The path to affordable healthcare

Role of regional collaboration

Ellen Gagnon
Interim CEO
Network for Regional Healthcare Improvement

August 9, 2018
We have an unsustainable problem. Harder choices are coming.

Health spending as a share of U.S. GDP, 1963 to 2023 - selected years

*2013 figure reflects a 3.1% increase in gross domestic product (GDP) and a 3.6% increase in national health spending over the prior year. See page 27 for a comparison of economic growth and health spending growth.

Notes: Health spending refers to national health expenditures. Projections shown as P.


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We have an unsustainable problem. Harder choices are coming.

Between 2006 to 2016 premiums are up 77%

Healthcare costs will consume half of household income by 2021


Value is LOWER today than six years ago.

- **Higher cost**
- **Poorer quality**

Source: National Council of State Legislatures
Healthcare costs for typical American family hit record high.

Source: Fiscal Times, Health Care Costs for Typical American Family Hit Record High, May 23, 2018
We ALL created this problem. We ALL need to be part of the solution.
Understanding the problem
The major drivers of affordability.

Solving one issue in isolation does not achieve the goal.
Addressing the drivers of affordability has systemic benefits — in addition to the positive economic impact.

<table>
<thead>
<tr>
<th>+ HEALTH</th>
<th>- WASTE</th>
<th>- PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Healthier populations:</strong></td>
<td><strong>Unnecessary clinical procedures:</strong></td>
<td><strong>High prices:</strong></td>
</tr>
<tr>
<td>• use fewer resources</td>
<td>• increase clinical harm</td>
<td>• don’t correlate with quality</td>
</tr>
<tr>
<td>• increase productivity</td>
<td>• cause emotional distress</td>
<td>• incentivize waste</td>
</tr>
<tr>
<td>• enhance communities</td>
<td>• incur financial harm</td>
<td>• misallocate resources</td>
</tr>
<tr>
<td><strong>Administrative burden:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• increases cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• is burning out providers</td>
<td></td>
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</tr>
</tbody>
</table>
“Rational common interests and rational individual interests are in conflict. Our failure as a nation to pursue the Triple Aim meets the criteria for what Garrett Harden called a “tragedy of the commons.” As in all tragedies of the commons, the great task in policy is not to claim that stakeholders are acting irrationally, but rather to change what is rational for them to do.”

- Don Berwick, Health Affairs, May/June 2008
What would it take to fix all this?

Transparency
Data & Information
Aligning Incentives
Community Engagement
Collaboration Across Sectors
New Payment Models
Informed Consumers

Who could do all this?
There is hope.

In many regions across the country we are coming together to untangle complexities and find a path to affordability.
So, what are we doing about it?
Summary

Using SDoH data to reduce ambulatory care-sensitive hospitalizations

Combined SDoH (e.g., insurance type, race/ethnicity, language preference, education, household income) with clinical data for increased care coordination and improved primary care.

Outcomes:

• hospitalization rates decreased by 106 more per 100,000 adults than they did in comparative counties
• 5,764 hospitalizations for ambulatory care-sensitive conditions were averted between 2009-2014

Graph source: Health Affairs, Association Of A Regional Health Improvement Collaborative With Ambulatory Care–Sensitive Hospitalizations, February 2018
Background

Using SDoH data to reduce ambulatory care-sensitive hospitalizations

*Initiative leadership by Better Health Partnership*

- Employed a positive deviance approach to identify, disseminate publicly, and accelerate adoption of best practices for care of patients with diabetes, heart failure, and hypertension

- Initiative used social determinants of health data (e.g., insurance type, race/ethnicity, language preference, household income, education) with clinical data for increased care coordination and improved primary care
Methods

- Public reporting of comparative quality measure performance
- Identify protocols from high performing outliers
- Disseminate through learning collaborative summits
- Coach on workflow redesign, care coordination, and tailored communication across different subpopulations (e.g., the meaningful use of EHRs, quality improvement projects)

Linking social determinants of health and utilization
Health

Outcomes

- Hospitalization rates decreased by 106 more per 100,000 adults than they did in comparative counties
- 5,764 hospitalizations for ambulatory care-sensitive conditions were averted between 2009-2014

Source: Health Affairs, Association Of A Regional Health Improvement Collaborative With Ambulatory Care–Sensitive Hospitalizations, February 2018
This study highlights how regional collaboration among healthcare competitors can improve population health and benefit health care purchasers and payers.

- Don Berwick, former Administrator of the Centers for Medicare and Medicaid Services
Route 66 Accountable Health Community

Leverages technology to **address gaps in clinical services and health-related social needs** of Medicare and Medicaid beneficiaries.

- Program **screens for five SDoH with patients** - food, shelter, transportation, domestic violence, & public utility access
- Program **documents measures and integrates information** into HIE and provider EHRs
- Testing positive for SDoH measures triggers **program to coordinate services** and inform clinical sites as to whether those services were delivered

*Program went live May 1, 2018 – outcomes to be determined*
The members of MyHealth are using technology and shared data to be more responsive to patient needs. That approach will improve lives; it will also save money and help us to address the ongoing question, ‘how can we drive down the cost of medical care for everyone, and make it more affordable and accessible?’

- Dr. David Kendrick
MyHealth Access Network
Summary

Care coordination/Medical Neighborhoods

Creating medical neighborhoods for increased care coordination lead to improved health.

- Improved referral pattern allowed for EDs to identify primary care providers for high-utilizers
- Reduced variation across systems; enabled adopting/spreading best practices
- Tracked patient history to avoid duplication of services and error
Before we even meet with a client, we take a look at their care summary in the Community Health Record so we are able to understand their previous health history and ultimately provide them better care.

- The Healthcare Collaborative of Greater Columbus Partner
Summary

Improving end-of-life care

NJHCQI developed a plan that shares tactical solutions to improve end-of-life care for New Jersey adults.

This plan was developed in response to a poll: 60% of New Jersey adults had no written documents expressing their wishes for care at the end of their lives.

The plan calls for improved:

• Technology
• Payment reform
• Education
• Culture
The End-of-Life Care Strategic Plan for New Jersey outlines information and strategies to move the needle on improving end-of-life care and everyone has a role to play: patients, caregivers, physicians, nurses, health systems, state leaders, and community members. With a coordinated effort, we can improve the universal journey each one of us will take one day.

- Linda Schwimmer, President & CEO of New Jersey Health Care Quality Institute
Summary

Building a common measure set

Led a committee that researched and selected **32 unique comparative measures**.

Chose measures that were **aligned across payers and could be reported reliably**.

**Goals:**
- Improve **quality/value** of care
- Reduce provider **reporting complexity**
- Align healthcare organizations
The Kentucky Core Healthcare Measures Set (KCHMS) was developed by over 70 experts to align payers and purchasers around a shared set of priority measures that drive improved health, quality of care, and value and reduce administrative complexity and waste. Kentucky’s new set contains 32 measures, less than half of the 89 currently incented measures.

- **Randa Deaton**, 
  **Executive Co-Director**, 
  **Kentuckiana Health Collaborative**
Measuring and comparing total cost of care

In-depth analyses make it possible to identify important differences in regional cost drivers.

- It’s not just price or just waste in the system
- It’s not just care patterns and delivery systems
- It’s different state-to-state (sometimes within a state)
"You can’t fix what you don’t understand, but with reliable and actionable information on cost drivers we can enable healthcare stakeholders to make the changes needed to bring down the cost of care. America’s healthcare cost crisis will not be solved by data – but it cannot be solved without it."

- Elizabeth Mitchell, Former President & CEO, Network for Regional Healthcare Improvement
**Price**

**Translating information into action**

**Summary**

**Clinical Comparison Reports**

**Overall Summary by Service Category**

<table>
<thead>
<tr>
<th>Service Category</th>
<th>Clinic Raw PMPM</th>
<th>Clinic Adj PMPM</th>
<th>OR Average Raw PMPM</th>
<th>OR Average Adj PMPM</th>
<th>TCI = RUI x Price Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional</td>
<td>$203.02</td>
<td>$183.18</td>
<td>$167.12</td>
<td>1.10</td>
<td>0.99</td>
</tr>
<tr>
<td>Outpatient Facility</td>
<td>$69.00</td>
<td>$62.25</td>
<td>$115.53</td>
<td>0.54</td>
<td>0.60</td>
</tr>
<tr>
<td>Inpatient Facility</td>
<td>$71.08</td>
<td>$64.13</td>
<td>$72.21</td>
<td>0.89</td>
<td>0.78</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>$73.92</td>
<td>$66.70</td>
<td>$69.20</td>
<td>0.96</td>
<td>0.98</td>
</tr>
<tr>
<td>Overall</td>
<td>$417.03</td>
<td>$376.26</td>
<td>$424.06</td>
<td>0.89</td>
<td>0.85</td>
</tr>
</tbody>
</table>

**Clinic Risk Score**

- **1.11**: Clinic is 1.11 times the OR Average
- **1.00**: Clinic is at the OR Average

**Comparison reports show variation in healthcare cost and resource use for commercially insured patients attributed to individual clinics, as compared to other clinics in the same state.**
"Legislatures see it as an important source of information as they consider how to create a higher-value healthcare system for our state."

- Meredith Roberts Tomasi, Associate Executive Director, HealthInsight Oregon
Using total cost of care and quality data to inform policy makers

Comparing ratings on the quality and cost of healthcare in Minnesota and neighboring areas can drive better care. There is a large variation in medical group payments for the same procedure.

<table>
<thead>
<tr>
<th>Service</th>
<th>Average Cost</th>
<th>Range: low to high</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office visit: 15 min</td>
<td>$146</td>
<td>$84-193</td>
</tr>
<tr>
<td>Strep test</td>
<td>$22</td>
<td>$8-104</td>
</tr>
<tr>
<td>Knee x-ray</td>
<td>$64</td>
<td>$24-191</td>
</tr>
<tr>
<td>Lower extremity MRI</td>
<td>$664</td>
<td>$253-3,510</td>
</tr>
</tbody>
</table>

- Data was made available by capturing prices for 118 common outpatient medical procedures at the clinic level
- Comparisons were made and quality was evaluated
- Collected data was used to drive policy change
“This report is one way that Minnesota Community Measurement is bringing the power of data, measurement and transparency to the health care affordability discussion here in Minnesota.”

- Julie Sonier, President, Minnesota Community Measurement
Summary

Bringing high cost and quality of services to the forefront

*Wear the Cost* campaign provides **cost and quality information** for consumers.

Goals:

- Raise patient and provider awareness of variation among hospitals statewide
- reduce costs
- help patients make high-value choices

Empowering consumers to get involved in their own healthcare.
“The price difference can’t always be attributed to quality; sometimes prices are just higher, and consumers are entitled to know that.”

- Ben Steffen,
  Executive Director, Maryland Health Care Commission
Summary

Shining a light on waste in Washington state

Overuse of low-value services introduces the unnecessary risk of adverse physical and financial harm for patients, drives up costs for purchasers and insurers, and strains the system.

Outcomes:

- This report examined 47 common treatment approaches known by the medical community to be overused.
- More than 45% of the healthcare services examined were determined to be low value.
- Approximately 1.3 million individuals received one of these 47 services; among these individuals, almost one-half (47.9%) received a low value service.
- 36% of spending on the healthcare services examined went to low value treatments and procedures - this amounts to an estimated $282 million in wasteful spending.
With the potential for patient harm looming large and health care spending approaching 20% of the country’s gross national product, we simply cannot afford to continue on this path of overuse and waste. It is past time to take action and there are steps that we can take as a community to dramatically reduce utilization of health care services that the medical profession itself has called into question.  

- *First, Do No Harm: Calculating Health Care Waste in Washington State, Report by Washington Health Alliance*
Summary

**Controlling administrative waste**

Of 89 measures across 9 programs’ sets, only 4 were in all sets, while 60 were in only 1 or 2 sets.

Outcomes:

- Common Standard Measure Set used for P4P
- Single set of results used by health plans for rewarding healthcare systems and providers for delivering high value care
- Healthcare providers benefit from reduced administrative waste and can apply comprehensive interventions across all patients
We’re charting a course now to get to more transparency on the health plan level, and on the provider level so we will be able to drill down in high cost low quality regions and identify what is driving that?

- Dolores Yanagihara, MPH, Vice President, Analytics and Performance Information, IHA
PRHI aims to remove unnecessary services and pay for what matters, with a focus on perinatal care.

The maternal mortality rate in the U.S. is 3x higher than any other developed country.
“Bundled payments are important to remove waste and reinvest in what matters to the mom and baby.”

- Robert Ferguson, Health Policy for Pittsburgh Regional Health Initiative
What do all these initiatives have in common?
Regional Health Improvement Collaboratives (RHICs)
The Role of RHICs

- Patient Education
- Analysis & Reporting
- Quality Improvement
- Paying for What Matters
“Regional Health Improvement Collaboratives are key to our community’s ability to deliver higher quality and more affordable healthcare, serving many critical roles.”

- Mylia Christensen, COO,

HealthInsight
Multiple Stakeholders, Varied Tactics – One Goal

Members engage from positions of particular knowledge, experience and strengths:

- Population Health
- Payment Reform
- Quality Improvement
- Data Analysis

- Cross pollenate best practices
- Disseminate educational materials
- Lead community dialogue
RHICs currently work in many regions across the U.S.
While practices struggle with MACRA, value-based payment systems past due, expert says.

By Joanne Finnegan | Dec 4, 2017 12:30pm

Although many physician practices struggle to get on board with the new Medicare payment system implemented by MACRA, some experts say the move to alternative payment models is necessary to improve care and control costs.

Bruce Japsen, CONTRIBUTOR

JAN 25, 2017

Health Plans Spend $1,000 More Per Patient Depending On Region

By Greg Slabodkin

November 09 2017, 7:29am EST

While the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) requires the move to alternative payment models, it also introduces new major barriers to transitioning because of the lack of interoperability and other data.

Elizabeth Mitchell

NOVEMBER 14, 2017

The Road To Affordability: How Collaborating At The Community Level Can Reduce Costs, Improve Care, And Spread Best Practices

While practices struggle with MACRA, value-based systems past due, this article provides insights into how collaborating at the community level can reduce costs, improve care, and spread best practices.

AHN to push doctors to follow guidelines for reducing unneeded medical tests

The Alliance Health Network has introduced a new initiative to assess medical care while reducing unnecessary medical procedures.

Health Affairs

NOVEMBER 14, 2017

Five more organizations join NRHI's mission to measure total cost of health care in U.S.

While many organizations are working to measure the total cost of health care in the U.S., NRHI has joined five more organizations to further this mission.

by Joanne Finnegan, Senior Reporter

November 22, 2017

The Collaborative Improvement and Innovation Network (CIIN) was created to help improve and innovate care delivery by leveraging HIEs to improve quality.

FierceHealthcare

November 09, 2017, 7:29am EST

Growth in health information exchange for Regional Information Exchange Network for Regional Care will enable the alliance to broaden their reach as they work to enable easier access to clinical, claims and social determinant data.

NRHI

October 18, 2017 03:05 PM

HealthCareBusiness

November 09, 2017, 7:29am EST

While practices struggle with MACRA, value-based systems past due, this article provides insights into how collaborating at the community level can reduce costs, improve care, and spread best practices.
The Path to Affordable Healthcare

We have a problem. The way we receive healthcare in the United States is broken, and as a result Americans are less healthy while paying more.

Regional Health Improvement Collaboratives

We all created the situation. It will take all of us working together to solve it.

Regional Focus Neutral Conveners Non-Profit

What does it take to address the problem?

- Transparency
- Data & Information
- Aligning Incentives
- Community Engagement
- Collaboration Across Sectors
- New Payment Models
- Informed Consumers

Who could do all this?

Patient Education | Paying for What Matters
Analysis & Reporting | Quality Improvement

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What action will you take to make healthcare more affordable?

Be part of the solution
Questions?
Thank you!