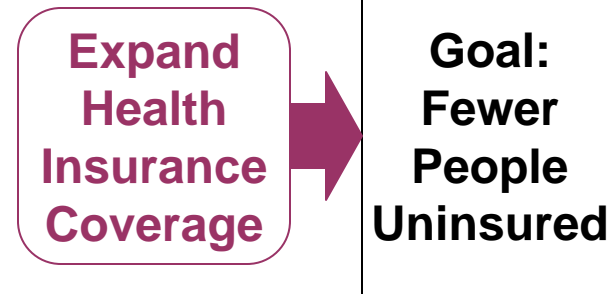




WHERE THE ACTION IS: Healthcare Payment and Delivery Reform in States and Regions

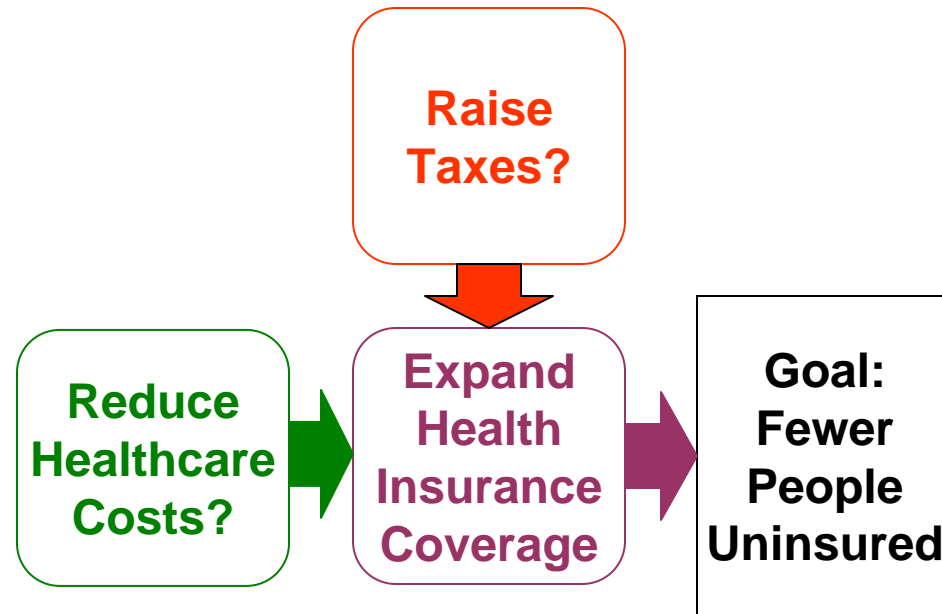
Harold D. Miller
President & CEO
Network for Regional Healthcare Improvement
March 2010

The Healthcare Problem Washington Is Trying to Solve

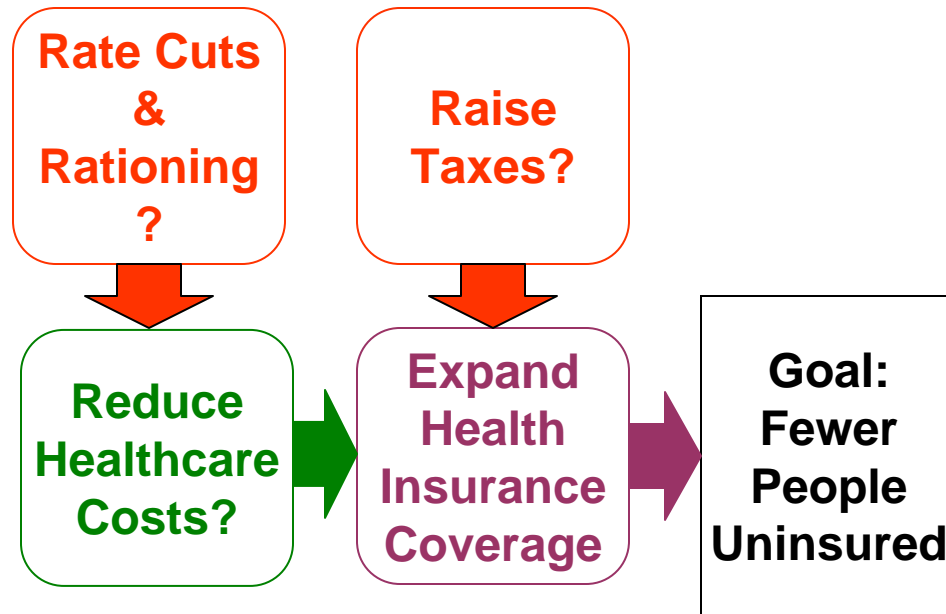


- Individual Mandate?
- Employer Mandate?
- Public Plan?
- Community Rating?

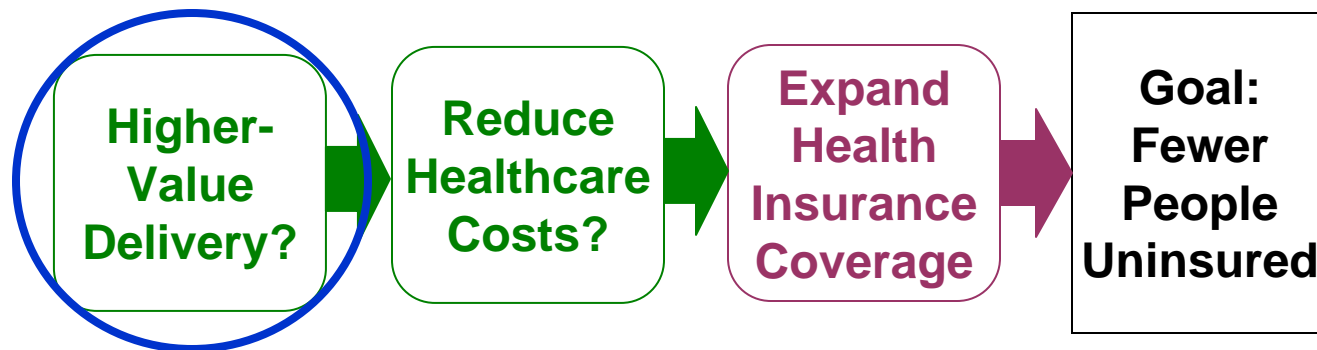
But How to Pay For It?



Reducing Costs Isn't a Better Option if it Means *Rationing*

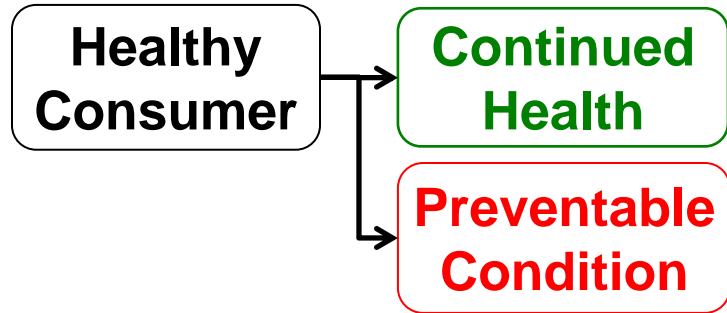


The Ideal Path – But Is It Possible?

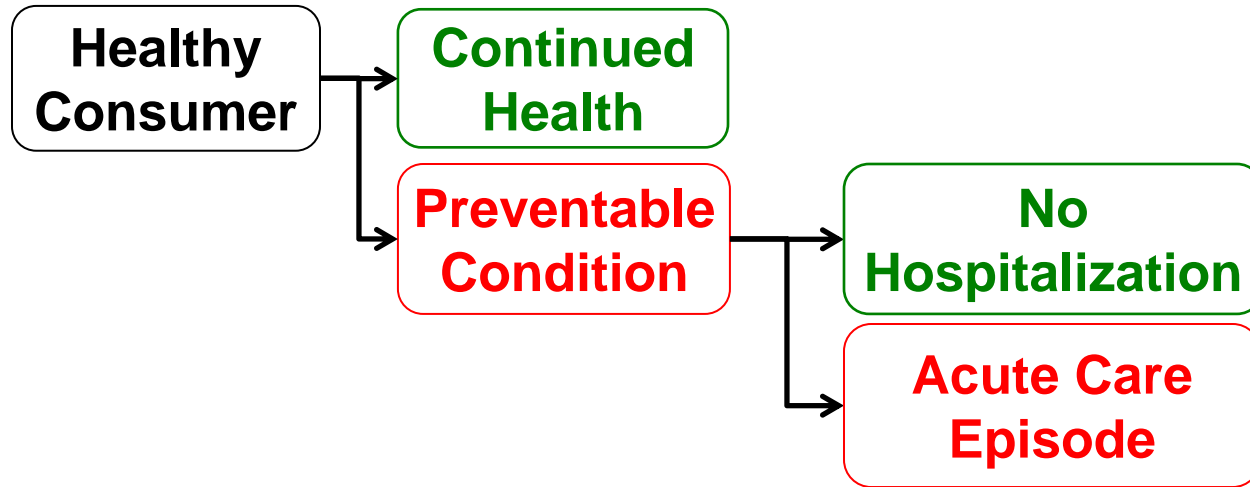


**THE “HOLY GRAIL”:
BETTER, MORE
AFFORDABLE
HEALTH CARE
WITHOUT RATIONING**

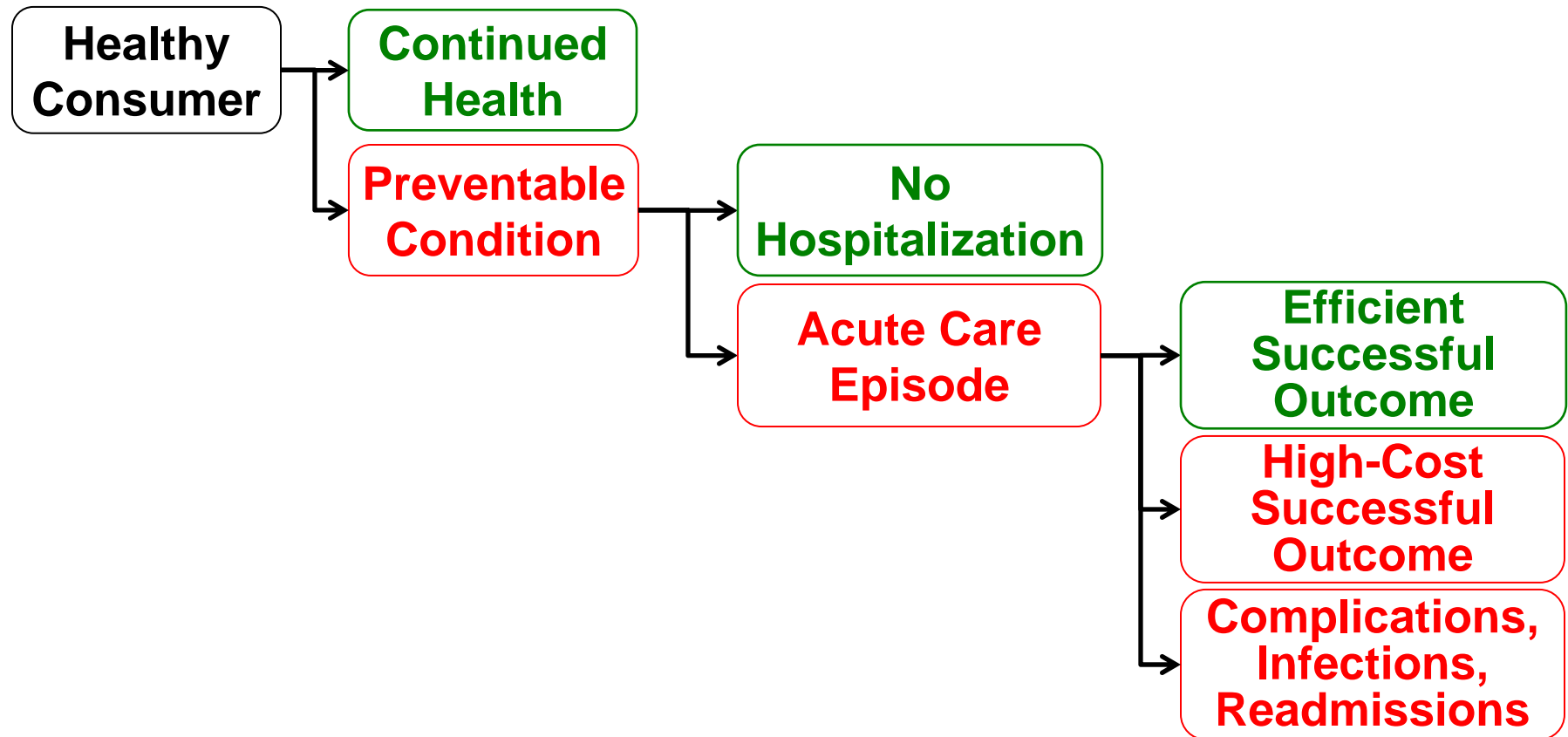
nrhi Reducing Costs Without Rationing: Prevention



Reducing Costs Without Rationing: Avoiding Hospitalizations



nrhi Reducing Costs Without Rationing: Efficient, Successful Treatment



Reducing Costs Without Rationing
Can't Be Done from Washington...

...It Has to Happen at the Local Level,
Where Healthcare is Delivered.

- Barrier:
 - Most communities don't know if they have high rates of preventable utilization, complications, etc.
 - Individual providers don't know if their utilization is high
 - PCPs typically don't even know if their patients go to the ER or are hospitalized

Barrier #1: Lack of Information

- **Barrier:**
 - Most communities don't know if they have high rates of preventable utilization, complications, etc.
 - Individual providers don't know if their utilization is high
 - PCPs typically don't even know if their patients go to the ER or are hospitalized
- **Solution:**
 - Collect and analyze data to show opportunities for cost savings & quality improvement

State/Regional Leadership on All-Payer Quality Reporting

Puget Sound Health Alliance



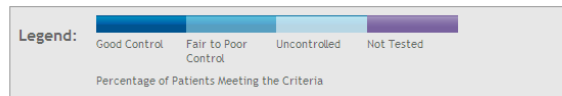
Health Alliance Community Checkup

	Blood Sugar (HbA1c) Test	Cholesterol Test (LDL-C or bad cholesterol)	Eye Exam	Kidney Disease Screening
45th St. Medical Clinic - Neighborcare Health (KING)				
Auburn MultiCare Clinic (KING)				
Bothell Clinic - Lakeshore Clinic (KING)				
Cascade Primary Care - Valley Medical Center (KING)				
Evergreen Medical Group Woodinville (KING)				

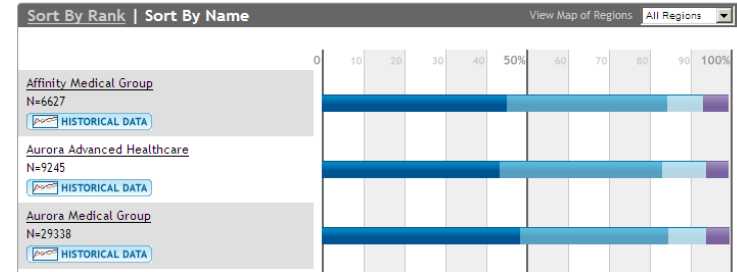
Wisconsin Collaborative for Healthcare Quality

Diabetes: Blood Sugar (A1c) Control [WCHQ](#)

This measure assesses the care of **150,966** patients with Diabetes. [More](#)



Reporting Period:



Minnesota Community Measurement



MINNESOTA HealthScores™

When Health Care Improves, Everyone Wins.

Breast Cancer Screening

Women of a certain age should get a regular mammogram to check for signs of breast cancer. This measure shows the percentage of women, ages 52-69, who had a mammogram during the past two years.

Western Ob/Gyn

[view profile](#)

Metropolitan Ob & Gyn

[view profile](#)

United Family Medicine

[view profile](#)

Breast Cancer Screening

100%

89%

65%

Maine Health Management Coalition

Maine Doctor Ratings

Primary Care Physicians

Sort by: Highest Rated | Name | City

Doctor Ratings Explained
page last updated May 2009

[view Pediatric Practices](#)



Uses Clinical Office Systems
ratings explained

Measures Results of Diabetes Care
ratings explained

Measures Results of Heart Disease Care
ratings explained

Bridgton Internal Medicine
25 Hospital Drive, Suite #2, Bridgton Hospital Physician Group, **Bridgton** 04009 · [view map](#)



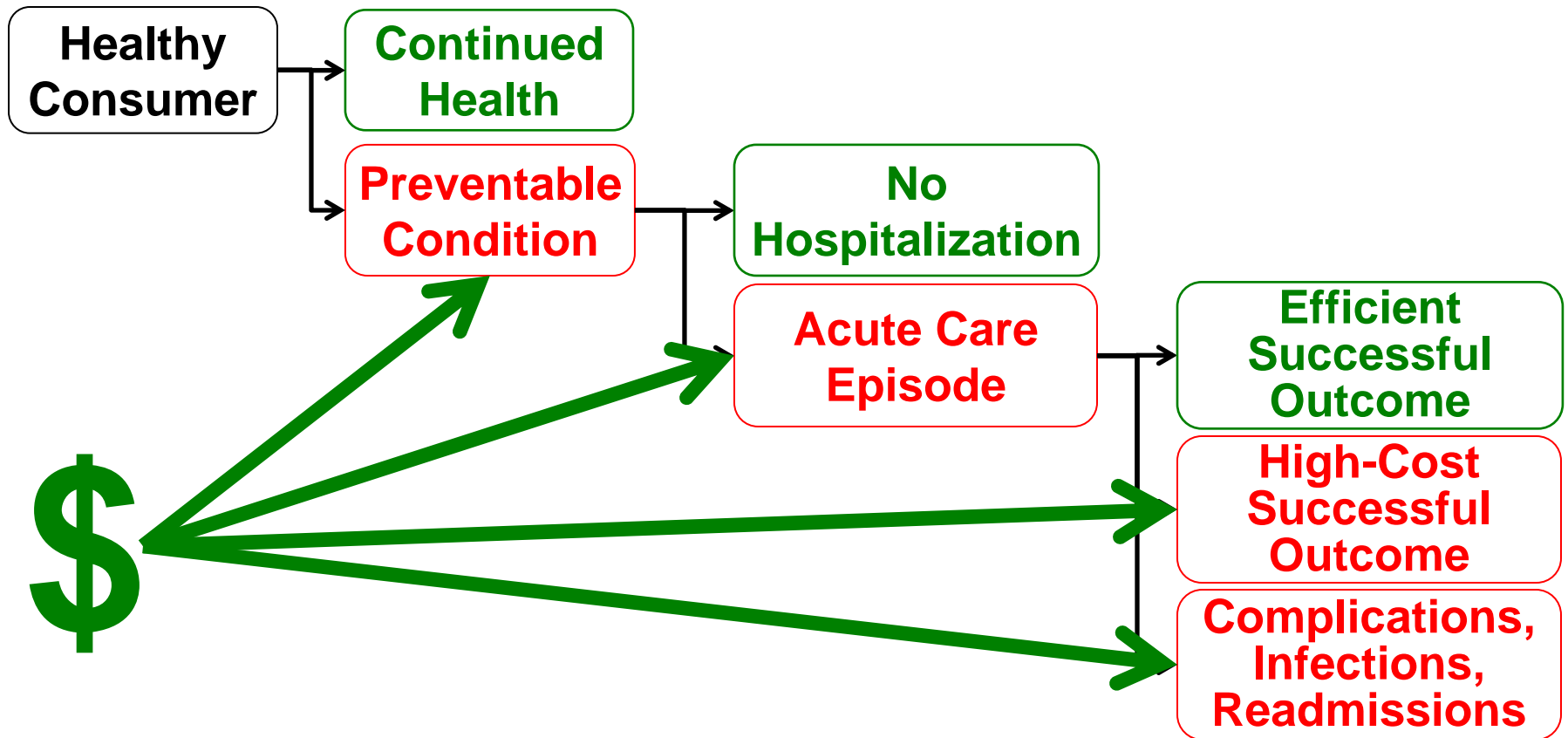
Eastern Maine Medical Center Husson Internal Medicine
302 Husson Ave, Suite One, **Bangor** 04401 · [view map](#)



Martin's Point Family Practice
6 Farley Road, **Brunswick** 04011 · [view map](#)



Barrier #2: Payment Systems Reward Bad Outcomes





Wait for a Federal Solution? Look Who's Actually Leading...

	STATES & REGIONAL COLLABORATIVES	CONGRESS/ MEDICARE
Pay for Performance	Most regions and payers have some form of P4P for hospitals and/or MDs	Still thinking about it
Medical Homes	Major initiatives underway in CO, MA, ME, MI, MN, NC, OR, PA, RI, VT, WA & others	Started a demonstration project, then stopped
Episode/Bundled Payment	Initiatives beginning in Minnesota, Rockford (IL), Pennsylvania, Utah, others	Cardiac Demo in 1990s not expanded; new demo started in 2010
Total Cost Accountability	Initiatives in place or being developed in MA, ME, MN, Medicaid	Shared savings demos with large MD groups

What's Needed to Get Payment Reform Started

- **Building community consensus on multi-payer payment reforms and getting a feasible transition plan underway**
 - Organize Payment Reform Summits, as Maine, Oregon, & Washington have done, and Nevada, Pittsburgh, & Wisconsin will do this spring
 - Facilitate direct communication between purchasers & providers
 - Develop a common approach among multiple payers, as ICSI has done in Minnesota, and others are currently seeking to do.

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 - Facilitate direct communication between purchasers & providers
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- **Providing the data needed for planning and pricing**
 - “Shared savings” only works if you know where savings opportunities are and how to achieve them
 - Multi-payer claims databases provide a means to simulate different payment models through a neutral, trusted source

nrhi Barrier #3: Delivery System Reform Needed for Payment Reform

- Problem: Most providers are not trained or organized to improve quality and reduce costs without assistance, even if payment incentives are aligned

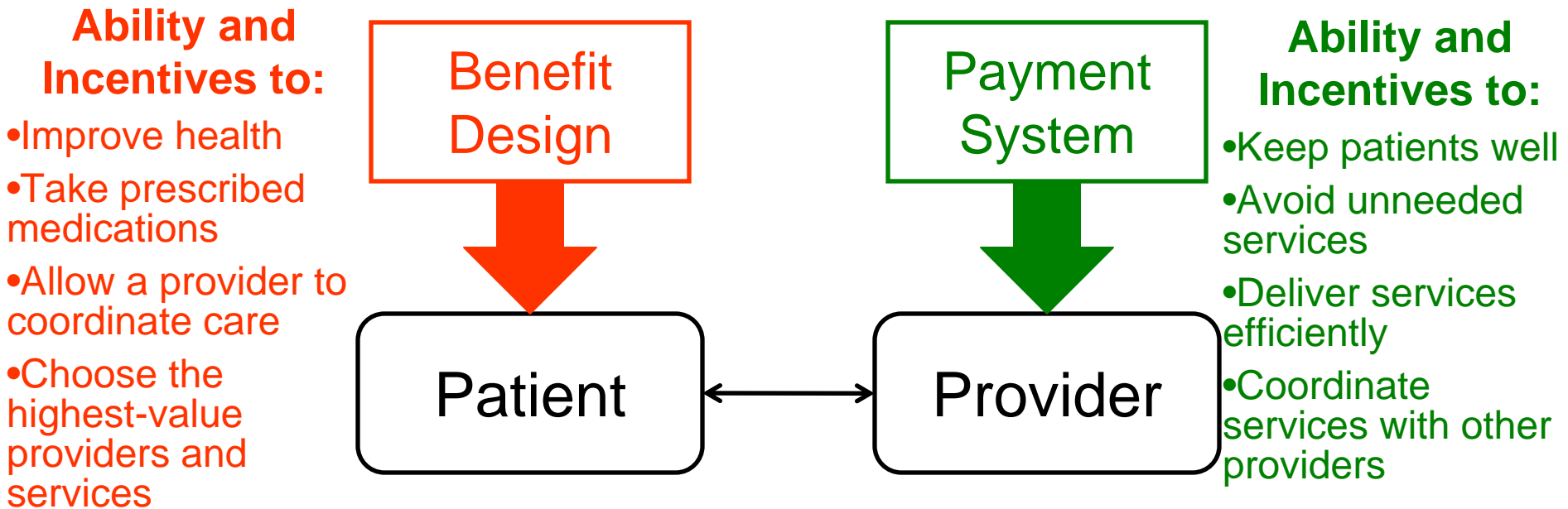
Barrier #3: Delivery System Reform Needed for Payment Reform

- Problem: Most providers are not trained or organized to improve quality and reduce costs without assistance, even if payment incentives are aligned
- Solution #1: Training and coaching focused on quality/efficiency improvement and utilization reduction
- Solution #2: Helping small physician practices build capacity as medical homes/ACOs
- Solution #3: Helping PCPs, specialists, and hospitals to better coordinate care

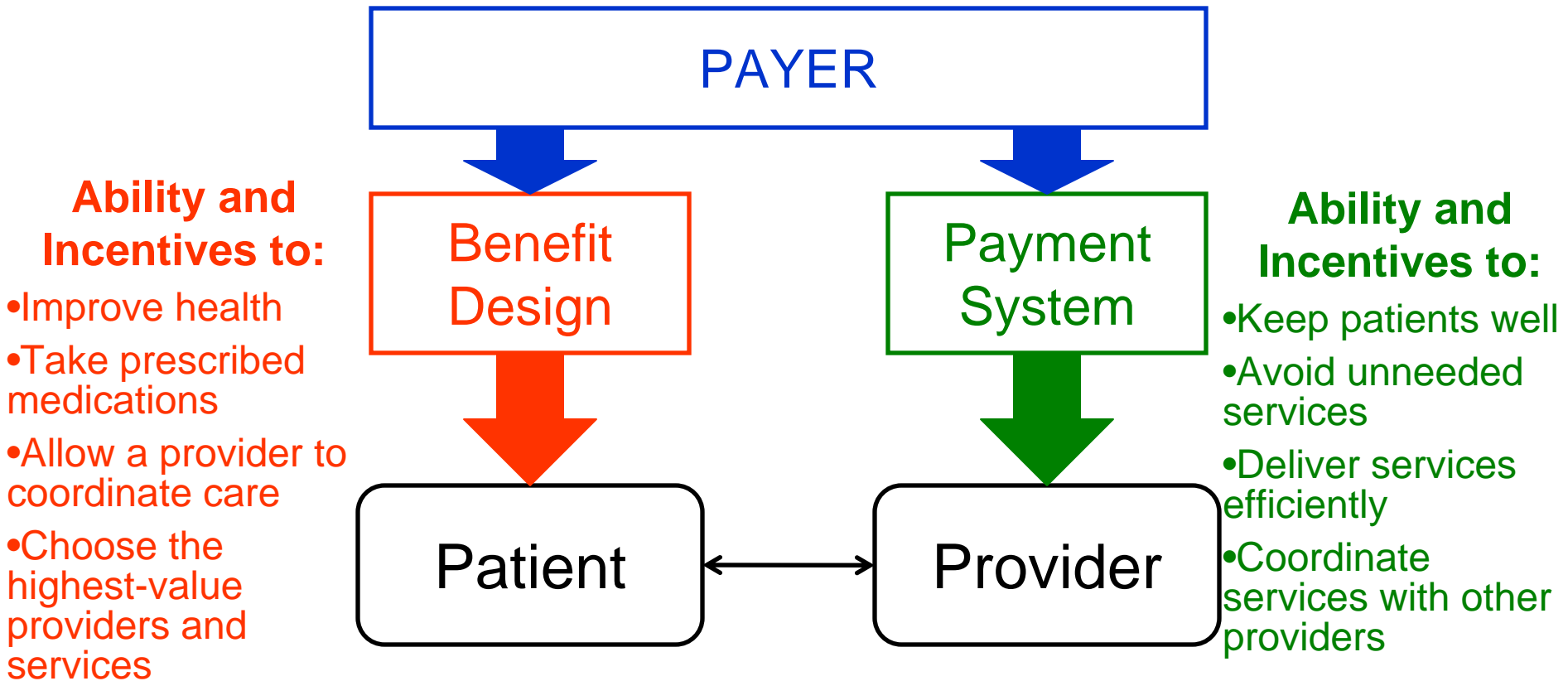
Impact of Federal Legislation on Payment/Delivery Reform

- If federal health reform passes:
 - Limited to pilot projects for Payment Reform/Accountable Care Organization; few significant broad-based changes
 - Applications for pilots will likely be primarily large providers/integrated systems unless communities help their smaller providers organize to apply
 - Communities with multi-payer initiatives will likely/hopefully receive preference from CMS for Medicare pilots
- If it doesn't pass:
 - Locally-organized projects with commercial payers will be the only way for payment and delivery reform to happen
 - Communities can still pursue case-by-case Medicare waivers

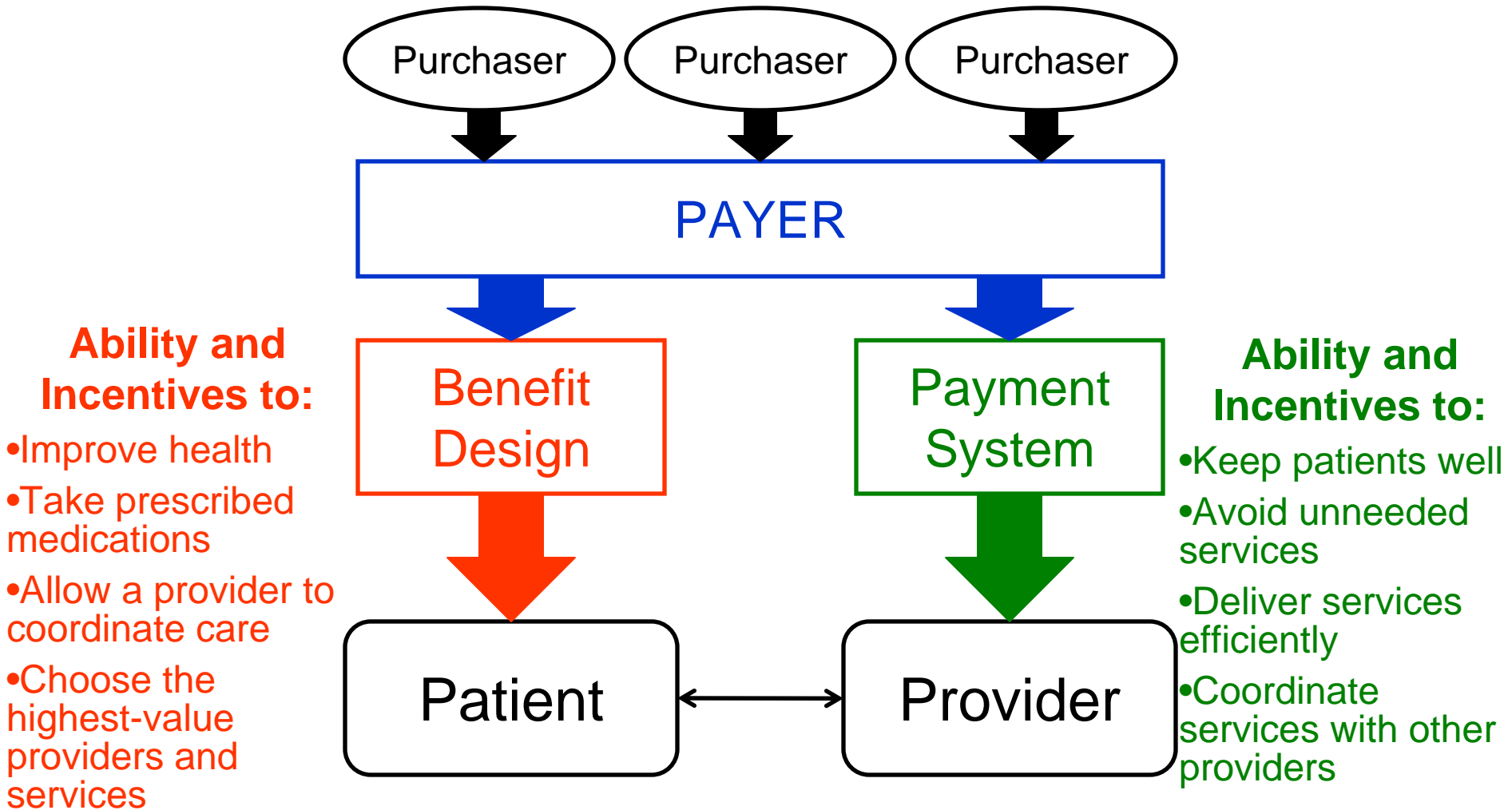
Barrier #4: Benefit Design Changes Are Critical to Success



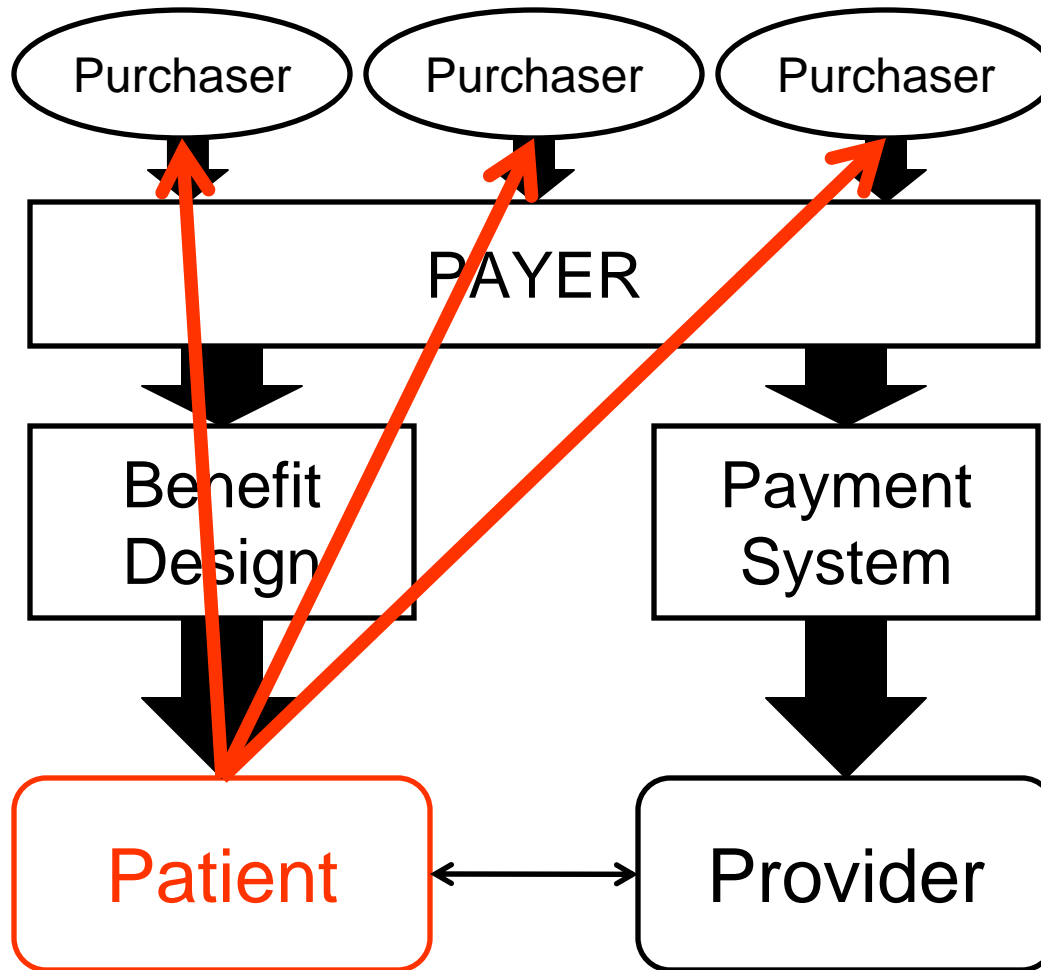
Both are Controlled by the Payer



But Purchaser Support is Needed Particularly for Benefit Changes



Barrier #5: Consumer Support is Critical for Reform



Barrier #6: Will Payment Reform Hurt Quality?

- **Problem:** Incentives to reduce costs could reduce *necessary* as well as unnecessary care
 - Biggest concern will be preventive care with long-term ROI

Barrier #6: Will Payment Reform Hurt Quality?

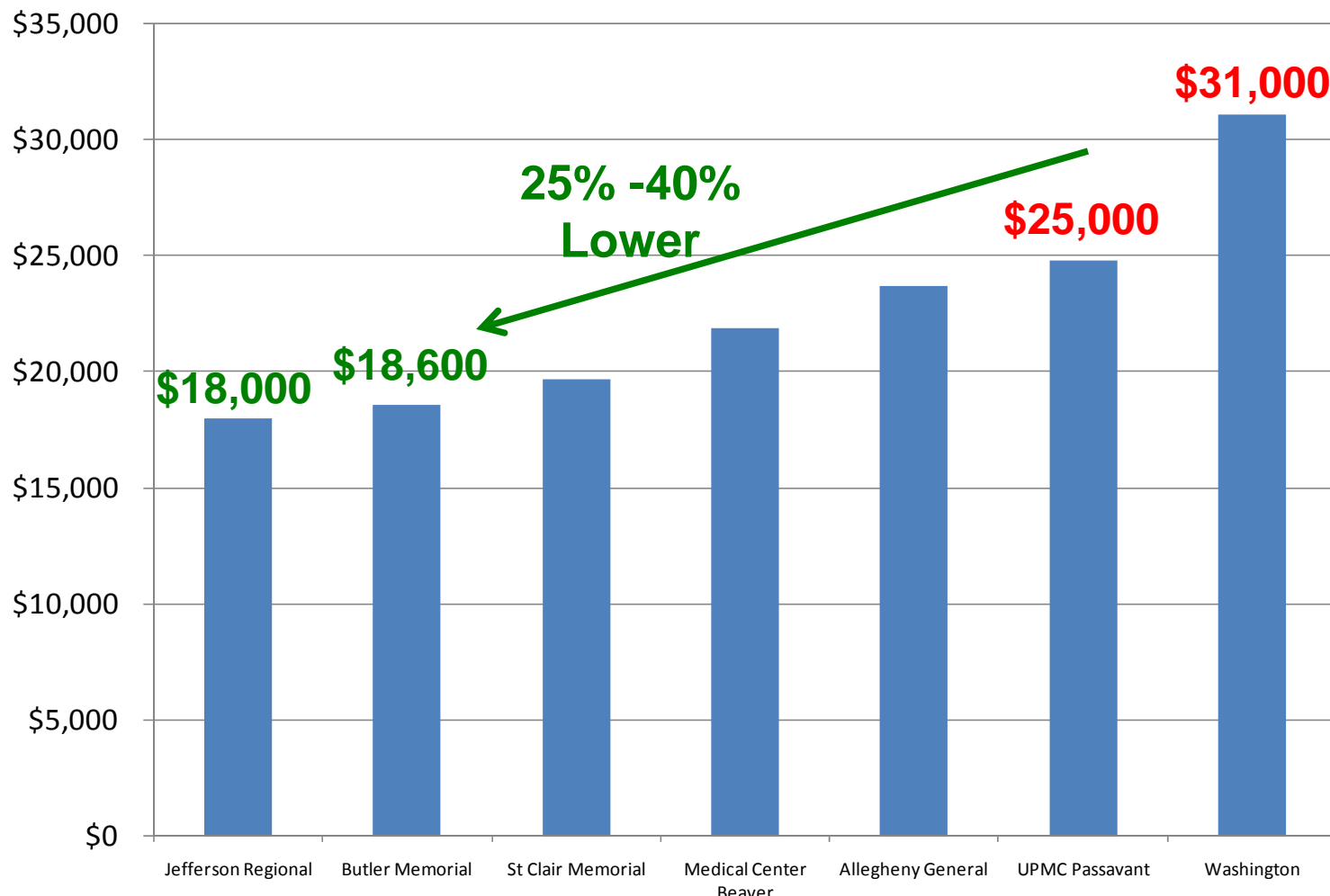
- **Problem:** Incentives to reduce costs could reduce *necessary* as well as unnecessary care
 - Biggest concern will be preventive care with long-term ROI
- **Solution:** Quality measurement, focused on preventive care

Barrier #6: Will Payment Reform Hurt Quality?

- **Problem:** Incentives to reduce costs could reduce *necessary* as well as unnecessary care
 - Biggest concern will be preventive care with long-term ROI
- **Solution:** Quality measurement, focused on preventive care
- **Problem:** How to encourage patients to use high-*value* providers, not just low-*cost* providers
- **Solution:** Quality measurement, communicated effectively to consumers

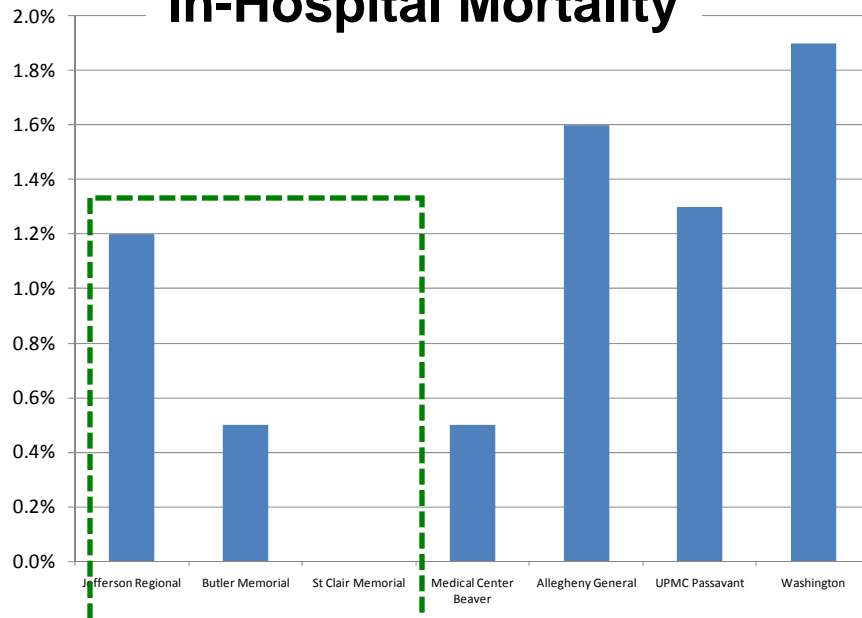
Are Lower Cost Providers Also High Quality Providers?

Average Commercial Payment for CABG (2005)



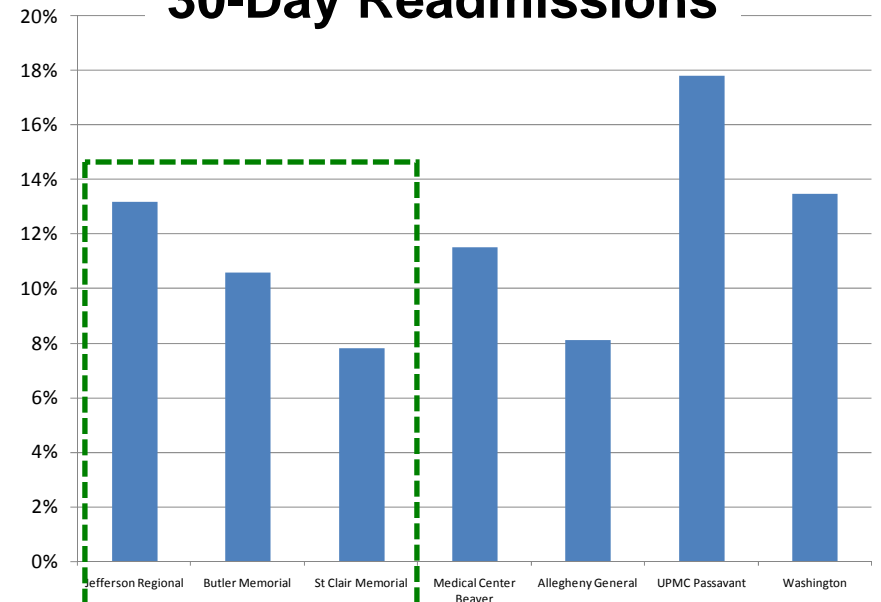
Lower Cost Does Not Mean Lower Quality

In-Hospital Mortality



Lower-Cost
Hospitals

30-Day Readmissions



Lower-Cost
Hospitals

Functions Needed for Healthcare Payment & Delivery Reform

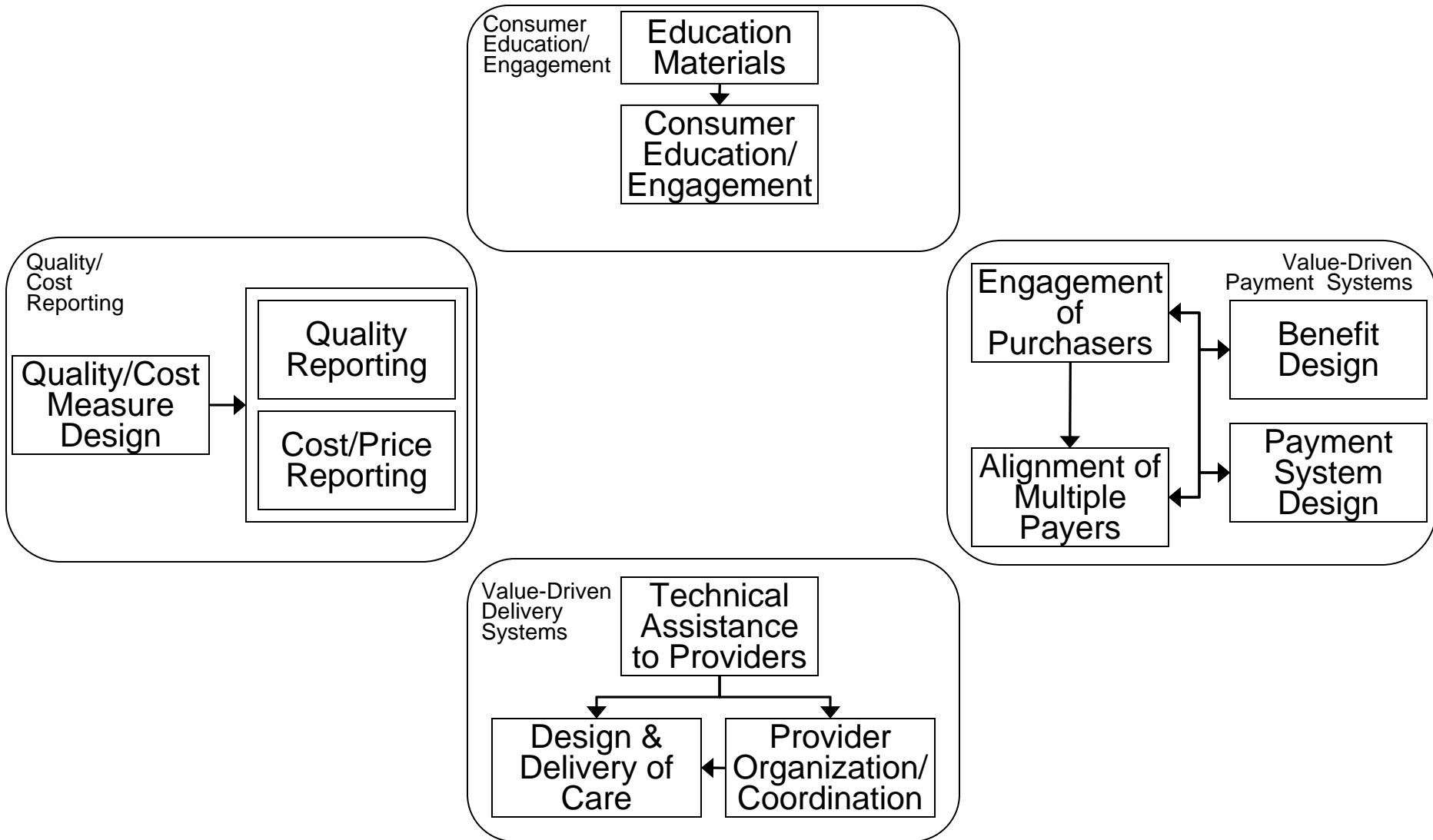
**Consumer
Education &
Engagement**

**Quality/Cost
Measurement &
Reporting**

**Value-Driven
Payment Systems
& Benefit Designs**

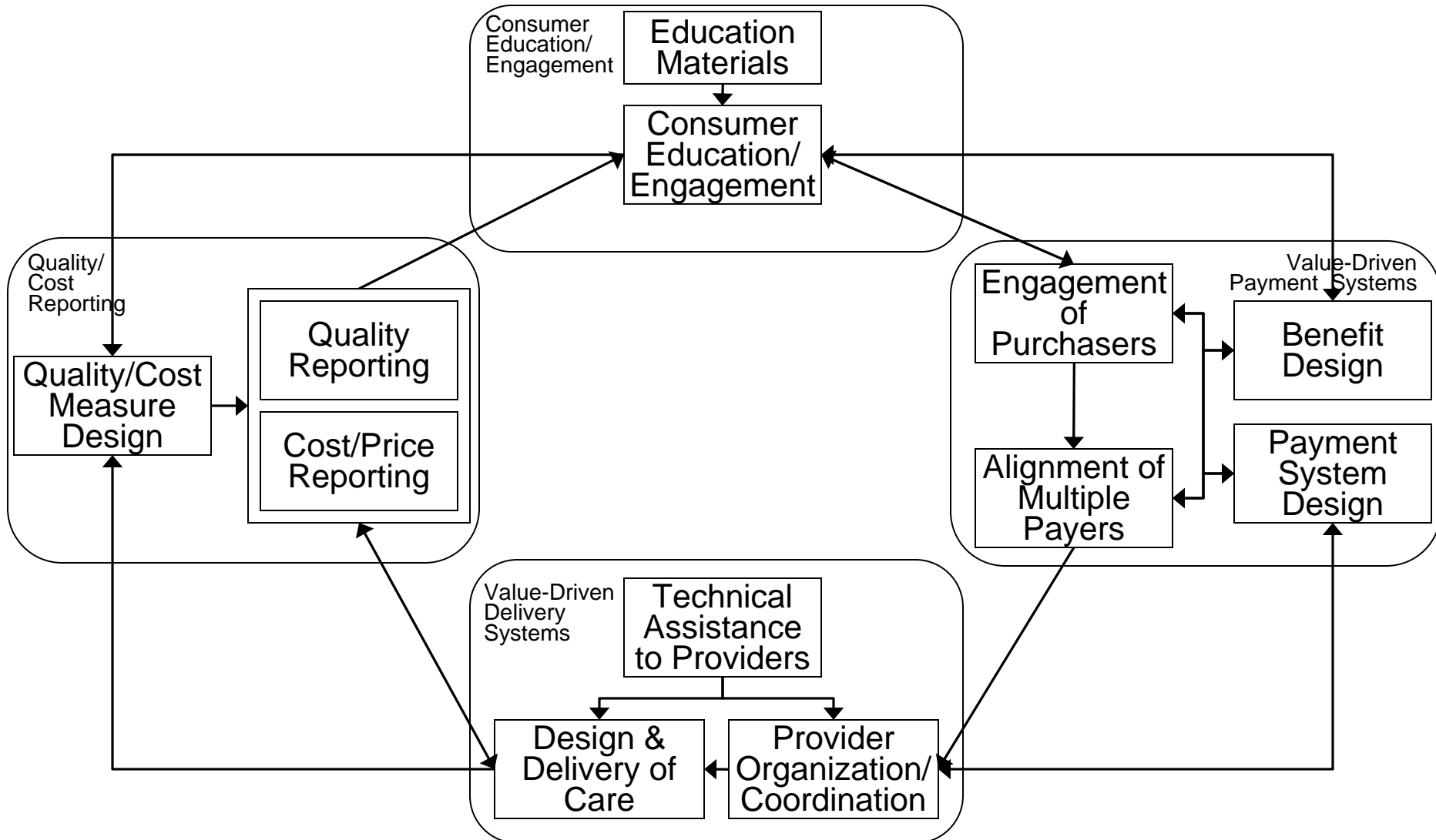
**Value-Driven
Delivery
Systems**

With Lots of Complicated Work Underneath

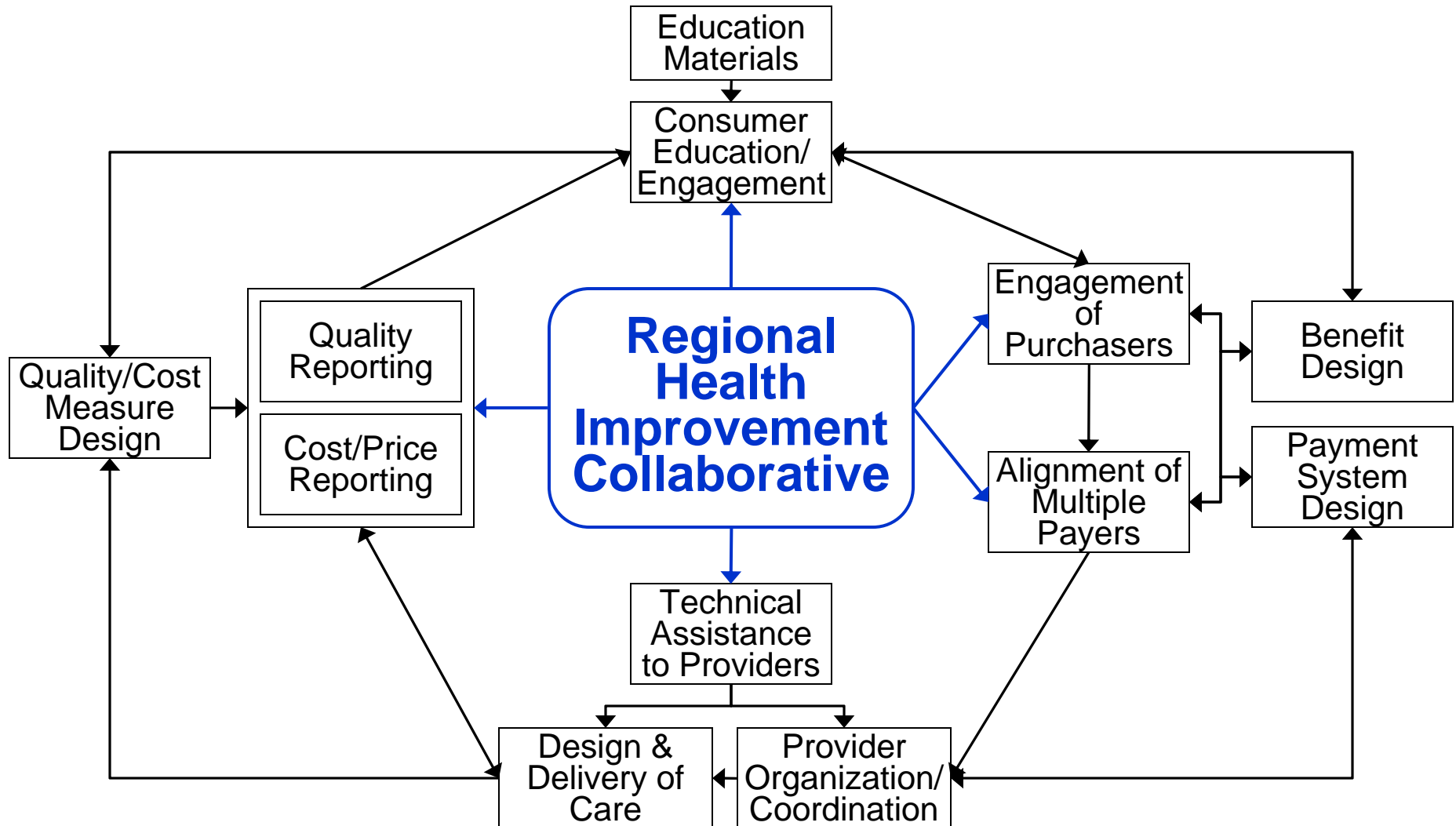


Functions and Support Activities

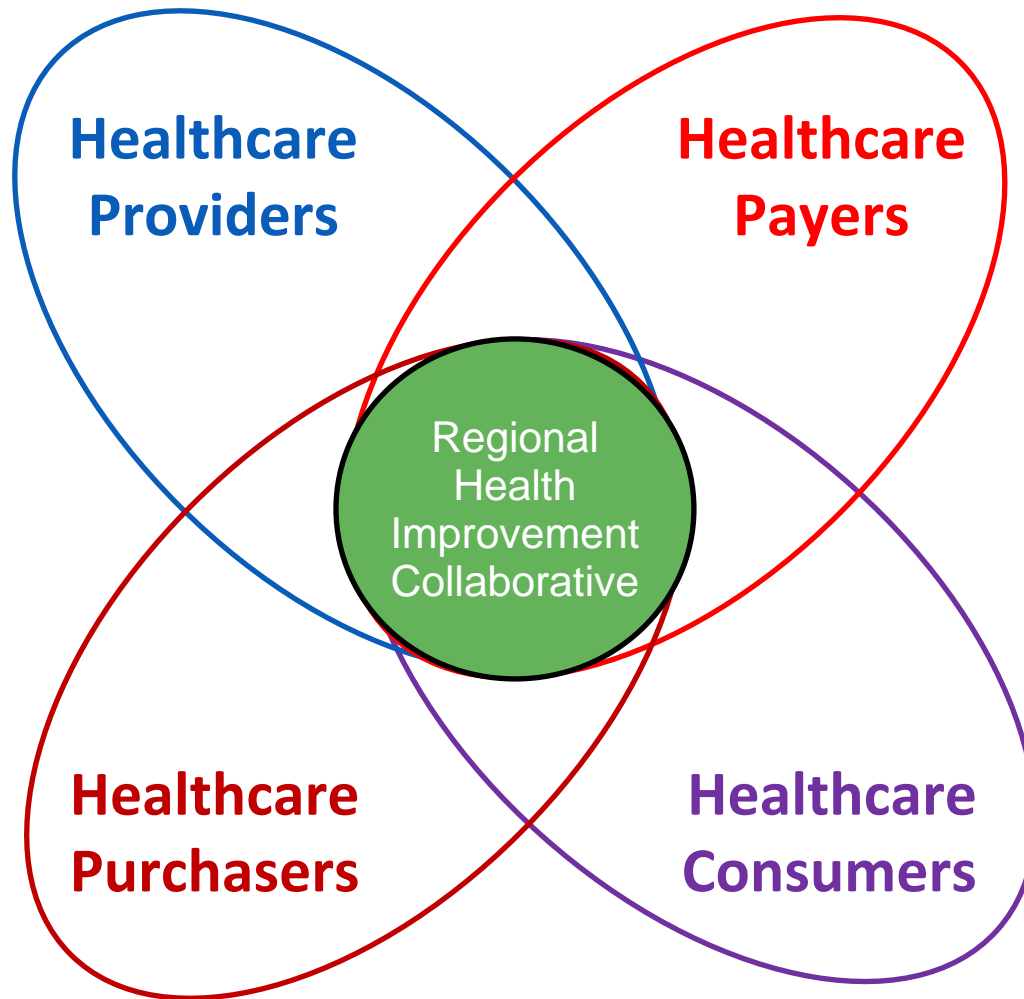
Can't Proceed In Silos



The Role of Regional Health Improvement Collaboratives...

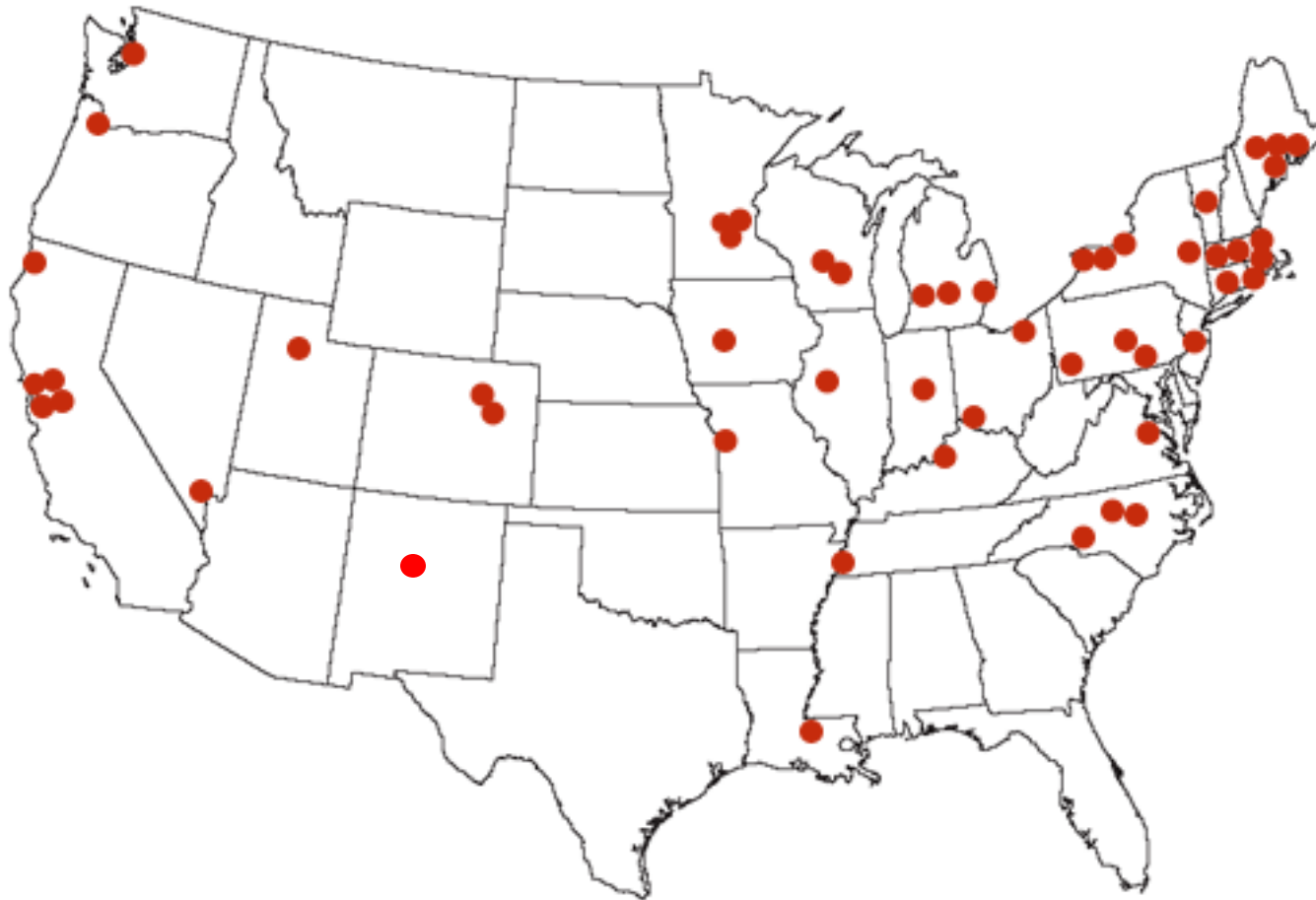


...With Active Involvement of All Healthcare Stakeholders



~50 Regional Health Improvement Collaboratives in U.S. Today

Regional Health Improvement Collaboratives in the U.S.



NRHI: The Network for Regional Health Improvement

- NRHI was formed in 2004, and formalized in 2006 with support from the Robert Wood Johnson Foundation, to facilitate health care quality improvement at the regional level; also funded by California HealthCare Foundation, Commonwealth Fund, Jewish Healthcare Foundation

- Current Members (24):

- Aligning Forces for Quality – South Central PA
- California Cooperative Healthcare Reporting Initiative
- California Quality Collaborative
- Greater Detroit Area Health Council
- Health Improvement Collaborative of Greater Cincinnati
- Healthy Memphis Common Table
- Institute for Clinical Systems Improvement
- Integrated Healthcare Association
- Iowa Healthcare Collaborative
- Louisiana Health Care Quality Forum
- Maine Health Management Coalition
- Massachusetts Health Quality Partners
- Minnesota Community Measurement
- Nevada Partnership for Value-Driven Healthcare (HealthInsight)
- New York Quality Alliance
- Oregon Health Care Quality Corporation
- P2 Collaborative of Western New York
- Pittsburgh Regional Health Initiative
- Puget Sound Health Alliance
- Quality Counts (Maine)
- Quality Quest for Health of Illinois
- Utah Partnership for Value-Driven Healthcare (HealthInsight)
- Wisconsin Collaborative for Healthcare Quality
- Wisconsin Healthcare Value Exchange



Partnerships Between State Government and Collaboratives

- **What States Bring to the Table:**
 - Ability to mandate submission of data on healthcare costs and quality (e.g., Massachusetts and Rhode Island)
 - Ability to implement payment reforms as a lead purchaser (state employees) and payer (Medicaid)
 - Ability to provide anti-trust protection for multi-payer solutions
- **What Collaboratives Bring to the Table:**
 - Collaborative approach by all stakeholders – physicians, hospitals, health plans, businesses, consumers
 - Ability to attract funding from multiple sources
 - Staff capacity and expertise
 - Long-term continuity to complement state role

Today: Examples of State/Regional Initiatives

- Implementing Multi-Payer Payment Reforms in Minnesota
Cally Vinz, Institute for Clinical Systems Improvement
- Designing a Statewide Strategy for Value-Based Payment in Maine
Elizabeth Mitchell, Maine Health Management Coalition
- Creating Tomorrow's Healthcare Delivery System in Pittsburgh
Karen Wolk Feinstein, Pittsburgh Regional Health Initiative

For More Information:

Harold D. Miller

President & CEO, Network for Regional Healthcare Improvement
(www.NRHI.org)

and

Executive Director, Center for Healthcare Quality and Payment Reform
(www.CHQPR.org)

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