Some Thoughts on Closing the Gap

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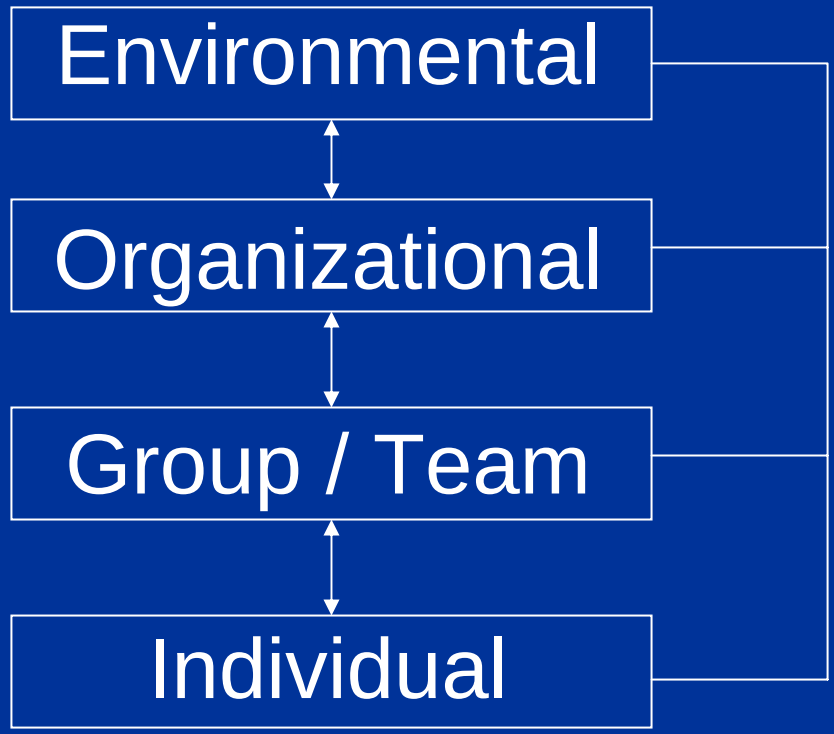
Improving Our Nation's Health Care System

Need to address access, cost, and quality issues simultaneously!

Need to Engage the Enlightened Self Interest of the Five Major Stakeholders – The Five P's

- Purchasers
- Plans
- Providers
- Patients
- Product Suppliers

Need to Be Smart About Four Levels of Change



- Interdependence is key
- Alignment is key

The Question is:

We Know Better, Why Don’t We Do Better?

Use of Care Management Processes by Type of Chronic Condition

Type of CMP	Diabetes	Asthma	CHF	% Doing CMP for all Conditions it Treats
Patient Education	69.8%	60.2%	49.6%	27.4%
Case Management	43.4%	39.9%	43.7%	18.8%
Feedback to Physicians	48.0%	24.1%	30.5%	16.6%
Registry	40.3%	31.1%	34.9%	14.7%
Guidelines	40.6%	36.3%	29.2%	11.3%
%Doing ALL 5 CMPs	11.3%	6.5%	6.5%	0.8%

Casalino et al, “External Incentives, Information Technology, and Organized Processes to Improve Health Care Quality for Patients with Chronic Diseases.” JAMA, 2003, 289(4):434-441.

Study of 693 Medical Groups Nationwide

Measure Clinical Quality	High Performers (Upper 25% Quartile)	Low Performers (Bottom 25% Quartile)
Clinical Quality		
Performance Index (0 to 30)	19.5	2.9
Care Management Index (0 to 16)	10.6	1.0
Health Promotion/Disease Prevention Index (0 to 13)	9.8	1.1
Financial Performance		
Profitable 2 years in a row	100%	0 All lost money 2 years in a row

Study of 693 Medical Groups Nationwide

Measure Clinical Quality	High Performers (Upper 25% Quartile)	Low Performers (Bottom 25% Quartile)
Organizational Learning		
Physician Turnover	**.3%**	**15.3%**
Clinical Information Technology Index (0 to 6)	**4.8**	**0**

Source: S.M. Shortell, J. Schmittdiel, M.C. Wang, "An Empirical Assessment Of High Performing Medical Groups: Results from a National Study," Forthcoming, *Medical Care Research and Review*, 2005.

Overall High Performers

- **75** medical groups (11%) scored in the top quartile on at least four of the six individual measures.
- **131** medical groups (19%) scored in the top quartile on at least two of the three overall dimensions (Clinical quality, financial performance, and organizational learning).

Source: S.M. Shortell, J. Schmittdiel, M.C. Wang, “An Empirical Assessment Of High Performing Medical Groups: Results from a National Study,” Forthcoming, *Medical Care Research and Review*, 2005.

What distinguishes the overall high performers from the overall low performers?

- Involvement in quality improvement; having a quality-centered culture
- Required outside reporting of quality results

2X to 5X

Source: S.M. Shortell, J. Schmittdiel, M.C. Wang, “An Empirical Assessment Of High Performing Medical Groups: Results from a National Study,” Forthcoming, *Medical Care Research and Review*, 2005.

Health plans with higher percent of enrollees receiving care from staff and group model providers had significantly higher

- Women's Health Screening Rates
- Immunization Rates
- Heart Disease Screening
- Diabetes Testing

Source: R.R. Gillies, K.E. Chenok, S.M. Shortell, G. Pawlson, and J.J. Wimbush. "The Impact of Health Plan Delivery System Organization on Clinical Quality and Patient Satisfaction." *Health Services Research*, August 2006; 41(4): 1181-1199.

Knowledge Management for Value Improvement = I X C

I = Incentives

C = Capabilities

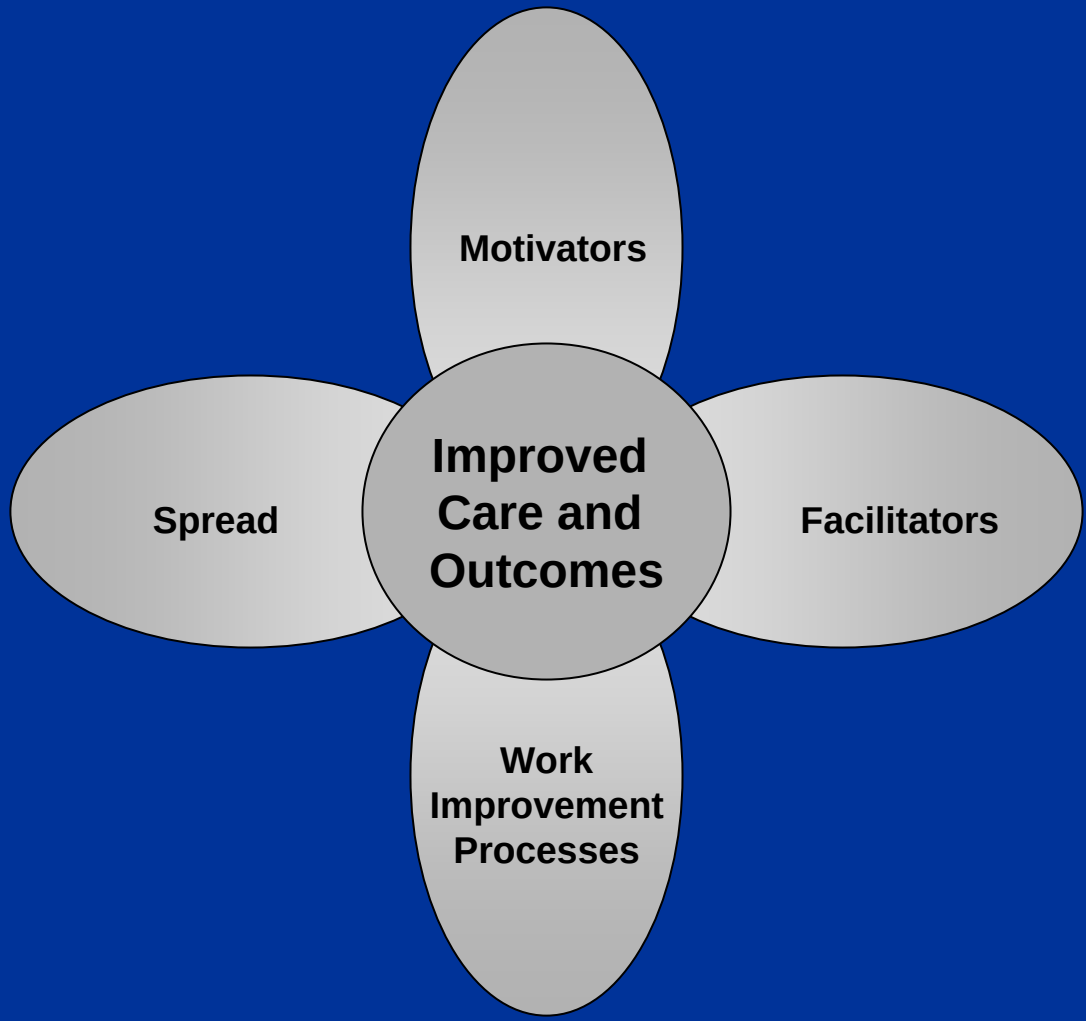
Incentives

- Financial – “pay for performance”
- Public recognition
- More “business”
- Intrinsic professional norms

Capabilities

- Patient centered culture
- Leadership
- Information technology
- Process improvement skills
- Team effectiveness
- Ability to partner

A “Propeller” for Accelerating Improved Quality of Care



Source: Adapted from: M. Wang et al. “Lessons In System Redesign,” JCJQPS, forthcoming, November, 2006

Blades of the Propeller

Motivators—Aligned incentives

Facilitators—IT, Teams, Performance Measurement

Work Improvement—Care process redesign, care coordination

Spread—knowledge management, transfer, and learning

Primary Barriers to Creating High Performing Physician Organizations

- Inherent fragmentation of U.S. health system
- Individual variation and autonomy still trumps team-oriented sharing of knowledge and standardization or excellence
- Lack of coherent aligned financial incentives

Primary Barriers to Creating High Performing Physician Organizations (Cont.)

- Lack of widespread information technology capability
- Lack of a standardized but comprehensive quality measurement set
- Lack of sufficient medical-management leadership and partnership

GOAL → **to create a larger population of the chronically well using the fewest resources**

Chronically Ill → **Sporadically Ill** (Recurrent Acute Episodes) → **Sporadically Well** (Occasional Acute Episodes) → **Chronically Well**

To increase value.

Concluding Observations

- We need to marry evidence-based medicine with evidence-based management
- We need to create a “burning platform” for change