



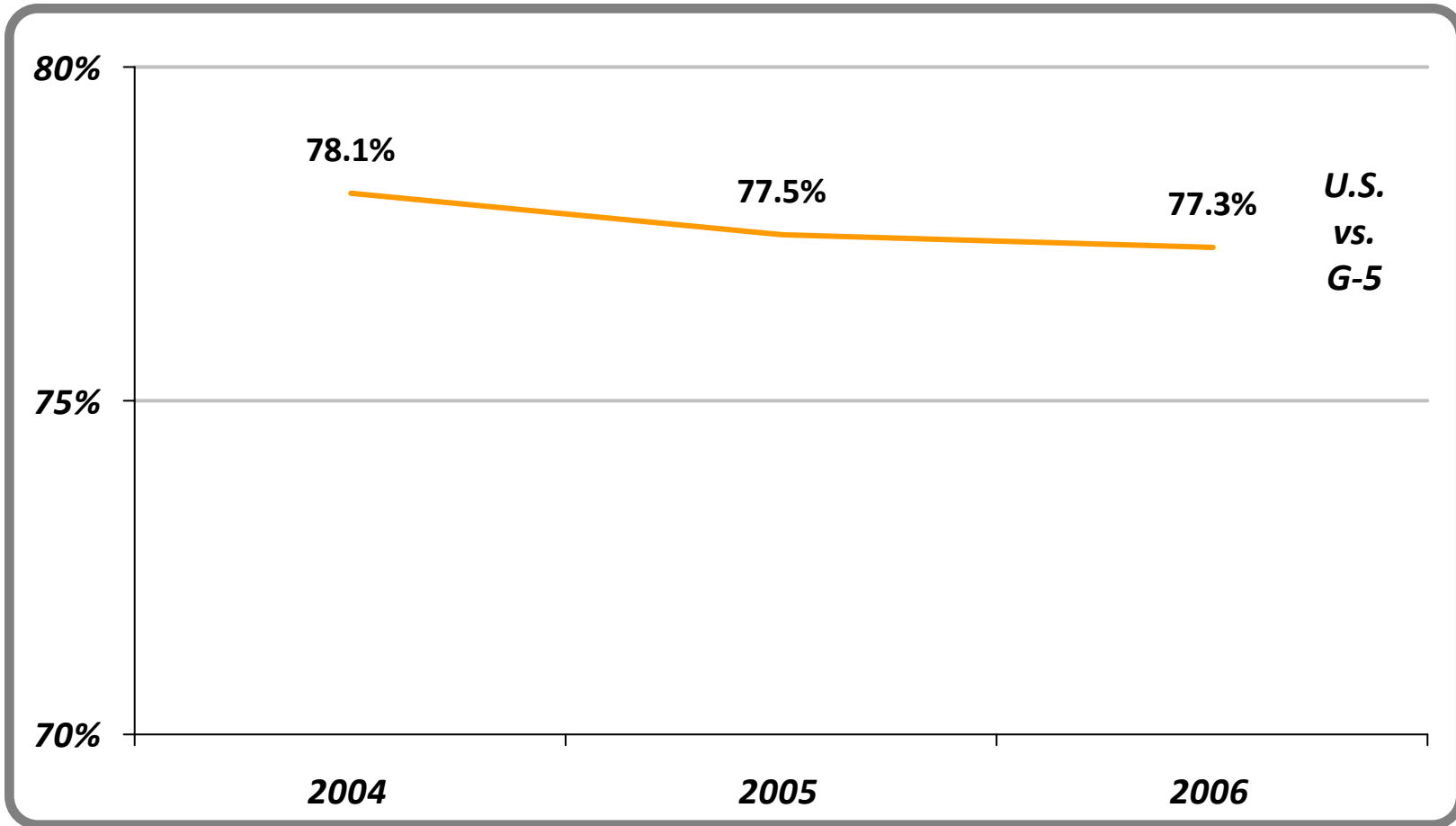
Catalyzing a 60 MPG U.S. Health Care System

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March 9, 2010



Does the U.S. Health Care System Boost or Hinder U.S. Global Competitiveness? (BRT 2009: Its a ~22% Competitive Drag, Because More Spending \neq More Quality)





It's No Secret to National Leaders that Current Clinician Efforts are Insufficient to Improve the Value of U.S. Care

“Among the obstacles that lie in our path are the use of weak improvement methods, unsustainability of hard-won gains, lack of documentation of improvement, a relatively narrow scope of demonstrated progress, and the reality that many quality problems are worsening or are seemingly unaffected by current efforts.”

**- Joint Commission Center for Transforming Healthcare
January 2009**



The Jobs to be Done

- **↑↑ Translational Efficiency**

Lower total cost of care by ~ 35 percentage points by meeting today's quality-cost benchmarks

- **↑↑ Knowledge Turns**

Lower total cost of care by >2.5 real percentage points every year thereafter



(See Andy Grove's '05 *JAMA* article)



How are We Doing in our Most Costly Category? (↑ Clinician Accountability, IV Stat!)

Night/weekend non-ER access difficult	60%
No between-visit checks by MD (ever)	51%
Perceptible errors when > 4 MDs involved	43%

Reference: Schoen C, Osborn R, How S, Doty M, Peugh J. In chronic condition: Experiences of patients with complex health care needs in eight countries, 2008. *Health Affairs*. 2008;8:w1-w16.



Two Large Boulders Block the Road to 60 MPG Health Care & Knowledge

**“Unfortunately, the health care system has been very slow to embrace engineering tools and clinical information technologies that could transform it from an underperforming conglomerate of independent entities into a high performance system.”
(emphasis added)**

**-Co-chair, National Academy of Science’s 2005 Committee
on Engineering and the Delivery of Health Care**

“The greatest opportunity to improve health system efficiency lies in federal policies to harmonize payers’ influence on providers and patients.”

**-National Academy of Sciences Magazine,
on Quality-Neutral Reduction of U.S. Health Spending
<http://www.issues.org/26.2/milstein.html>**



Payer Harmonization List

- **Comparative clinical value measurement**
- **Provider administrative interactions**
- **Payment methods incentivize value**
- **Consumer cost-sharing incentivizes value**
- **Improvement help for providers and consumers**



<http://www.issues.org/26.2/milstein.html>



Can Provider-Payer Collaboration **↑↑** Value via Fundamental Clinical Reengineering? Boeing-Catalyzed "A-ICU" Leap

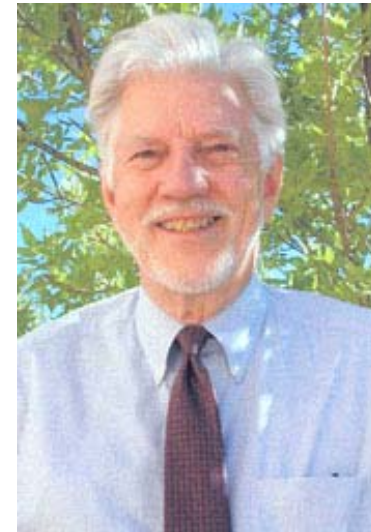
Boeing's Change in Combined Total Per Capita Patient and Insurer Spending, Functional Status, Patient Experience and Productivity From A-ICU Test	
	% Difference
% change in unit price-standardized total annual per capita spending compared to propensity-matched control group	-20%*
% change in SF12 physical functioning score for IOCP patients compared to baseline	+14.8%
% change in SF12 mental functioning score for IOCP patients compared to baseline	+16.1%
% change in patient-rated care "received as soon as needed" compared to baseline**	+17.6%
% change in average of patient-reported days missed in last 6 compared to baseline	-56.5%

* $p = 0.11$ after first 12 months for 276 chronically ill enrollees.
** From the Ambulatory Care Experience Survey - patients responding "always" or "almost always" to the question: "When you needed care for illness or injury, how often did the IOCP provide care as soon as you needed it?"



Ripe Opportunities for Value Acceleration via Packaged Re-Engineering Near-Term (Paging Mr. Rogers x3)

- **Customization of primary care**
- **Hospital admission smoothing**
- **Evidence-based MD referrals (including “travel surgery”)**





Converging on the DNA of Clinical Excellence (See Also, Earlier Work of Eugene Nelson et al)

	Hospitals (Quality)	AMCs (Quality)	MD Groups (Quality)	Primary Care Groups (Quality & Per Capita Spending)
Engaged Leader	<ul style="list-style-type: none"> ■ Visionary 	<ul style="list-style-type: none"> ■ Hands-on style 	_____	<ul style="list-style-type: none"> ■ Exceptional persistence, risk tolerance, instinct for leverage on financial & clinical outcomes
Team-Based Workplace Environment	<ul style="list-style-type: none"> ■ Engagement of all clinical workers 	<ul style="list-style-type: none"> ■ Shared sense of purpose ■ Culture of collaboration 	<ul style="list-style-type: none"> ■ Quality-centered culture 	<ul style="list-style-type: none"> ■ Clinicians exemplify and lead intense engagement of team in care improvement and exceptional personal “caring”
Systematic Performance Management Based on Outcomes	<ul style="list-style-type: none"> ■ Disciplined process flows 	<ul style="list-style-type: none"> ■ Accountability systems for quality ■ Focus on results 	<ul style="list-style-type: none"> ■ Performance scorecards ■ External reporting of comparative performance 	<ul style="list-style-type: none"> ■ Learning micro-systems ■ Focused on improving clinical outcomes & lower total per capita care spending

Altman S, Mechanic R. Accelerating High-Value Healthcare in the Delivery System: Conference Report. The Health Industry Forum. 2009;3-12. Available at www.healthindustryforum.org. (Qualitative)

Keroack MA, Youngberg BJ, Cerese JL, Krsek C, Prellwitz LW, Trevelyan EW. Organizational factors associated with high performance in quality and safety in academic medical centers. Acad Med. 2007;82:1178-1186. (Quantitative)

Shortell SM, Schmittiel J, Wang MC, Li R, Gillies RR, Casalino LP, Bodenheimer T, Rundall TG. An empirical assessment of high-performing medical groups: results from a national study. Medical Care Research and Review. 2005;62:407-434. (Quantitative)

Milstein A, Gilbertson B. American medical home runs. Health Aff (Millwood). 2009;28:1317-26. (Qualitative)



Beyond Clinicians and Payers: Jobs Required of Others

- Health-promoting public policies
- Engagement of market-dominant “gaggers & slackers” by FTC/DOJ & state attorney generals
- Modernizing clinician education x3



THE WALL STREET JOURNAL.
WSJ.com

APRIL 4, 2008

Nonprofit Hospitals, Once For the Poor, Strike It Rich

With Tax Breaks, They Outperform For-Profit Rivals

BY JOHN CARREYROU AND BARBARA MARTINEZ

Nonprofit hospitals, originally set up to serve the poor, have transformed themselves into profit machines. money rolls in, the large tax breaks they receive are drawing fire.





Closing Thoughts

- **A 60 MPG health system will drive U.S. competitive advantage**
- **Catalyzing a 60 MPG U.S. health care system pivots on clinician uptake of service reengineering tools and payer harmonization**
- **Pain is the fulcrum for performance breakthrough**
- **Do we have the required empathy & health industry leadership?**

