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Healthcare Quality Congress: How to improve care while bending cost curve



BOSTON—As the U.S. healthcare system gears up for a movement toward accountable care, thought leaders discussed bending the cost curve during a keynote address at the 9th annual Healthcare Quality Congress, presented by the World Congress.

There is no other industry in the U.S. where new technology drives up costs, said Reed V. Tuckson, executive vice president and chief medical practice officer at UnitedHealth Group, a payor based in Minneapolis. “The people paying the bills [and those responsible for managing public expenditures] are going nuts.”

Moderated by Jeffrey C. Bauer, PhD, a group of panelists discussed their decisions regarding delivering high quality care while bending the cost

curve. Tuckson maintained that the cost curve is not an academic conversation, rather a restive discussion where collegial collaboration will be necessary to push reform through.

“The challenge of implementation will be painful differences between those that have to do the math and make the numbers work,” said Tuckson. “What worries me is the absence of collegiality. I fear we will be pitted against each other, sector against sector, to drive this through.”

He said that the private and public sectors will need to align, develop and nurture relationships and partner upstream appropriately to avoid “a horrible recipe for the rest of our professional lives.” With the need to work together with the same sense of urgency, Tuckson advocated strategic planning and taking data and information, embedding them into communities through means such as business coalitions to help get everyone on the same page.

Noting that healthcare has become a political hot potato in the U.S., a benefit design is needed to incentivize behaviors among patients to make decisions in the best interest of their health and care. This requires the need to identify risk early so providers can provide information to patients with data-driven personalization. In this design, information can be sent through smartphones, Tuckson noted.

The delivery system also needs help to perform, Tuckson added, citing that the system needs tools and actionable intelligence so knowledge can be dropped into a real workflow environment and used efficiently.

Greg Pawlson, MD, MPH, executive director of quality innovations at Blue Cross Blue Shield Association, echoed this sentiment by remarking that one reality holding back the healthcare industry is that electronic data is not information. Turning data into useful information is a huge challenge, stated Pawlson.

Pawlson stated that while health science is universal, the delivery of care is local so organizations need to figure out how to use the best science yet keep the approach local.

On the whole, “we haven’t really gotten serious,” opined Pawlson. According to Pawlson, some organizations that are merging the vision of payors and enlightened clinicians together have found more success. One of the organizations Pawlson singled out was Intermountain Healthcare, a system of 23 hospitals headquartered in Salt Lake City.

A recipe for success

Taking the principle that higher quality drives lower costs and applying it broadly, Intermountain has been studying waste in its health system, said Brent James, MD, chief quality officer and executive director of the Institute for Healthcare Delivery Research at Intermountain Healthcare in Salt Lake City.

Making clinical quality a core business strategy in 1996, James can now document more than \$150 million in healthcare delivery costs extracted from the system in relation to quality care. "That's 2 to 3 percent of our cost of clinical operations and severe down payment."

James noted elements of that strategy that drove higher quality and lower costs, including:

- **Key process analysis:** Intermountain identified in its analysis 1,400 clinical processes based on conditions/diagnoses where 7 percent of total processes in the system accounted for 95 percent of care delivery. "Healthcare concentrates massively," James said. "As we launched our initiatives, we did it to size order."
- **Consciously-built data systems:** Using the unexamined assumption that utilizing the same data across facilities is flawed. At Intermountain, James found that using the same data across facilities for clinical process management in previous attempts missed 30 to 50 percent of key data elements to do clinical processes. "If you think you can do this with insurance claims data, you are going to be very badly surprised," James noted.

Citing the health maintenance organization (HMO) movement from 1993 to 2000 as an example of a time when the cost curve was bent, James remarked that the industry is moving back toward the HMO idea; yet this time with significant differences. First, there are better data to document clinical outcomes for things such as risk outcome. Lastly, there lies a shift in responsibility. Instead of insurance companies being the primary focus of managing care, now it's the provider, said James.

Leah Binder, CEO of the Leapfrog Group, argued in her presentation that a more market-driven approach is needed to bend the cost curve, including the following elements:

1. More information is needed about the quality of performance systems and that information needs to be public.
2. The "elephant in the room," according to Binder, is whether procedures are even needed in the first place. "Overuse is a serious issue... Unless we start to make change the way we make decisions about procedures, we are going to continue to face the escalation of costs," she said.
3. Markets need to reward good performance, not poor performance. "Because payors are different from actual patients, we have created a nonmarket that looks like a market and we don't necessarily reward excellent performance. That needs to change," remarked Binder.

In his conclusion, James answered the question posed, "How do you improve care while bending the cost curve?" with the notion that better data, improved management structure and the focus of responsibility where care occurs can set the U.S. on the right path.

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