Driving Quality and Efficiency Improvements Through IT Adoption: The California Experience

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Pacific Business Group on Health
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About the Pacific Business Group on Health

- Founded in 1989
- 47 large employer members
- Billions in annual health care expenditures
- >3 million covered lives
- PacAdvantage: small group purchasing pool (15,000 small groups of 2-50 employees)

Pacific Business Group on Health Members

Pacific Business Group on Health: Mission and Priorities

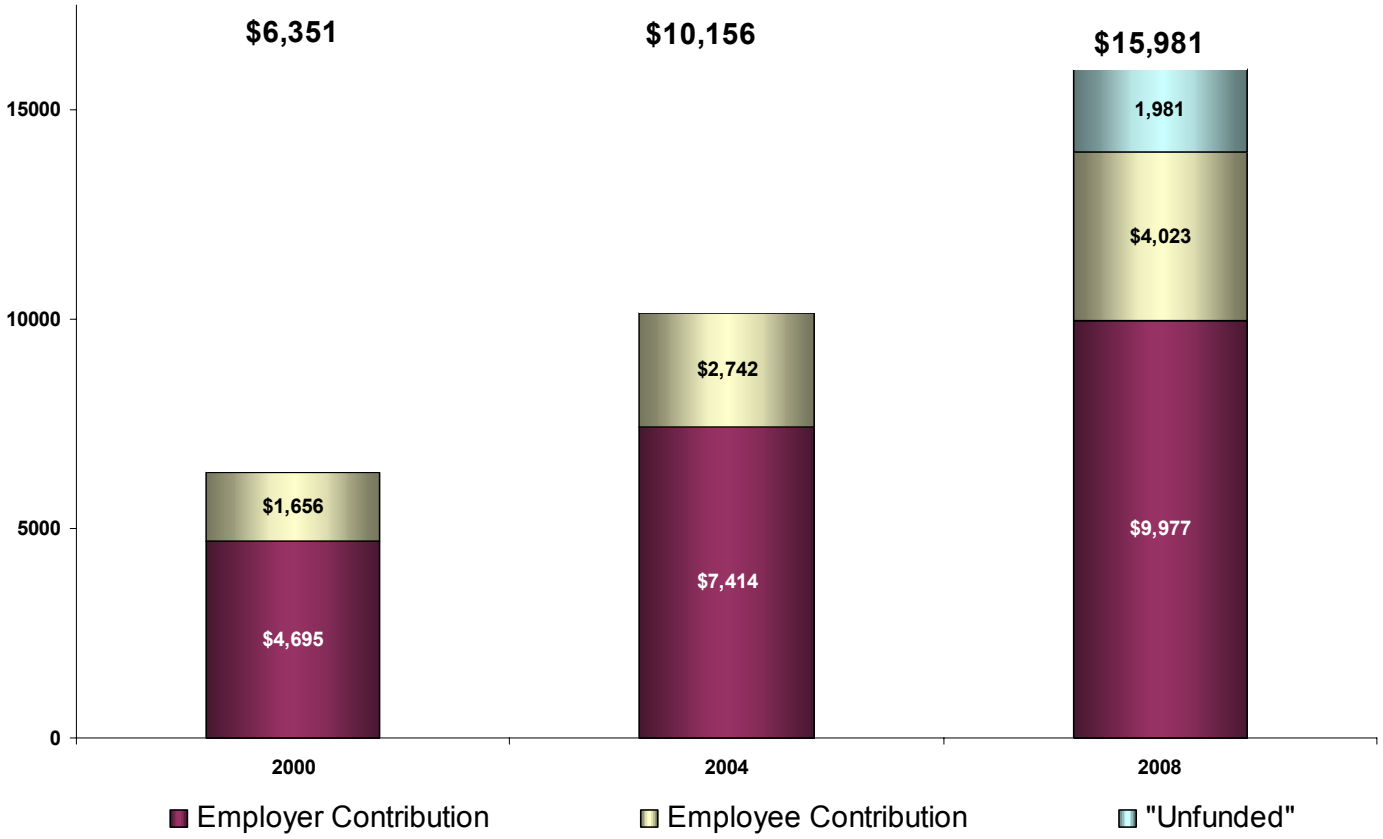
Mission: To improve the quality and availability of health care while moderating costs.

- Quality Measurement and Improvement
- Value Purchasing
- Consumer Engagement

Cost Increases - The Visible Problem

The Price of Cost Increases

Rapid spiral with employees increasingly feeling the pain



Family Coverage Cost: Actual Kaiser/HRET data; 2004-2008 projection based on 12% cost increases, employers' budgeting 8% and sharing 1/3 of increase.

Cost Excesses – the Invisible Problem

- >2X per capita Medicare spending differential (age/sex/race-adjusted) between highest and lowest cost regions[1]
- More is not better: residents of high-spending regions received 60% more care but did not have better quality or outcomes of care[2]
- 30% cost savings potential for Medicare[1]

Sources: [1]Wennberg, J.E., E. S. Fisher, and J. S. Skinner, *Health Affairs* Web Exclusive, 2/13/02
[2]Fisher, E. S., et al., *Ann Intern Med.* 2003; 138:273-287.

The Other Invisible Problem: Quality Shortfalls

Table 3. Adherence to Quality Indicators, Overall and According to Type of Care and Function.

Variable	No. of Indicators	No. of Participants Eligible	Total No. of Times Indicator Eligibility Was Met	Percentage of Recommended Care Received (95% CI)*
Overall care	439	6712	98,649	54.9 (54.3–55.5)
Type of care				
Preventive	38	6711	55,268	54.9 (54.2–55.6)
Acute	153	2318	19,815	53.5 (52.0–55.0)
Chronic	248	3387	23,566	56.1 (55.0–57.3)
Function				
Screening	41	6711	39,486	52.2 (51.3–53.2)
Diagnosis	178	6217	29,679	55.7 (54.5–56.8)
Treatment	173	6707	23,019	57.5 (56.5–58.4)
Follow-up	47	2413	6,465	58.5 (56.6–60.4)

* CI denotes confidence interval.

Source: McGlynn, et al., *NEJM* 2003, 348:2635-45

IT as a Key Solution

- More timely care
  - e.g., patient reminders
- Better coordination of care
- Fewer errors
  - e.g., CPOE
- Lower costs

PBGH Data Vision (1996)

"Get it, Move it, Use it"

- Computer-Based Patient Record
  - to capture data at the point of care
- Electronic Data Exchange
  - to send and receive standardized data sets
- Built-in Feedback Mechanism
  - to allow for continuous process improvement

Employer Strategies to Promote Interoperable IT Adoption

- Lead/participate in local and statewide initiatives to adopt standards
  - CALINX
  - CHCF Clinical Data Project
- Align incentives – create a business case for IT investment by providers
  - IHA Pay-for-Performance program
- Build into contracting
  - Health plans (eValue8 RFI)
  - Carve-out vendors

CALINX (California Information Exchange) 1997-2000

- Multistakeholder collaboration (purchaser/plan/provider)
  - Organized by PBGH
  - Financial support from California Healthcare Foundation
- Standardized data sets
- Created business rules of exchange
- Conducted demonstration projects
  - Enrollment/Eligibility
  - Encounters
  - Pharmacy
- Failed to gain widespread adoption

California Clinical Data Project: Setting Standards (2004)

- Initiated by California Healthcare Foundation – "enabling chronic care"
- Stakeholders: purchasers/plans/providers/lab vendors
- Goals:
  - Establish a set of uniform processes and procedures for clinical data exchange
  - Ensure lab data is consistently transferred in a standardized format
  - Ensure pharmacy data is consistently transferred in a standardized format
  - Explore and promote advanced approaches to matching patient data from disparate sources
  - Promote the adoption of clinical IT that supports the use of standards
- Status:
  - Pharmacy data exchange implementation early 2005
  - Lab data exchange implementation mid-2005
  - Seeking permanent governance structure

What changed?

- IHA Pay-for-Performance
  - Implemented in 2003; first payouts in 2004
  - Plans agree to reward providers on common set of performance measures
    - Clinical (HEDIS) using admin. data only = 40%
    - Patient experience (CAS) = 40%
    - IT investment = 20%
  - Large $ at stake
- CAPG Clinical Data Repository
  - Provider-driven benchmarking project
  - 11 large capitated physician groups

Promotion Through Contracting

eValue8 RFI – 400 plans nationwide

- Use of standards for electronic data exchange
- Participation in community-based health info. exchange
- Member provider selection and connectivity tools
- e-Rx, e-lab results
- EHR
- Web visits
- Incentives to promote adoption of standards-based, interoperable IT tools by practitioners

To Learn More…

www.pbgh.org — an overview of PBGH programs and initiatives

www.HealthScope.org — consumer Web site with health plan and provider quality measurements

www.PacAdvantage.org — small group purchasing pool

http://chooser.pacadvantage.org — sample site to assist enrollees in plan selection

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