



Advancing the Twin Goals of Improving Quality & Outcomes While Slowing Spending Growth: The Alternative Quality Contract (AQC)

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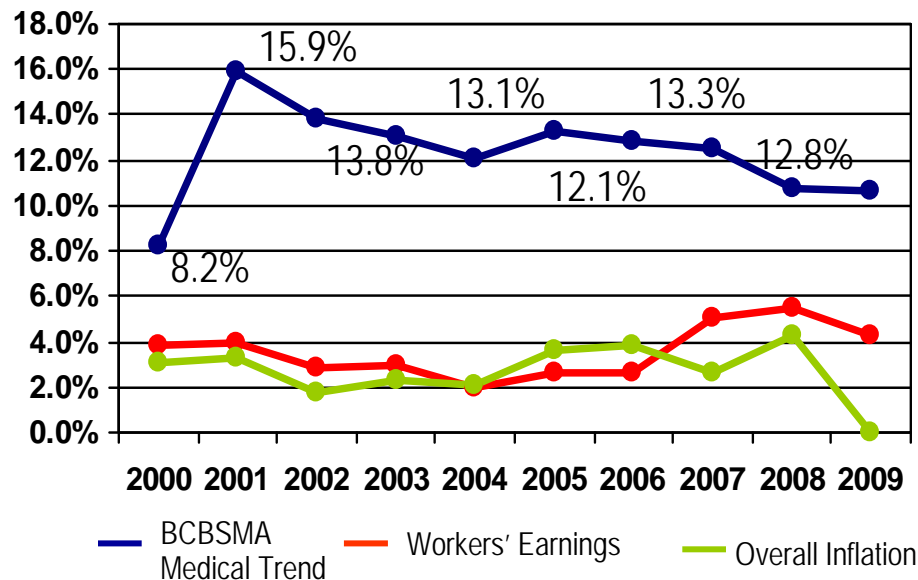
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Twin Goals of Improving Quality & Outcomes While Significantly Slowing Spending Growth

In 2007, leaders at BCBSMA challenged the company to develop a new contract model that would improve quality and outcomes while significantly slowing the rate of growth in health care spending.

MA individual mandate (2006) caused a bright light to shine on the issue of unrelenting double-digit increases in health care spending growth.



Sources: BCBSMA, Bureau of Labor Statistics

Key Components of the AQC Model



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Unique contract model:

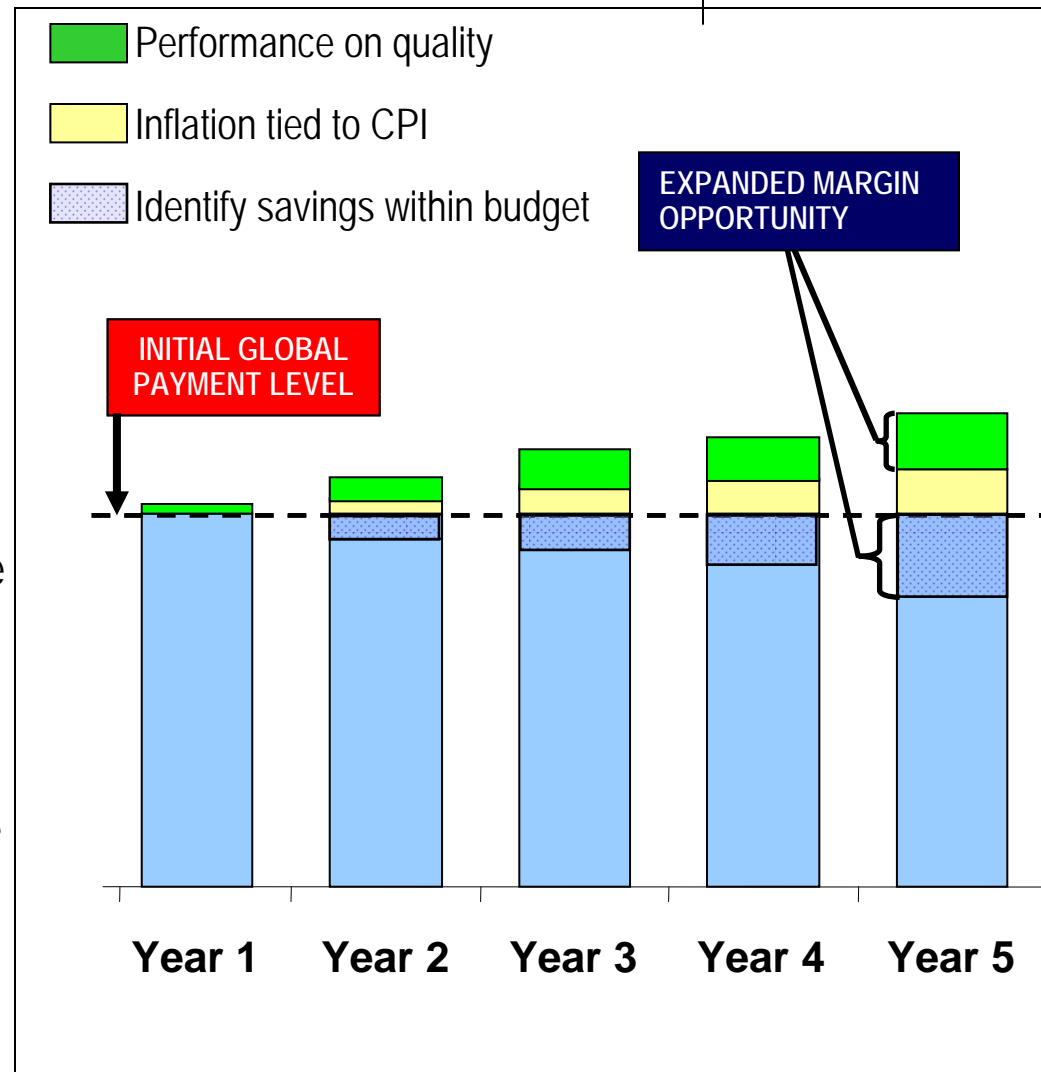
- Accountability for quality and resource use across full care continuum
- Long-term (5-years)

Controls cost growth:

- Global payment
- Annual inflation tied to CPI
- Incentive to eliminate clinically wasteful care (“overuse”)

Improved quality, safety & outcomes:

- Robust performance measure set creates accountability for quality, safety & outcomes across continuum
- Substantial financial incentives for high performance



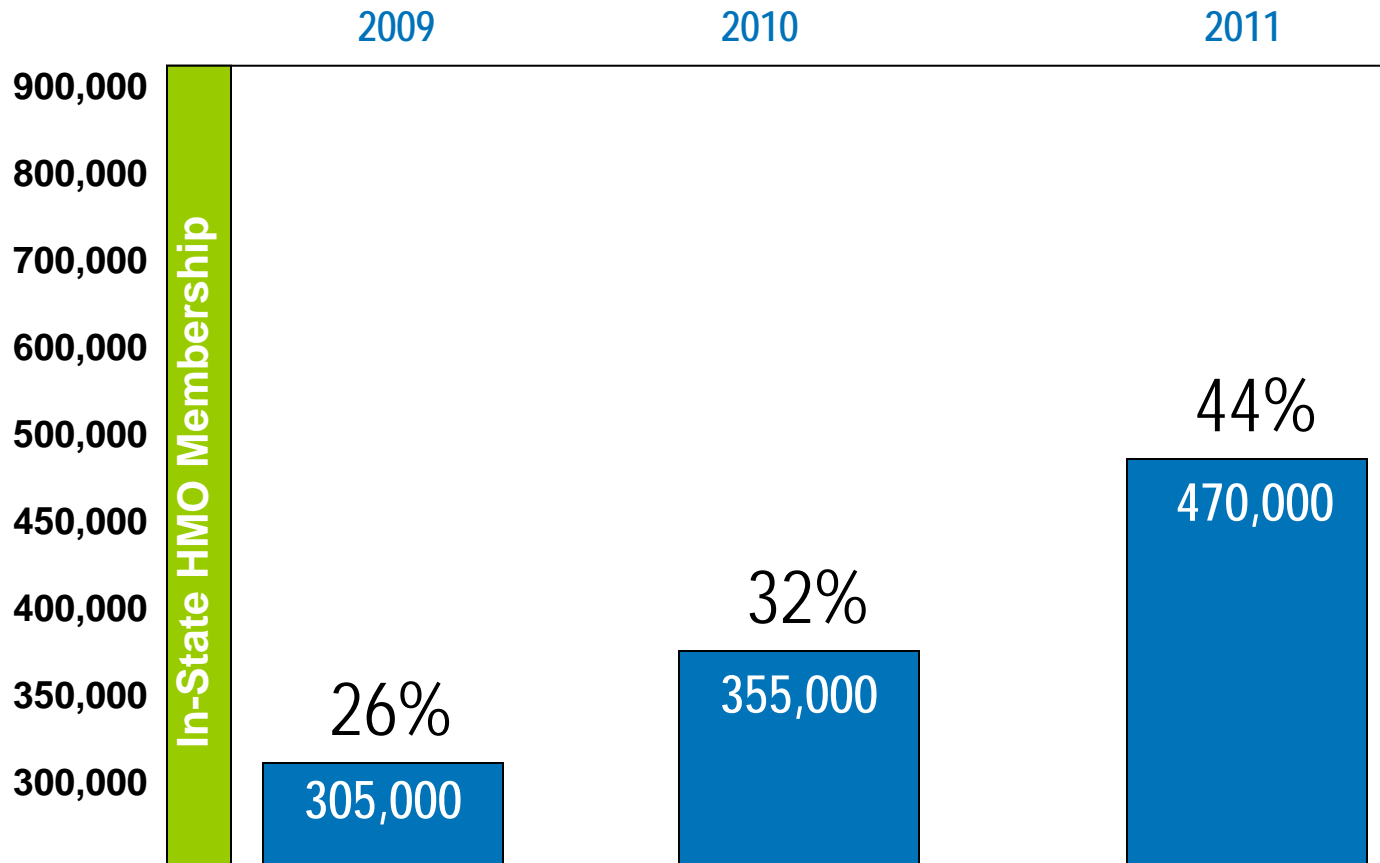
AQC Measure Set for Performance Incentives

	AMBULATORY	HOSPITAL
PROCESS	<ul style="list-style-type: none"> • Preventive screenings • Acute care management • Chronic care management <ul style="list-style-type: none"> • Depression • Diabetes • Cardiovascular disease 	<ul style="list-style-type: none"> • Evidence-based care elements for: <ul style="list-style-type: none"> • Heart attack (AMI) • Heart failure (CHF) • Pneumonia • Surgical infection prevention
OUTCOME	<ul style="list-style-type: none"> • Control of chronic conditions <ul style="list-style-type: none"> • Diabetes • Cardiovascular disease • Hypertension • ***Triple weighted*** 	<ul style="list-style-type: none"> • Post-operative complications • Hospital-acquired infections • Obstetrical injury • Mortality (condition –specific)
PATIENT EXPERIENCE	<ul style="list-style-type: none"> • Access, Integration • Communication, Whole-person care 	<ul style="list-style-type: none"> • Discharge quality, Staff responsiveness • Communication (MDs, RNs)
DEVELOPMENTAL	Up to 3 measures on priority topics for which measures lacking	

Significant Growth, 2009-2011



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First Year Results show the AQC is Improving Quality



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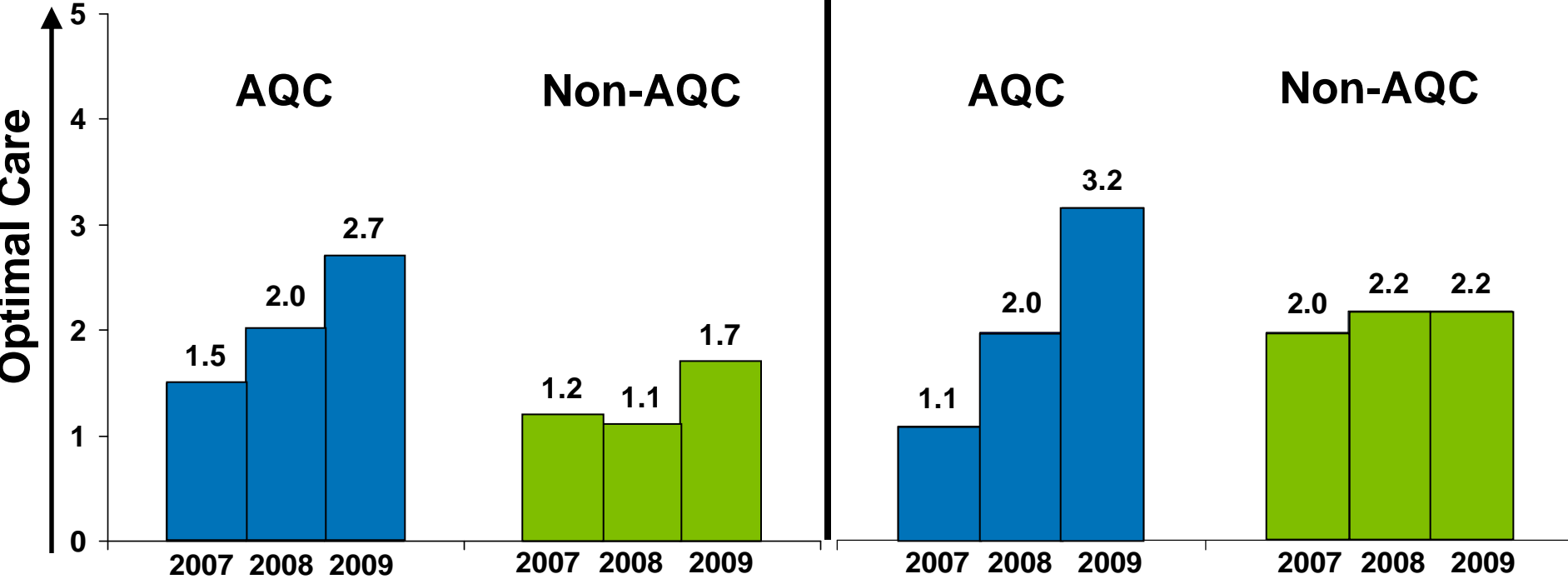
- Year-1 improvements in the quality were greater than any one-year change seen previously in our provider network
- Every AQC organization showed significant improvement on the clinical quality measures, including several dozen clinical process and outcomes measures
- For important preventative care measures, like cancer screenings and well-child visits, as well as for important measures of chronic disease care, *AQC groups' performance was three times that of non-AQC groups and more than double the AQC groups' own improvement rates before joining the AQC.*
- AQC groups exhibited exceptionally high performance for all clinical outcome measures with *more than half approaching or meeting the maximum performance target* on measures of diabetes and cardiovascular care
- There were no significant changes in AQC groups' performance on patient care experience measures overall.

AQC Groups Surpass Network on Key Preventive and Chronic Care Measures



Preventive Screenings

Chronic Care Management



AQC Support: Examples of Data & Consultation



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Consultative Support

- Joint development of AQC group's goals
- Monthly AQC support meetings
- Clinical Nurse Consultant
- Consultative advice on a range of topics
 - Building registries
 - Delegation
 - Incentive planning
 - Marketing

Actionable Data

- Monthly claims dataset
- Daily census, auth and referral reports
- Weekly new member reports
- Monthly efficiency & quality overview reports
- Monthly site-of-service reports and opportunities
- Practice pattern variation reports
- DXCG health status scores
- Case management reports
- Readmission, ED, Rx

Financial Reporting

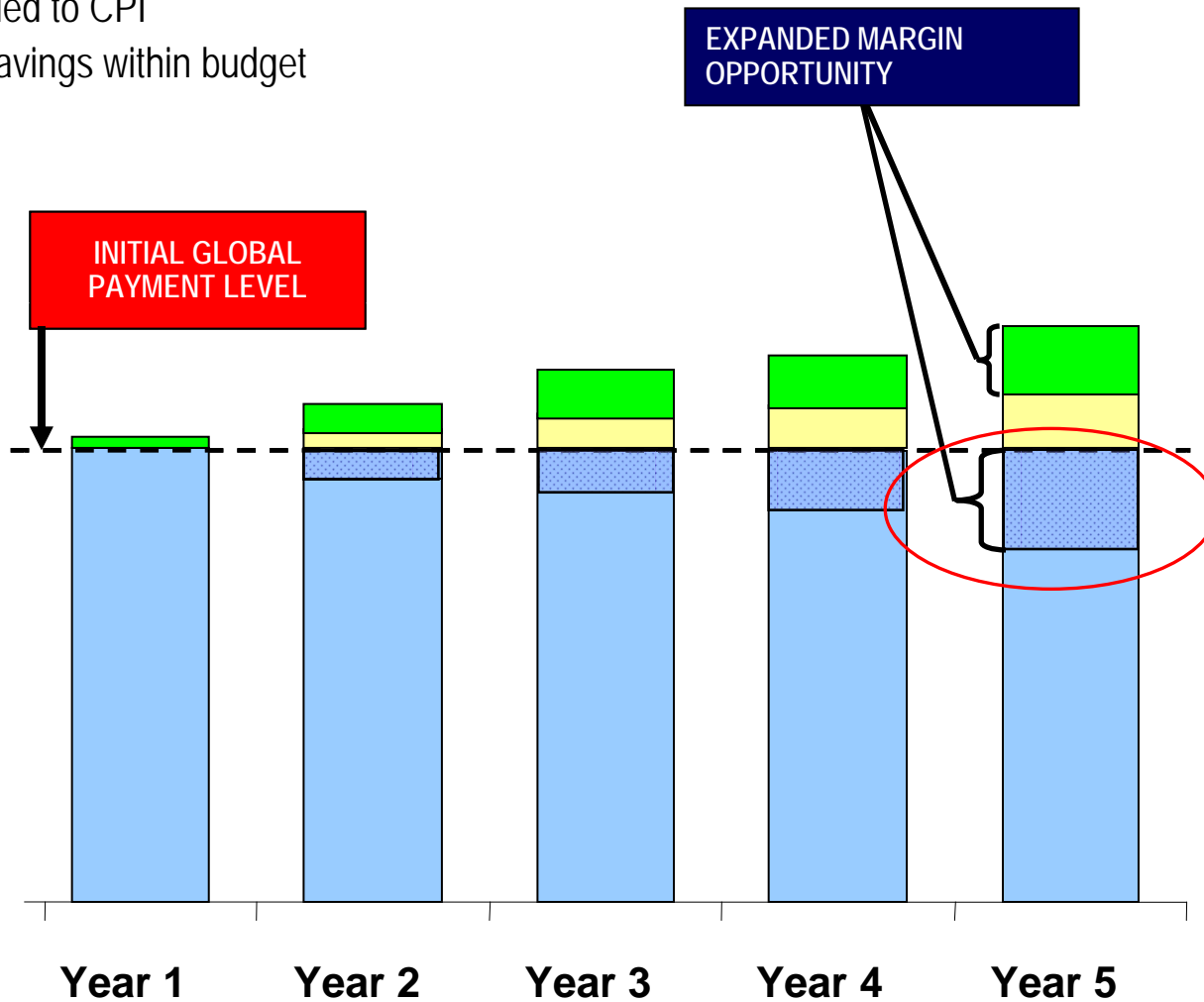
- Quarterly financial dashboard
 - This report provides a snapshot of a group's overall expenses vs. budget, as per the group's contractual terms
- Yearly settlement data

Key Components of the AQC Model



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- Performance on quality
- Inflation tied to CPI
- Identify savings within budget

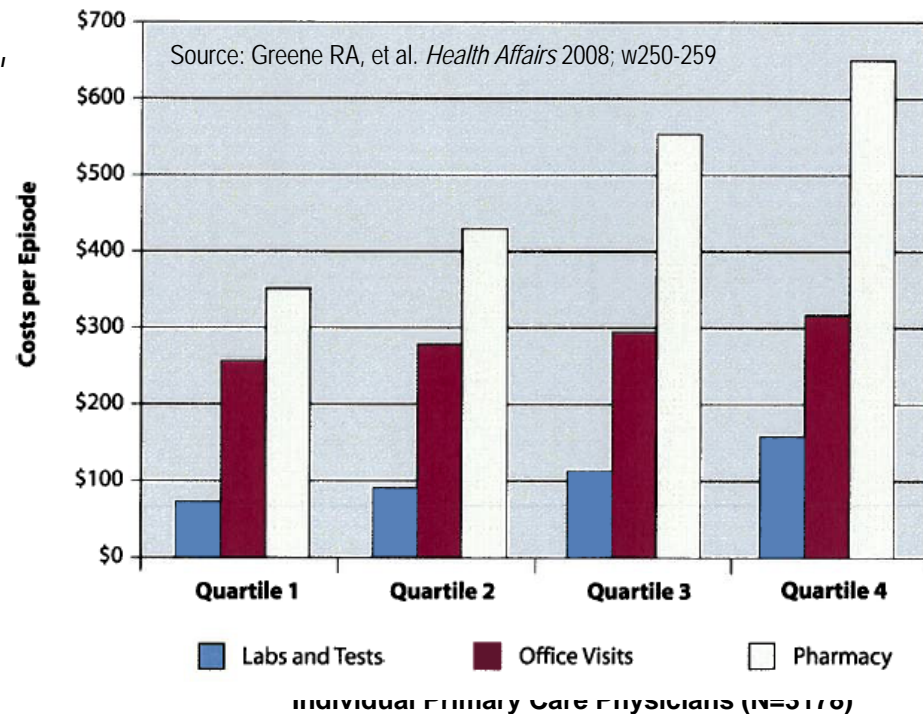


Identifying & Addressing Clinically Wasteful Care



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- Since 1970s, Wennberg et al. have called attention to unexplained practice pattern variations using maps
- Dr. Howard Beckman developed an analytic approach that makes the information clinically meaningful and actionable
- Clinically-specific, specialty-specific approach to displaying practice pattern variations – engages physician leaders and front line in physicians in addressing clinical waste
 - Referral tendencies, use of procedures, use of diagnostics, use of therapeutics
- This is a slow but critical process
- Payment models that create accountability for resource use (e.g., global budget) gives clinicians, groups and hospitals a strong incentive to act on these data



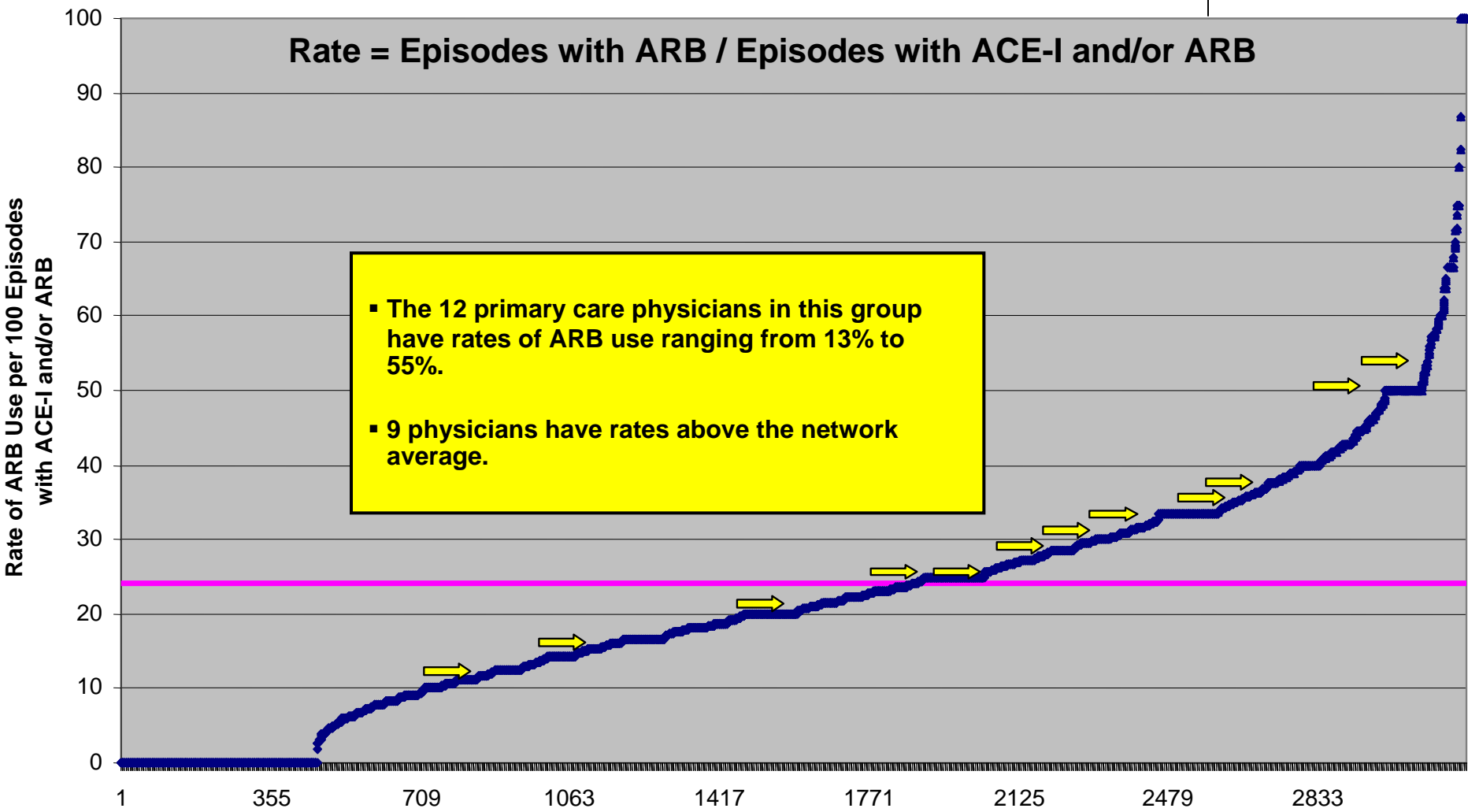
Benign Hypertension, With and Without Comorbidity Individual Primary Care Physicians Rate of ARB Use per 100 Episodes with ACE-I and/or ARB 2007



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Rate = Episodes with ARB / Episodes with ACE-I and/or ARB

■ The 12 primary care physicians in this group have rates of ARB use ranging from 13% to 55%.
 ■ 9 physicians have rates above the network average.



Individual Primary Care Physicians (N=3178)

Select PPVA Topics Provided to AQC Groups

Condition	Primary Drivers of Variation				Avoidable Use of Hospital Resources
	Rx	Imaging	Specialty Referral	Procedure	
Hyperlipidemia	X		X		Ambulatory Care Sensitive Admissions
Benign Hypertension	X	X	X		Non-Urgent Emergency Department Utilization
Inflammation of Esophagus			X	X	30 Day All-cause Readmissions
Joint Degeneration of Knee			X	X	
Depression	X				
Migraine	X	X	X		
Inflammation of Skin	X		X	X	
CAD, Ischemic Heart Disease (except CHF, w/o AMI)	X	X	X	X	
Sinusitis (Acute & Chronic), Allergic Rhinitis	X		X	X	
Arthritis	X		X		
Low Back Pain	X	X	X	X	

- A payment model that establishes provider accountability for both medical spending and quality appears to be a powerful vehicle for realizing the goal of a high performance health care system with a sustainable rate of spending growth
- Rapid and substantial performance improvement appears to follow when:
 - Substantial financial incentives for improvement on well validated measures
 - Ongoing and timely data to inform improvement efforts
 - Organizational structure and leadership commitment to the goals
- Clinically-specific, specialty-specific approach to displaying practice pattern variations appears powerful to engaging physicians in addressing clinical waste
- Continued development, validation and implementation of outcomes-based measures
 - Clinically enriched data leveraging health IT adoption
 - Patient-reported outcome measures integrated into care processes and routine measurement
- Working with providers who would like similar accountability model with CMS and others

For More Information



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Doctor and the Doll by Norman Rockwell

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