The Need for Value and Accountability in Healthcare

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Outline

- What's the need

- Where are we now

- What evidence can inform our attempts to improve value

- Where is the current momentum

- What challenges do we face moving forward

The Paradox of American Healthcare

- Highly trained practitioners
- State-of-the-art technology
- Unparalleled biomedical research
- Excellent care for some individuals, yet

- Care fragmented and difficult to access
- Many not assured access
- Uncertain value of expenditures
- Serious and systemic quality and patient safety problems

International Comparison

	AUS.	CAN.	GER.	N.ZLD.	U.K.	U.S.
OVERALL RANKING (2007)	3.5	5	2	3.5	1	6
Quality Care	4	6	2.5	2.5	1	5
Right Care	5	6	3	4	2	1
Safe Care	4	5	1	3	2	6
Coordinated Care	3	6	4	2	1	5
Patient-Centered Care	3	6	2	1	4	5
Access	3	5	1	2	4	6
Efficiency	4	5	3	2	1	6
Equity	2	5	4	3	1	6
Long, Healthy, and Productive Lives	1	3	2	4.5	4.5	6
Health Expenditures per Capita, 2004	$2,876*	$3,165	$3,005*	$2,083	$2,546	$6,102

Three Year Comparison

Country Rankings	
	1.0-2.66
	2.67-4.33
	4.34-6.0

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OVERALL RANKING (2007 Edition)	3.5	5	2	3.5	1	6
OVERALL RANKING (2006 Edition)	4	5	1	2	3	6
OVERALL RANKING (2004 Edition)	2	4	n/a	1	3	6
Health Expenditures per Capita, 2004	$2,876*	$3,165	$3,005	$2,083	$2,546	$6,102

State Ranking on Overall Health System Performance
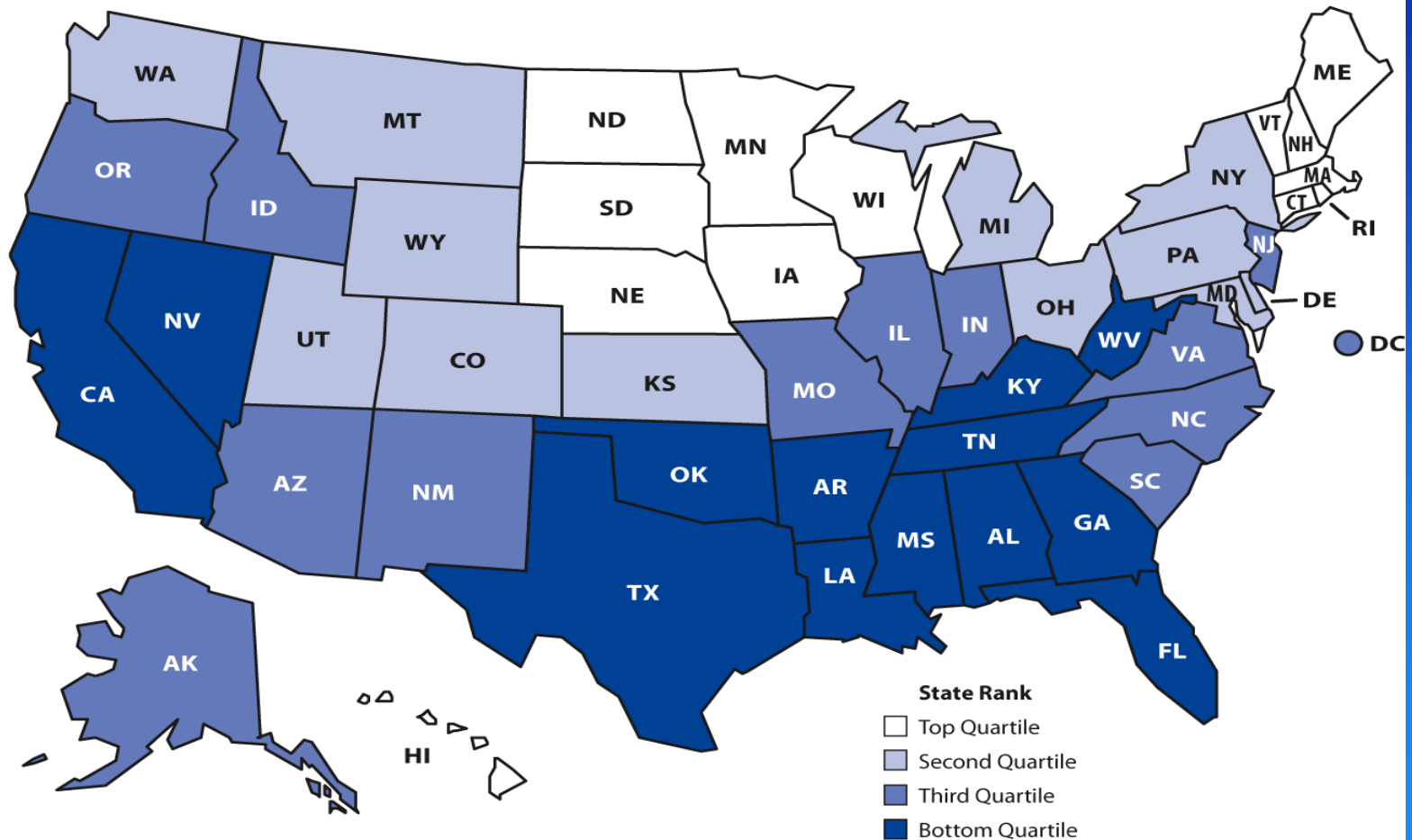
SOURCE: Commonwealth Fund State Scorecard on Health System Performance, 2007

Purchaser Perspective

- Concerned about the value received for their investment in healthcare

- Surprised by lack of systematic quality control and interoperabiity

- Skeptical about paying more for providers to improve quality

Attitudes of Business leaders Regarding Healthcare Coverage   RWJ 2005

Hospital Concerns:

- Decreasing reimbursements

- Workforce shortages

- Increasing indigent/uninsured care

- Emergency departments at or over capacity

- Increasing demands for public reporting

- Increasing pressure to invest in electronic health records

2007 AHA Survey of Hospital Leaders

Physician Stressors:

- Government regulations

Consumer Concerns

- Increasing dissatisfaction with overall healthcare costs and quality

- Growing concern about out of pocket costs

- Confusion about biggest drivers of spending
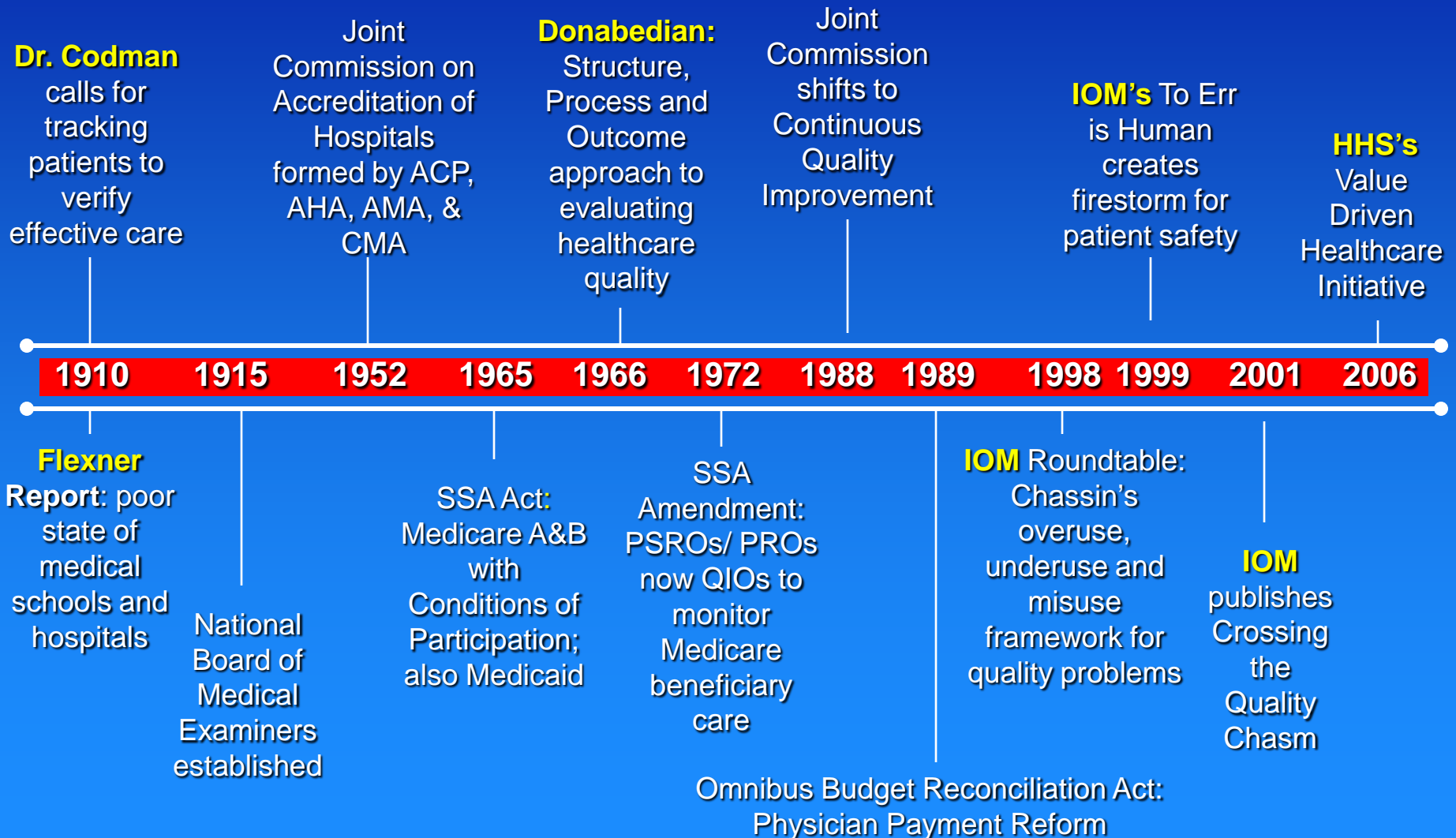
- Desire for major reform

Healthcare in America Kaiser Family Foundation 2006 Survey

Current Landscape

- Numerous reports confirming substantial gap between best possible and actual care

- Increasing demands from purchasers that providers demonstrate quality delivered

- Proliferating disparate pay for performance initiatives

- Increasing measure development and collection burden

- Demonstration that public reporting of performance leads to improvements

- Recognition that measures ultimately require efficient data capture through electronic health records

(Brief) U.S. History for Quality Care:

AHRQ — Advancing Excellence in Health Care

Dr. Codman calls for tracking patients to verify effective care

Joint Commission on Accreditation of Hospitals formed by ACP, AHA, AMA, & CMA

Donabedian: Structure, Process and Outcome approach to evaluating healthcare quality

Joint Commission shifts to Continuous Quality Improvement

IOM's To Err is Human creates firestorm for patient safety

HHS's Value Driven Healthcare Initiative

| 1910 | 1915 | 1952 | 1965 | 1966 | 1972 | 1988 | 1989 | 1998 | 1999 | 2001 | 2006 |

Flexner Report: poor state of medical schools and hospitals

National Board of Medical Examiners established

SSA Act: Medicare A&B with Conditions of Participation; also Medicaid

SSA Amendment: PSROs/ PROs now QIOs to monitor Medicare beneficiary care

IOM Roundtable: Chassin's overuse, underuse and misuse framework for quality problems

IOM publishes Crossing the Quality Chasm

Omnibus Budget Reconciliation Act: Physician Payment Reform

Approaches to Improve Quality and Value of Healthcare

- **Within the Delivery System**
  - People (leadership, culture, rewards, payment, accountability)
  - Information management (measurement, information technology)
  - Process improvement (CQI, six-sigma, lean, positive deviance)
  - Patient activation/engagement

Approaches to Improve Quality and Value of Healthcare

- **Beyond the Delivery System**
  - Accreditation and professional accountability
  - Legislation
  - Increasing information availability / transparency
  - Behavior shaping (incentives and disincentives)
  - Consensus building for voluntary action

What We Think We Know

- **Public Reporting**
  - stimulates hospital quality improvement
  - has inconsistent effect on hospital outcomes
  - has inconsistent effect on hospital and or practitioner selection
  - has modest association with plan selection

    Fung et al, Annals of IM, Jan 2008

- **Tiered Physician Networks**
  - Minorities distributed evenly among specialists regardless of designation as efficient or not

    Brennan et al, Health Affairs, July/Aug 2008

What We Think We Know

- **Pay for Performance key design elements:**
  - Deciding on individual vs group payment
  - Paying the right amount
  - Selecting high-impact performance measures
  - Having payments reward all high-quality care
  - Making quality improvement for underserved populations a priority

  Rosenthal & Dudley, JAMA, Feb 2007

- **Valid, reliable, standardized performance metrics critical for apple-to-apple comparisons**

Cornerstones of Value-Driven Health Care

Quality Standards
Design systems to collect quality of care information and define what constitutes quality health care

Price Standards
Aggregate claims information to enable cost comparisons between specific doctors and hospitals

Interoperability
Set common technical standards for quick and secure communication and data exchange

Incentives
Reward those who provide and purchase high-quality and competitively priced health care

Principles

- All healthcare is local

- Purchasers, health plans, providers and consumers all need to work together

- Broad access to accurate, meaningful information will improve the value of healthcare services by-----

Principles

- **Making standard performance information accessible for**
  - Provider improvement
  - Consumer decision-making about provider and treatment selection
  - Public policies and payment policies that reward or foster better provider performance and consumer behavior

How do we get there?

- Engage national/local healthcare alliances to build consensus on standards and measures and

- Nurture multi-stakeholder community collaboratives to facilitate and manage ongoing effective local stakeholder relationships and coordinate the implementation of local activities

National Healthcare Alliances

- NQF
- American Health Information Community
- Hospital Quality Alliance (HQA)
- AQA Alliance
- AQA/HQA Quality Alliance Steering Committee (QASC)
- Numerous workgroups of all of the above

HQA

- Collaboration of CMS, AHA, FAH, AAMC
- Participation includes AHRQ, NQF, JACHO, AMA, ANA, AFL-CIO, AARP, others
- Goal is to identify a robust set of standardized and easy to understand hospital quality measures
- Hospital Compare debuted April 2005
- HCAHPs public posting December 2007

AQA

- Started by AHRQ, AAFP, AHIP, and ACP
- Parameters/principles to guide AQA workgroups
- Consensus on rapidly expanding list of quality measures
- Ongoing work on cost of care
- Description of data stewardship entity
- Ongoing support for pilot project

Quality Alliance Steering Committee

- Harmonize measures across settings
- Clarify roles and sustainable funding for performance measurement
- Support the work of NQF
- Expand scope and number of local collaboratives
- Develop consensus on approaches to episodes of care and price transparency

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Chartered Value Exchanges

- Maintain stakeholder engagement and serve as coordinating hub

- Obtain or generate standard performance information

- Engage providers in improvement

- Facilitate consumer decision-making

- Promote policies and incentives that reward better performance

- Promote health information technology and health information exchange

Benefits

- **HHS Designation**
- **Learning Network Membership**
  - Peer to peer learning through facilitated meetings, both face to face and virtual
  - Tools, access to experts, and ongoing web-based communication and information sharing
  - Channel for raising issues to be addressed by national consensus-building organizations
  - Channel for informing and participating in national goal setting for quality improvement

Chartered Value Exchanges

Issues/Challenges

- Coordination of methods and performance results among those generating information

- Obtaining timely data or information routinely

- Migration of measure calculation based solely on aggregated claims data to measure calculation that includes aggregated electronic data and fosters real time patient care improvement

- Dimensions on which to standardize

- Dimensions on which to cooperate versus compete

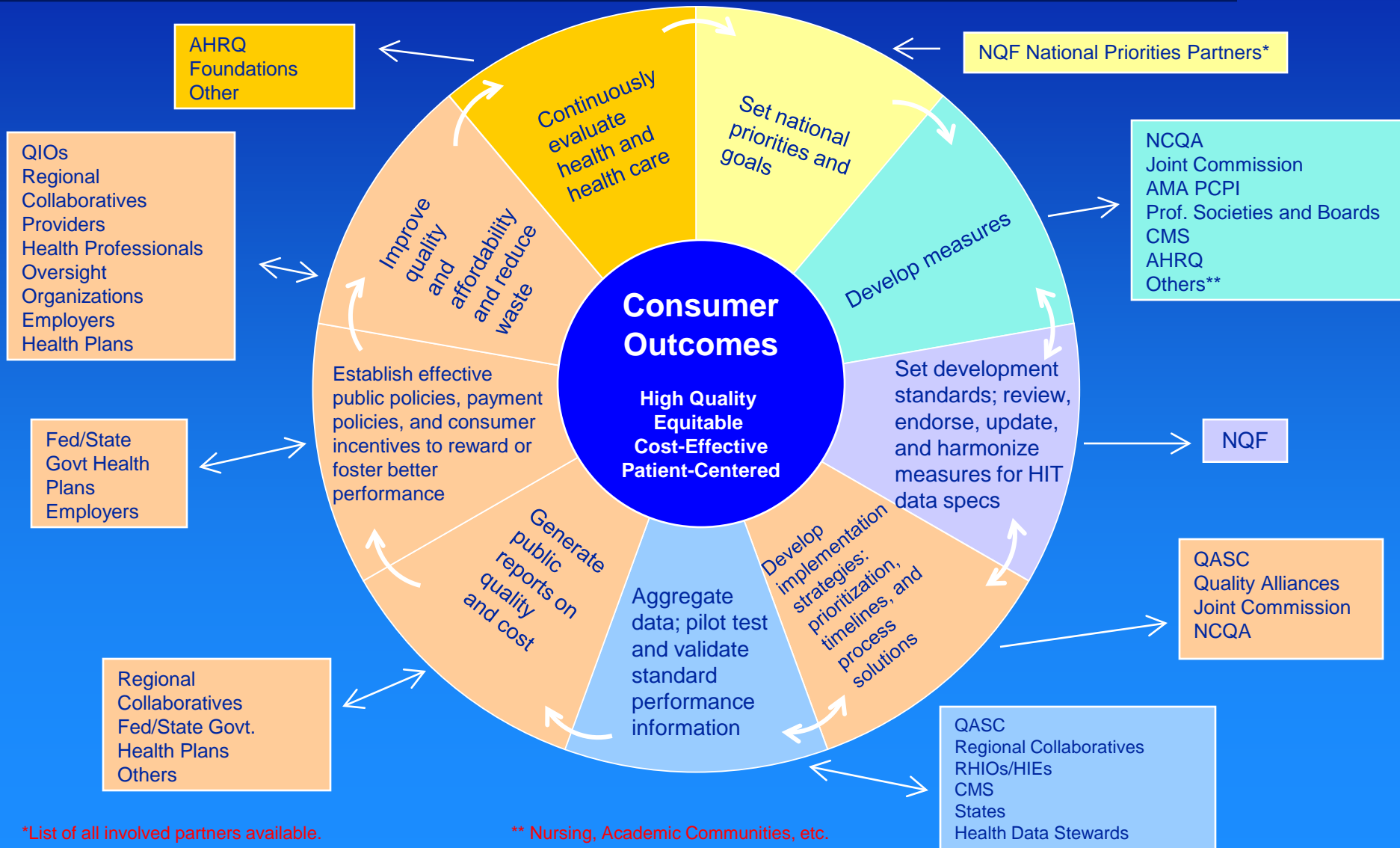# Plethora of Initiatives

- **CMS**
  - Physician Quality Reporting
  - Hospital Quality and Price Reporting
  - Physician group practice demonstration
  - Chronic care improvement program
  - EHR Adoption Demonstration
  - Medicaid Transformation Grants
- **Leapfrog surveys**
- **Bridges to Excellence**
- **Aligning Forces for Quality**

National Framework for Quality and Cost Transparency for High-Value Care

AHRQ
Foundations
Other

NQF National Priorities Partners*

QIOs
Regional
Collaboratives
Providers
Health Professionals
Oversight
Organizations
Employers
Health Plans

NCQA
Joint Commission
AMA PCPI
Prof. Societies and Boards
CMS
AHRQ
Others**

Fed/State
Govt Health
Plans
Employers

NQF

Regional
Collaboratives
Fed/State Govt.
Health Plans
Others

QASC
Quality Alliances
Joint Commission
NCQA

QASC
Regional Collaboratives
RHIOs/HIEs
CMS
States
Health Data Stewards

Continuously evaluate health and health care

Set national priorities and goals

Develop measures

Improve quality and affordability and reduce waste

Establish effective public policies, payment policies, and consumer incentives to reward or foster better performance

Set development standards; review, endorse, update, and harmonize measures for HIT data specs

Generate public reports on quality and cost

Aggregate data; pilot test and validate standard performance information

Develop implementation strategies: prioritization, timelines, and process solutions

Consumer Outcomes

**High Quality
Equitable
Cost-Effective
Patient-Centered**

*List of all involved partners available.   ** Nursing, Academic Communities, etc.

Questions?

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