Completeness – Assessment

Ensure That All Required Data Is Available When and Where Needed

- Hybrid Methodology phase-out can escalate need for clinical data just to maintain rates
  - Driven by Eligible Population (membership)
  - Varies by LoB
- MRR typically does not scale sufficiently
  - Operational constraints
    - Vendors limits
    - Escalating provider abrasion
  - Budget !!

Clinical Data Imperative:

Payers need **more, better, structured, standards-based** clinical data **faster**

- Volume demand is escalating. Budgets are tight. Thus, unit costs needs to decrease dramatically.
- Modernize Clinical Data Ops to
  - meet use case needs
  - handle standards requirements
  - Manage de-duplication and cardinality
  - Manage data quality

Data Completeness: Assessment – Plan Example

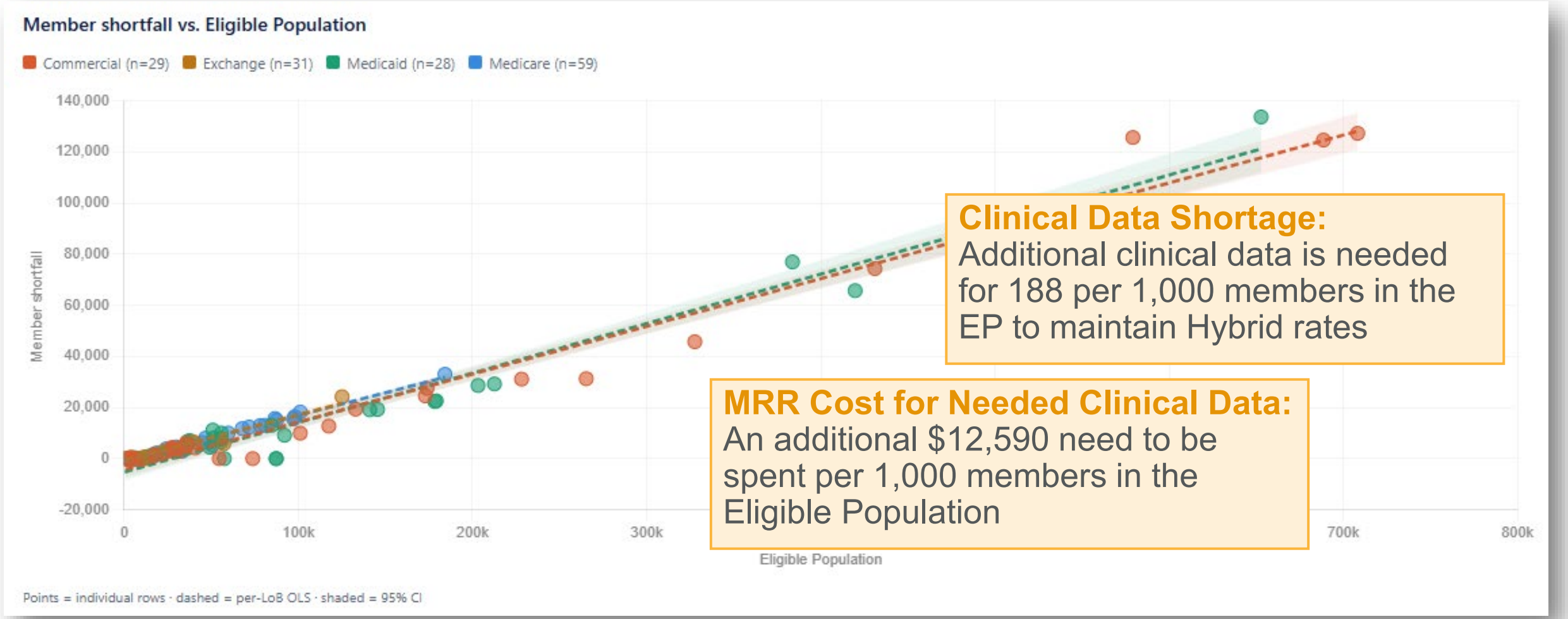
Medicare Advantage Plan

Plan Membership	**141,721**
EP (Modeled)	**22,415**

Final Hybrid Rate (composite)	**62.45%**
Rate Shortfall (modeled, composite)	**25.35%**
Data Shortage (# of Members)	**13,201**

Data Completeness: Assessment – Q1-2026 Benchmarks

Data from 147 Plans: Data Gaps grow with Eligible Population (Membership)



Clinical Data Shortage:
Additional clinical data is needed for 188 per 1,000 members in the EP to maintain Hybrid rates

MRR Cost for Needed Clinical Data:
An additional $12,590 need to be spent per 1,000 members in the Eligible Population

Data Completeness: Planning and Tracking

Secure Clinical Data to Avoid Rate Drops After Hybrid Phase-Out

- Track Hybrid phase out schedule
- Model impact and plan mitigation
- Deploy alternatives to chart review (MRR & NLP/AI)
- Monitor for new measures

Hybrid Phase-Out Schedule

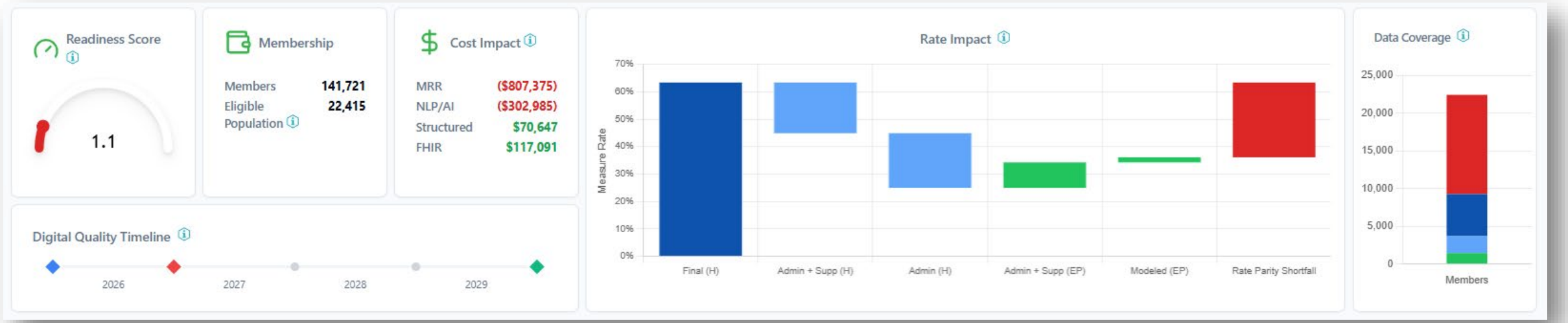
2025: EED, CIS, IMA, CCS

2026: LSC

2027: WCC

2028: PPC, CBP, BPD

2029: GSD, TRC, COA



Data Readiness: Assessment – Q1-2026 Survey Results

FHIR Readiness for Digital Quality Needs Definition and Benchmarks

You are not alone:

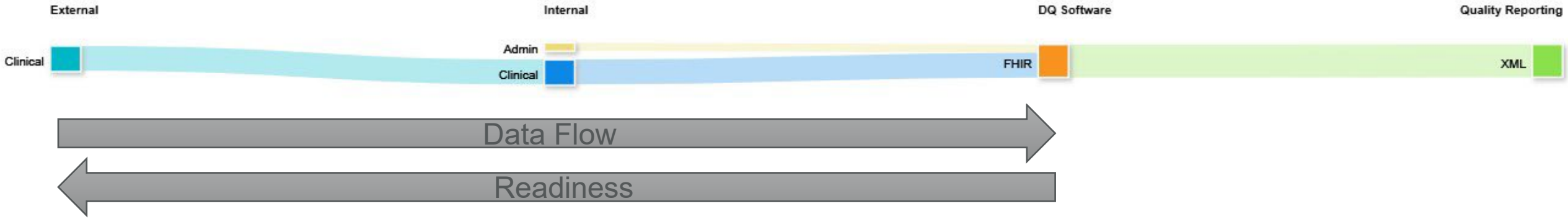
Out of **12 payer organizations** we surveyed, **none** said that they are ready or have a complete plan for data readiness

Lacking clarity on:

- Requirements
- FHIR definition: data format vs. API
- Terminology and concepts including:
  - FHIR Repository
  - Just-in-Time FHIR
  - FHIR from the Source

Data Readiness

Digital Quality Measures Require FHIR-Formatted Data as Input



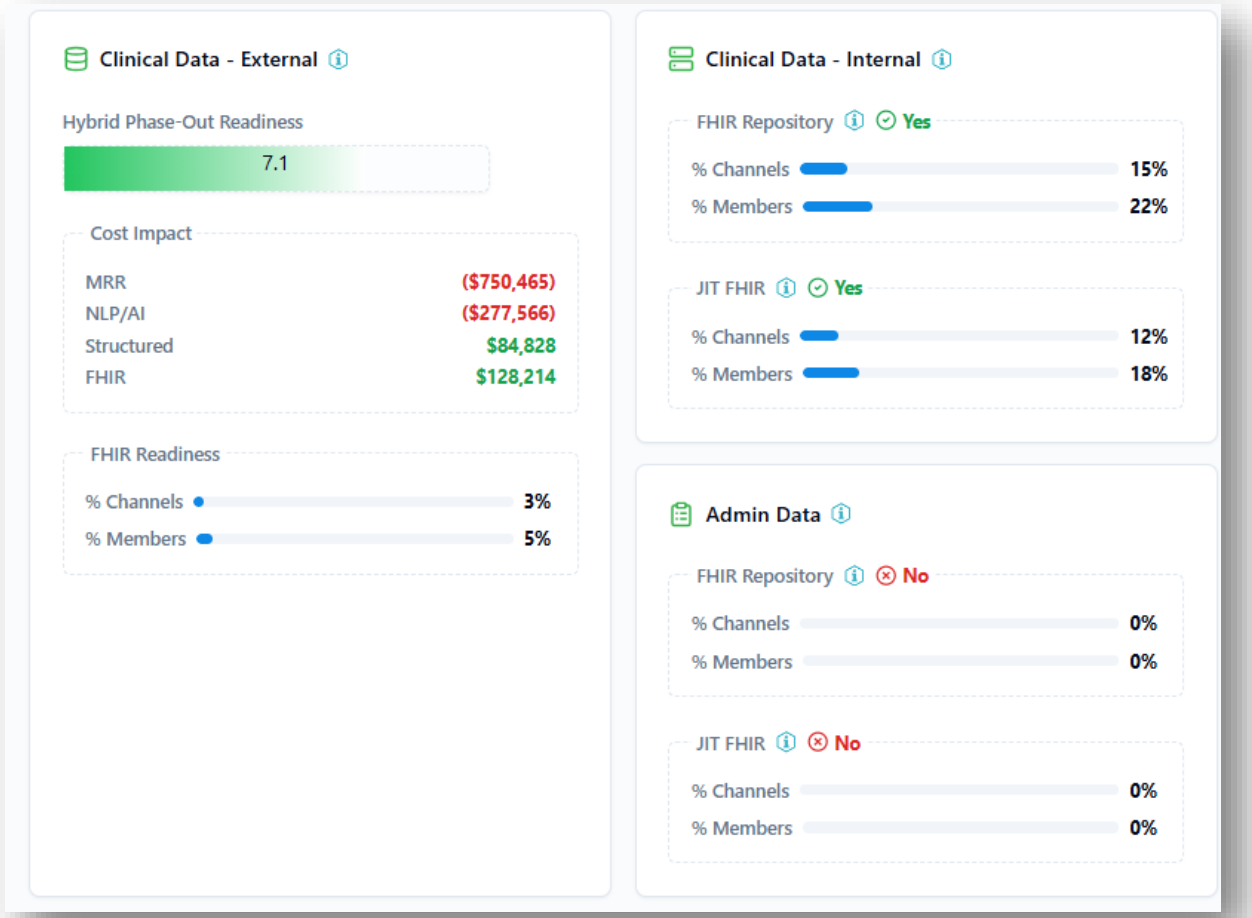
- Data does not need to be FHIR from the source (external)
- Data does not need to be FHIR from the source (internal)
- Data needs to be FHIR before being submitted to Digital Quality Software
  - Clinical Data
  - Admin Data
- Inventory data flows including formats
  - External Sources
  - Internal Sources
- Understand Enterprise Clinical Data Ops
  - Best practices for clinical data ops
  - Across all use cases

Planning and Tracking: Data Readiness

There Are Multiple Ways to Get Data Ready for Digital Quality

- Start at the end: DQ Software: All data = FHIR
- Convert to FHIR
  - DQ Software (if available)
  - Internal just-in-time (JIT) capability
- FHIR Repository – FHIR bundles ready to use
- FHIR from the Source – ideal - not required

‘Demand-Side’ **FHIR Capabilities** are just starting to emerge - but can scale rapidly.



Software Readiness: Assessment

Digital Quality Measures (dQMs) Require New Software

- Digital Quality Measures are implemented and shipped in the FHIR-CQL Standard
  - Need to run NCQA Digital HEDIS® measures
  - Other measures & measure programs
- Software is more than a CQL Engine
  - Assess and compare offerings from Vendors

Software Readiness: Assessment

Tracking Two Categories of Digital Quality Vendors

Incumbents *	New Vendors – Digital HEDIS® **
• Vendors currently in market with 'Traditional' HEDIS® solutions	• Most started with a Digital Quality or CQL Engine
• **>100** HEDIS® Certified Vendors	• **14** Digital Quality vendors listed
• **9** Vendors fully support HEDIS® reporting	• **No** vendor is completely ready to report Digital HEDIS®

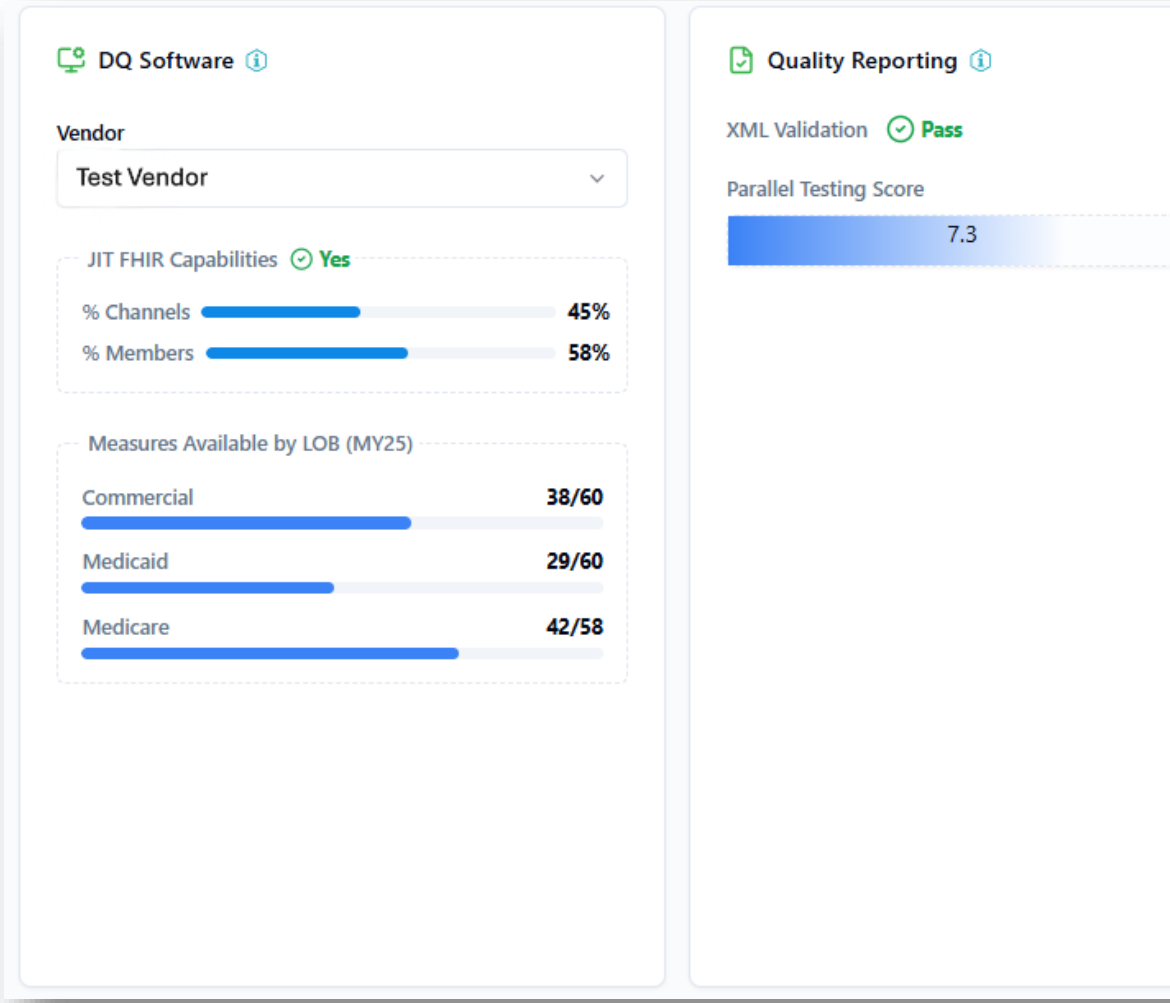
*… based on NCQA listing as of October 2025

** … based on NCQA Digital HEDIS® Directory - NCQA

Planning and Tracking: Software Readiness

Start Evaluating and Tracking DQ Readiness of Vendors

- Incumbent vs. new vendors
- Key criteria:
  Release plan
  - Supported measures (validated)
  - Key capabilities (see above)
  - Implementation readiness & timeline
  - Deployment model: cloud vs. on-prem



Quality Reporting Readiness

Submitting HEDIS® via IDSS

- **Concurrent Testing** is essential (and highly encouraged by NCQA) ahead of reporting digitally

- To accomplish matching results (XML files/IDSS submissions) the following conditions need to be met:

  - ✓ Input data matches that from traditional reporting system
  - ✓ Input data is properly formatted (FHIR)
  - ✓ Measure logic is properly executed
  - ✓ Output files are properly rolled up and assembled (XML)
    - ✓ Initial
    - ✓ Preliminary
    - ✓ Final

Planning and Tracking: Reporting Readiness

Ensure that Your Digital Quality Software Output Matches That of your Traditional Software

- XML File Validation
  - Formatting
  - Data Types & Values
- Comparative Testing
  - Rates Match
  - EP Match

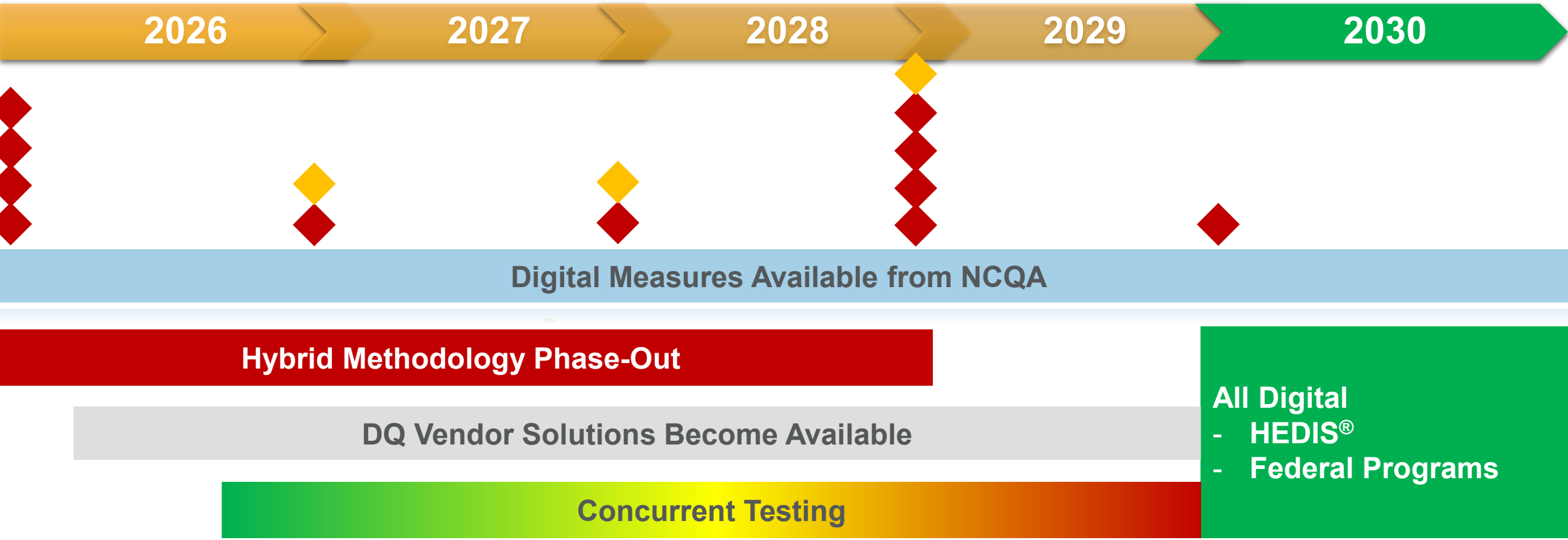
→ Root-Cause Analysis
→ Remediation

Submission XML Report (MY25 · Loaded Mar 10, 2026 2:15 PM)

Measure	Measure Description	Traditional HEDIS	Eligible Population	Difference	Digital HEDIS	Eligible Population
AAB	Avoidance Antibiotic Treatment (Total)	**62.99**	281	Rate: +7.01% pts ▲	**70.00**	300
AAP	Adult Access Ambulatory Care (Total)	**94.31**	15,554	Rate: -0.99% pts ▼	**93.32**	16,144
ADD-E	Continuation	**42.11**	38	Rate: -19.38% pts ▼	**22.73**	44
ADD-E	Initiation	**29.07**	86	Rate: +1.93% pts ▲	**31.00**	200
AHU	Acute Hospital Utilization (Male/Female) (Total) Expected Rate	**37.67**	19,880	Rate: -12.49% pts ▼	**25.18**	24,105
AHU	Acute Hospital Utilization (Male/Female) (Total) OE	**0.5957**	19,880	Rate: +0.27% pts ▲	**0.8610**	24,105
AHU	Acute Hospital Utilization (Male/Female) (Total) Observed Rate	**22.44**	19,880	Rate: -0.76% pts ▼	**21.68**	24,105
AHU	Acute Hospital Utilization (Male/Female) (Total) Outlier Rate	**0.3500**	19,880	Rate: +0.65% pts ▲	**1.00**	24,105
AIS-E	Influenza (Total)	**31.02**	27,850	Rate: -3.51% pts ▼	**27.51**	26,698
AIS-E	TdTap (Total)	**72.23**	27,850	Rate: +0.39% pts ▲	**72.62**	26,698
BCS-E	Breast Cancer Screening (Total)	**58.42**	12,340	Rate: +0.00% pts ▲	**58.42**	12,340

Digital Quality/HEDIS® Transition – Timeline

Major Milestones & Dates



Recap: Planning and Executing Digital Quality Transition

Major Capability Categories

Data Completeness

- Model & address data gaps
- Minimize MRR

Data Readiness (FHIR®)

- Inventory FHIR capabilities
- ‘Reverse’ Approach for FHIR

Software Capabilities

- Survey/RFI/RFP vendors
- Inventory capabilities & deployment model

Quality/HEDIS® Reporting

- Concurrent testing
- Analyze & remediate

Business Metrics Categories

Performance / Goals

- HEDIS® Reporting
- Other Use Cases

Return on Investment (ROI)

- Consider all costs & investments
- Include returns from other use cases

Timeline

Transition Plan

- Plan backwards from 2030
- Hit interim milestones

Moderated Discussion Questions

What are topics that payers do NOT need to be overly concerned about?

Most payers already have sophisticated Clinical Data capabilities – should they think about expanding those or taking a different approach with FHIR?

How should payers approach the challenge of needing more, better, etc. clinical data while dealing with budget and resource pressure?

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Questions?

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