



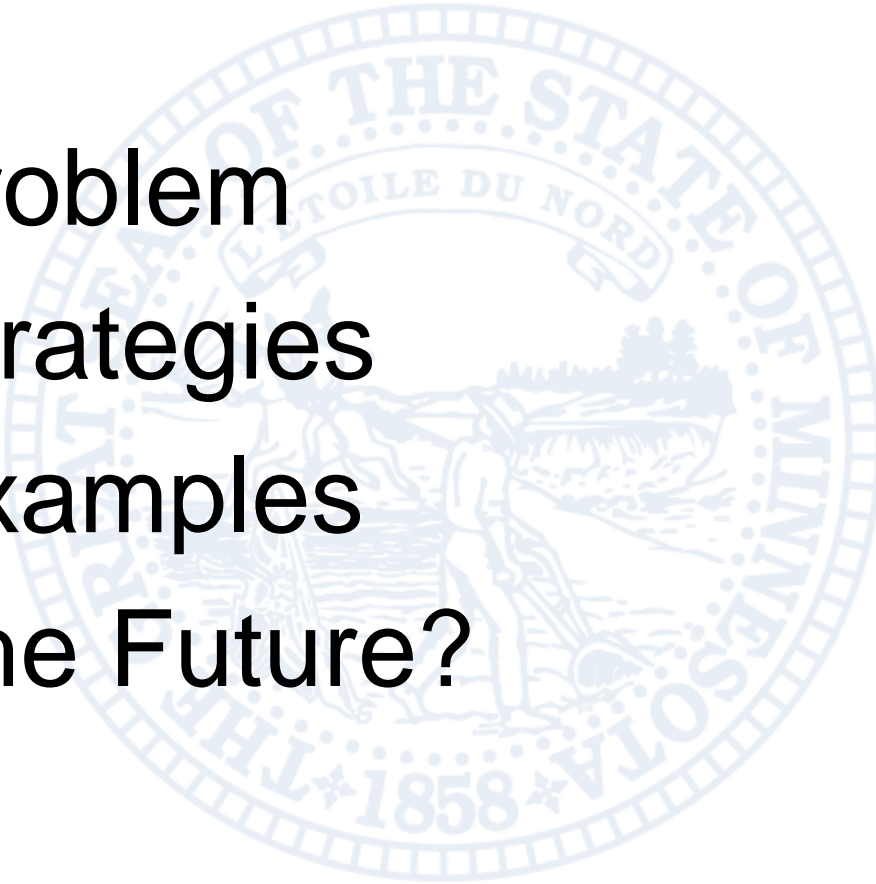
Minnesota's Efforts to Enhance the Quality of Health Care

"Minnesota Model"

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5:00 – 6:30 p.m.
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Overview

- Problem
- Strategies
- Examples
- The Future?



Problem

- The Health Care System is Broken
- It is dangerous and far less effective than it could be
 - ◆ Problems of both quality and cost
- A system problem -- will take a system solution

Health care purchasing challenges in the 21st century

- **Huge** variation in costs and quality
- Where you go, who you see, how you use health care makes a big difference
- Needed:
 - ◆ Information, incentives to select and use health care wisely
 - ◆ Appropriate recognition and rewards to deliver high quality, efficient health care

Strategies

- Work in synch
- Lead by example
- Help drive the market
- Build on solid foundation

Joining forces, working in synch

■ **Governor's Health Cabinet**

- ◆ State now purchases for over 780,000 people at over \$4 billion per year
- ◆ Develop common demands, develop common rewards for the market

■ **Smart Buy Alliance**

- ◆ Partner with the private sector to also implement common, reinforcing purchasing strategies
- ◆ Coalition of coalitions representing nearly 3/5 of Minnesotans

■ **Not a government takeover**

- Government working more in synch
- Government working more in synch with the private sector

State Employee Group Insurance Program (SEGIP)

■ Scope and size

- ◆ Covers all three branches of state government
- ◆ Approximately 115,000 covered lives
- ◆ Costs: now \$450 million per year

■ Examples in practice:

- ◆ Transparency of costs and quality
- ◆ Aligned incentives and accountability
- ◆ Information and assistance

SEGIP Examples

- Tiered health benefits design (Advantage)
- Rewarding higher quality care
- Health improvement programs and incentives
- Expanding choices, options, information, assistance

Tiered Program -- Advantage

- **Tiered health benefits plan for state employees**
 1. Clinic systems placed into 1 of 4 cost levels
 - Based on risk adjusted costs and collective bargaining
 - Risk adjustment -- apples to apples comparisons
 2. If a higher cost level provider is selected, the user pays more at the point of service
 - Higher copays, deductible, coinsurance
 3. Quality information provided via links to *MN Community Measurement* website

Advantage's key features

Information and incentives to:

- **Employees and families to choose high quality, high value providers**
- **Providers to deliver greater value, or lose market share**
- **Use health care wisely and protect/improve health**

Quality information for Advantage

- ***MN Community Measurement***
 - ◆ ***Providers, Health Plans, Employers***
 - ◆ **Website comparing how MN clinics perform in providing tests and basic treatments for common medical conditions**
 - **Asthma, diabetes, children's health, high blood pressure, women's health, depression**
 - ◆ **www.mnhealthcare.org**

Example of MN Community Measurement

Diabetes



MNCommunity
MEASUREMENT.

Family Health Services Minnesota



Affiliated Community Medical Centers



HealthPartners Medical Group



Columbia Park Medical Group



Multicare Associates



SuperiorHealth Medical Group



Stillwater Medical Group



Western Wisconsin Medical Associates, S.C.



Mayo Health System



Advantage -- Rewarding higher quality care

- First public sector group in national Bridges to Excellence program
 - ◆ Participating with other major employers
- 2006 – Paid top 9 clinic groups in optimal diabetes care extra \$100 per diabetic patient

Health improvement programs and incentives

- Costs are driven by key chronic conditions
 - ◆ Chronic conditions increase with age
 - ◆ Ave. state employee age (47) continues to increase
- Approximately 20% of the SEGIP population account for 80% of total costs
- Focused efforts in education and care management can lead to improved member health and cost reductions

Advantage Impacts

- Greater transparency of costs and quality
- Cost savings – 0% increase for 2006
- Council of State Governments Innovation Award
- Reference to Advantage in MedPac report to Medicare



MN's increasing transparency and value-based purchasing

- **Quality measurement and public reporting “triple play”**
 - ◆ Health Plans – “eValue8”
 - ◆ Clinic groups – “MN Community Measurement”
 - ◆ Hospitals – “Adverse events” reporting
- **Nursing home report card**
- **Information Clearinghouse**
 - ◆ www.Minnesotahealthinfo.org
- **“Best in class” and value-based purchasing**
 - ◆ Tiered arrangements (e.g., Minnesota Advantage) + quality measures
 - ◆ “Bridges to Excellence” program and other initiatives
 - Dept of Human Services (Medicaid) also planning to join

Most recently: Q-Care

- *Quality Care and Rewarding Excellence*
- Announced July 31, 2006
 - ◆ What is measured can be managed. What is paid for is done.
 - ◆ Help cross the “quality chasm”
- Minnesota uniquely prepared
 - ◆ ICSI, MN Community Measurement, Adverse Events reporting, www.minnesotahealthinfo.org

Q-Care Rapid Transformation

- Agree on best care
- Set stretch goals
- Align measurement, reporting, rewards and incentives
- Significantly improve in key areas
 - ◆ Preventive care
 - ◆ Diabetes
 - ◆ Cardiovascular
 - ◆ Hospital-based care

QCare Executive Order

- ...The Commissioner[s] of Human Services and ...Employee Relations are directed to adopt and apply the QCare standards and align payments and incentives for all state purchased health care
- ...All future state contracts with health plans and health care providers must include new incentives and requirements for greater reporting of costs and quality of care delivered based on the QCare standard

Rapid, broad, consistent use across purchasers

- State government
 - ◆ Health Cabinet, Center for Health Care Purchasing Improvement, Interagency agreements
- Will include local units of government
- Private sector
 - ◆ Smart Buy Alliance
 - ◆ Consumers

Problem Solved?

- Future of health care in Minnesota

