



Measuring Resource Use, Efficiency, and Total Cost of Care

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National P4P Summit, Los Angeles
March 19, 2012

Agenda

- Introduction and Overview – Dolores Yanagihara, IHA
- Relative Resource Use – Jennifer Lenz, NCQA
 - Health plan level measurement
- Total Cost of Care – Gail Rusin, IHA
 - Physician organization level measurement
- Break
- Use of Episodes of Care – Michael van Duren, MD, Sutter Physician Services
 - Physician level measurement
- Discussion and Q&A

Why Resource Use and Cost?

- Initial focus on quality measurement and P4P
- Great progress on quality
 - Performance
 - Acceptance of measurement and accountability for quality
- Desire for efficiency and paying for value
 - Quality at what cost?
 - What are we getting for our healthcare dollars?

Evolution of Payment Reform

Past and Emerging Models of Accountability in Provider Payments

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Where Knowledge Informs Change

Supporting Better Performance		Paying for Better Performance		Paying for Higher Value	
Pay for reporting. Payment for reporting on specific measures of care. Data primarily claims-based.	Payment for coordination. Case management fee based on practice capabilities to support preventive and chronic disease care (e.g., medical home, interoperable HIT capacity).	Pay for performance. Provider fees tied to one or more objective measures of performance (e.g., guideline-based payment, nonpayment for preventable complications).	Episode-based payments. Case payment for a particular procedure or condition(s) based on quality and cost.	Shared savings with quality improvement. Providers share in savings due to better care coordination and disease management.	Partial or full capitation with quality improvement. Systems of care assume responsibility for patients across providers and settings over time.

Moving Value Forward

- Accountable Care Act
- Medicare Value Based Purchasing for Hospitals and Physicians
- Medicare Shared Savings Program and other ACO arrangements
- Patient Centered Medical Home
- Bundled Episode Payments

National Standards

National Quality Forum

- Hundreds of quality measures endorsed
- White Paper on resource use measures Fall 2010
- Call for resource use measures early 2011
- Four resource use measures endorsed in early 2012; four additional measures nearing endorsement
- Ultimate goal to combine resource use and quality to measure efficiency and value
- Measure Applications Partnership

Resource Use Basics

- Per capita, per episode, per admission, per procedure
- Utilization and cost
 - Units/rates of utilization – counts of services provided
 - Standardized pricing – same unit price attached to all providers being measured
 - Actual pricing
 - Amount charged vs. amount paid vs. internal costs

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