

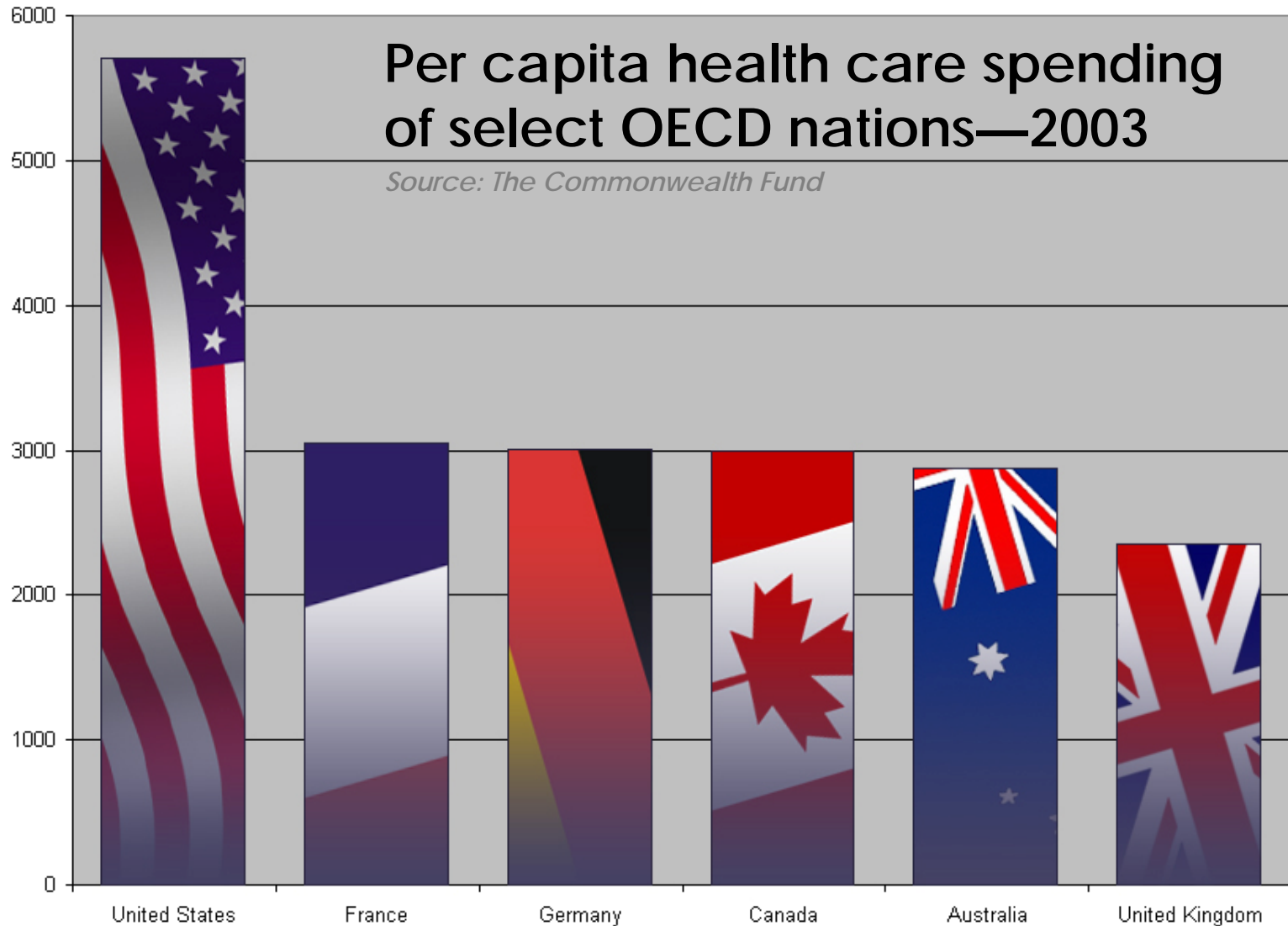
THE ACUTE NEED FOR DELIVERY SYSTEM REFORM



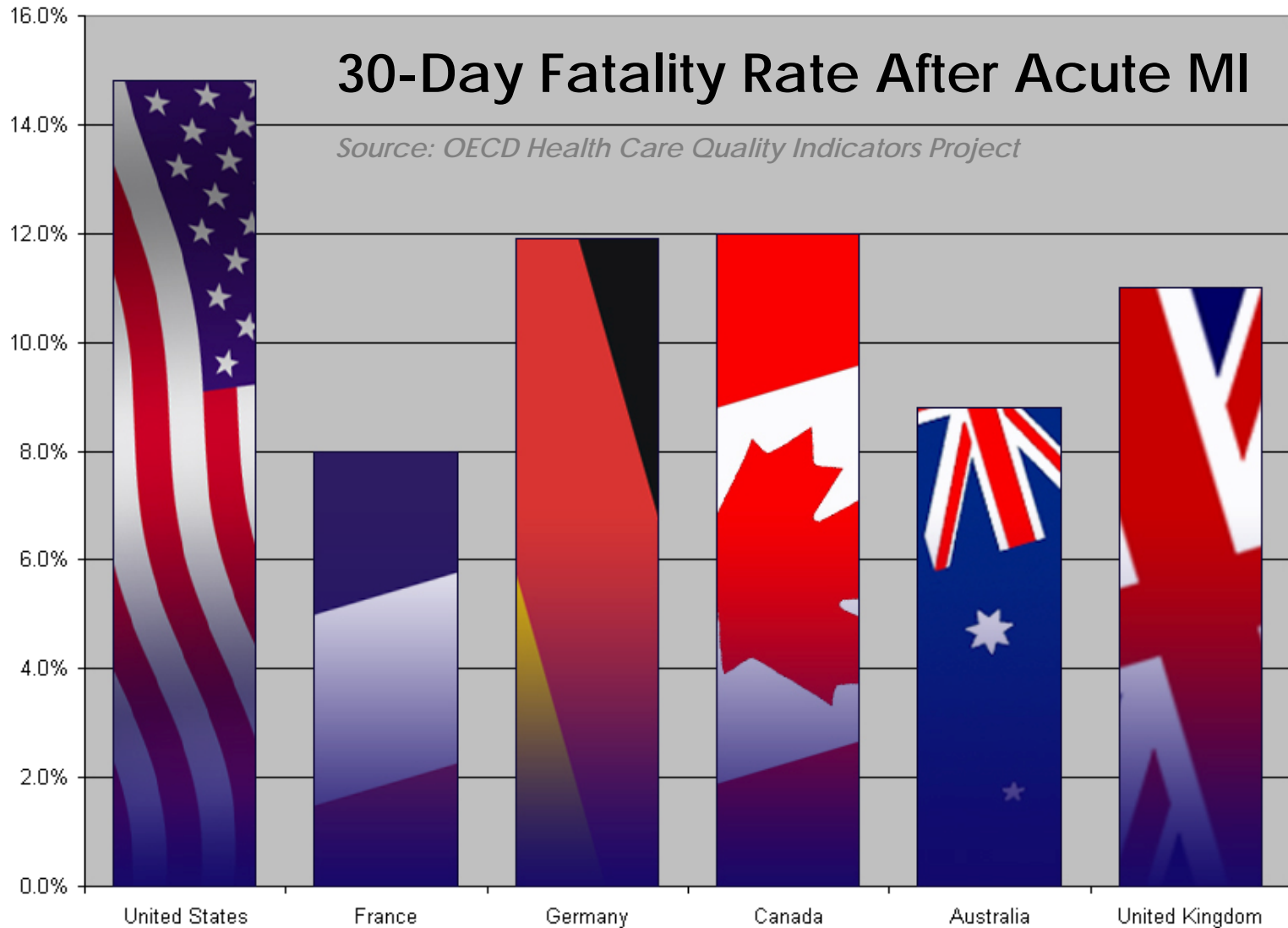
MARGARET E. O'KANE



WE PAY ALMOST *DOUBLE* OTHER INDUSTRIALIZED NATIONS



BUT WE DON'T GET WHAT WE PAY FOR



FRAGMENTATION LEADS TO...

- Underuse of IT
- Overuse of expensive services
- Poor care coordination
- Higher costs for preventable diseases (i.e., diabetes)

BUT HIGH-PERFORMING SYSTEMS EXIST!

- Geisinger Health System
- Intermountain Health Care
- Marshfield Clinic
- Kaiser Permanente
- Mayo Clinic

Exhibit ES-1. Organization and Payment Methods



Source: The Commonwealth Fund, 2008

REFORMS NEEDED

1. Patient-Centered Medical Home

- Give every American the opportunity to join a Patient-Centered Medical Home (PCMH) by 2011.
- Short-term reforms should increase payments to primary care providers,
- Provide support for primary care medical education
- Expand Medicare's Patient-Centered Medical Home demonstration project

REFORMS NEEDED

2. Promotion of Integrated Delivery Systems

- Medicare's **Physician Group Practice Demonstration** provided incentives to increase patient engagement, expand care management, improve care transitions and increase the role of non-physician providers
- Similar principles in **Physician Hospital Collaboration Demonstration**
- Both projects provide experience, model for future reform

REFORMS NEEDED

3. Payment Reform!

- P4P was the first step away from FFS
- FFS is outmoded and leads to overuse
- Need approaches that use bundled payments across sites of care
- Gain-sharing will allow providers and systems to reduce overuse without paying a financial penalty

REFORMS NEEDED

4. Evidence Stewardship

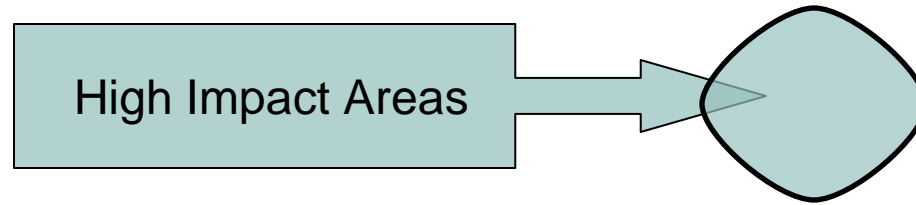
- We don't have evidence to support much of the medical care we deliver
- Little evidence to support treatment for the elderly and children
- No coherent agenda exists to compare the effectiveness of different treatments.
- It takes far too long for evidence to get from the bench to the bedside.
- Competing/conflicting measures, failure to align public and private measurement and reporting create confusion

The National Priorities Partnership: A Strong Step Forward

- **Convened by the National Quality Forum**
- **28 multi-stakeholder organizations**
 - Consumers, purchasers, quality alliances, health professionals, public and private health organizations, health plans
- **Strong commitment to performance measurement, public reporting**
- **Willing to work collaboratively, prepared to advocate**

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National Priorities



- Patient and family engagement
- Population health
- Safety
- Palliative care
- Care coordination
- Overuse
- Management of patient-focused episodes

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**REAL REFORM REQUIRES
ALIGNMENT OF VOICES,
POLITICAL WILL, COURAGE**

