

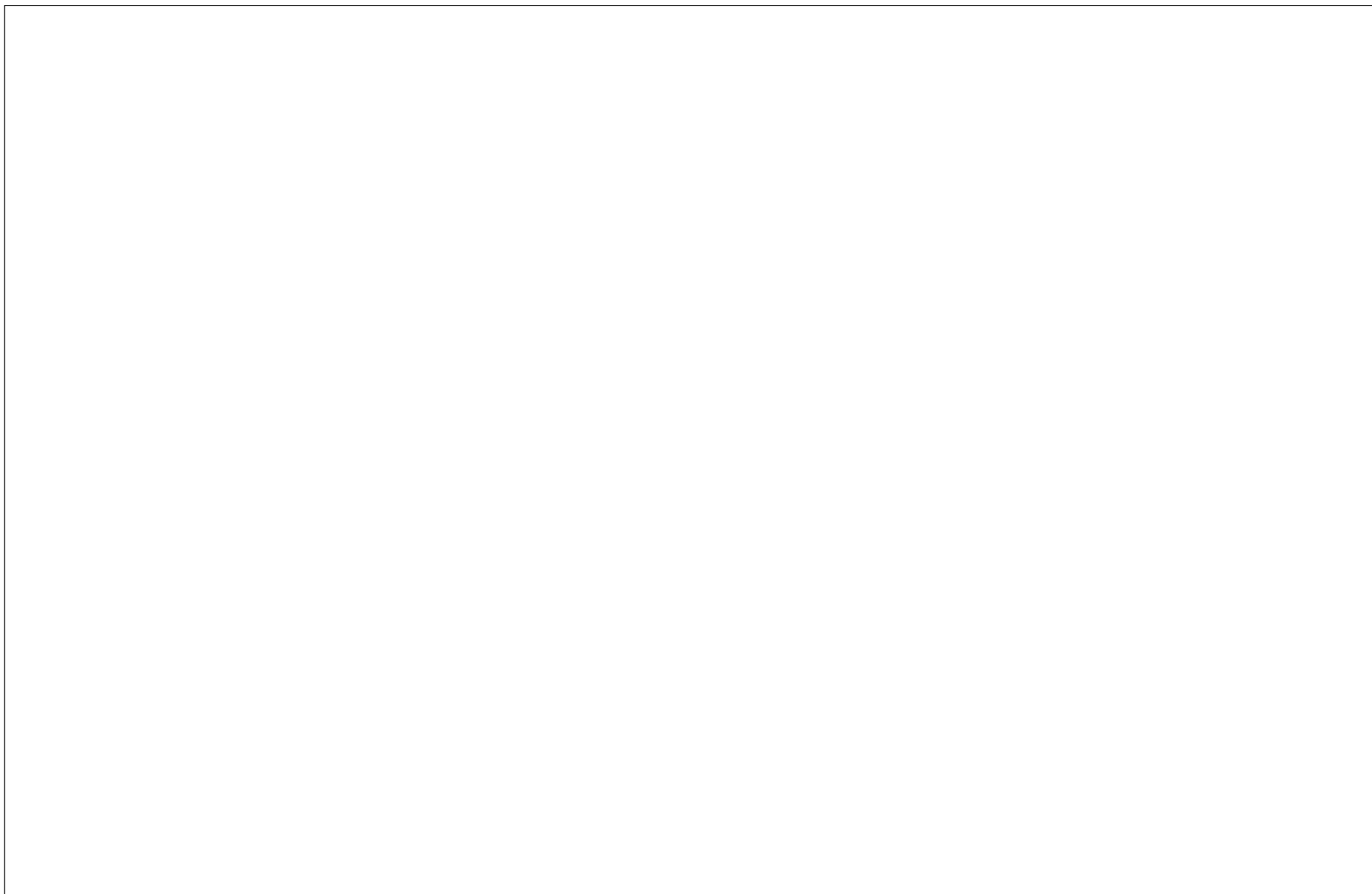


# Transforming Health Care Delivery in Mendocino County

HIT: The Promise of Better Care and Lower Cost

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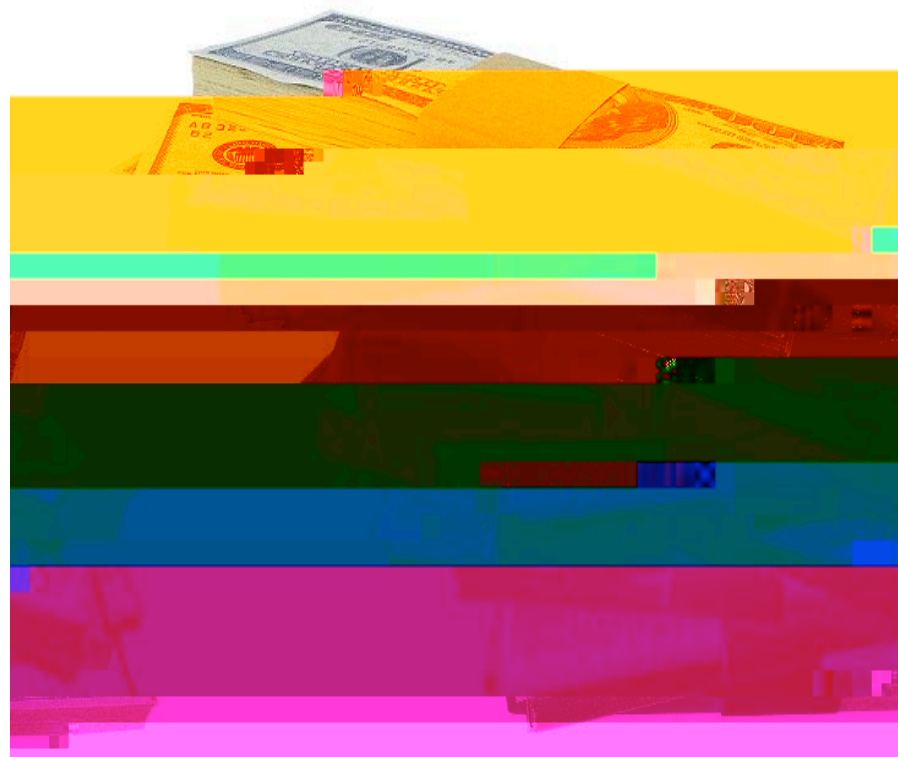




**Does this distribution of physicians look like a well-managed supply chain?**



## There are two main ingredients to increasing the value of HC \$ spent





## Current Landscape – Payers and Purchasers

- Numerous reports confirm substantial gap between best possible and actual care.
- Research has demonstrated that public reporting of performance leads to improvements.
- There are increasing demands from purchasers that providers demonstrate better performance, and initiatives that link payment with performance have proliferated in the private sector, and HHS is deeply engaged in the process (e.g. [www.hhs.gov/valuedriven](http://www.hhs.gov/valuedriven)).
- Consumer-directed approaches require valid information on quality and cost of care. President Bush has issued an Executive Order to that effect, and efforts to aggregate data across payers are blossoming (e.g. Value Exchanges).



## Current Landscape – HIEs

Health Information Exchanges are emerging as an important nexus to improve “productive efficiencies” and add value as a health information intermediary.

HIEs can be sustainable businesses if they focus on the right set of value-added transactions for their “customers” in the community (see full report at [http://toolkits.ehealthinitiative.org/value\\_creation\\_and\\_financing/VSMhome.msp](http://toolkits.ehealthinitiative.org/value_creation_and_financing/VSMhome.msp))

An HIE’s social and economic place in the community can help it be the trusted intermediary for transmittal of de-identified data to secondary data users (e.g. health plans, public health)



## **BTE is a not-for-profit company that designs programs for plans and employers**

- **Physician Office Link** – Based on NCQA’s Physician Practice Connections (PPC v2), or the QIO Practice Assessment, practices that go through the recognition process successfully are rewarded up to \$50pmpy
- **Diabetes Care Link** – Based on the NCQA’s Diabetes Physician Recognition Program (DPRP), eligible physicians can qualify for \$80/diabetic/y
- **Cardiac Care Link** – Based on the NCQA’s Heart-Stroke Recognition Program (HSRP), eligible physicians can qualify for up to \$160/cardiac/y
- **Spine Care Link** – Based on the NCQA’s Back Pain Recognition Program (BPRP), eligible physicians can qualify for up to \$50/back pain/y



## Why Physicians Participate in BTE

- 89% Improve Patient Care
- 70% Indicate Quality to Patients
- 43% Indicate Quality to Peers
- 37% Indicate Quality to Purchasers
- 93% “Very Likely” They Will Maintain Certification

## Barriers to Participation

- No staff to do chart pulls
- Not enough patients from participating employers





## What we proved in our pilot stage

Incentives work and can lead to practice reengineering, but practices need help to reengineer

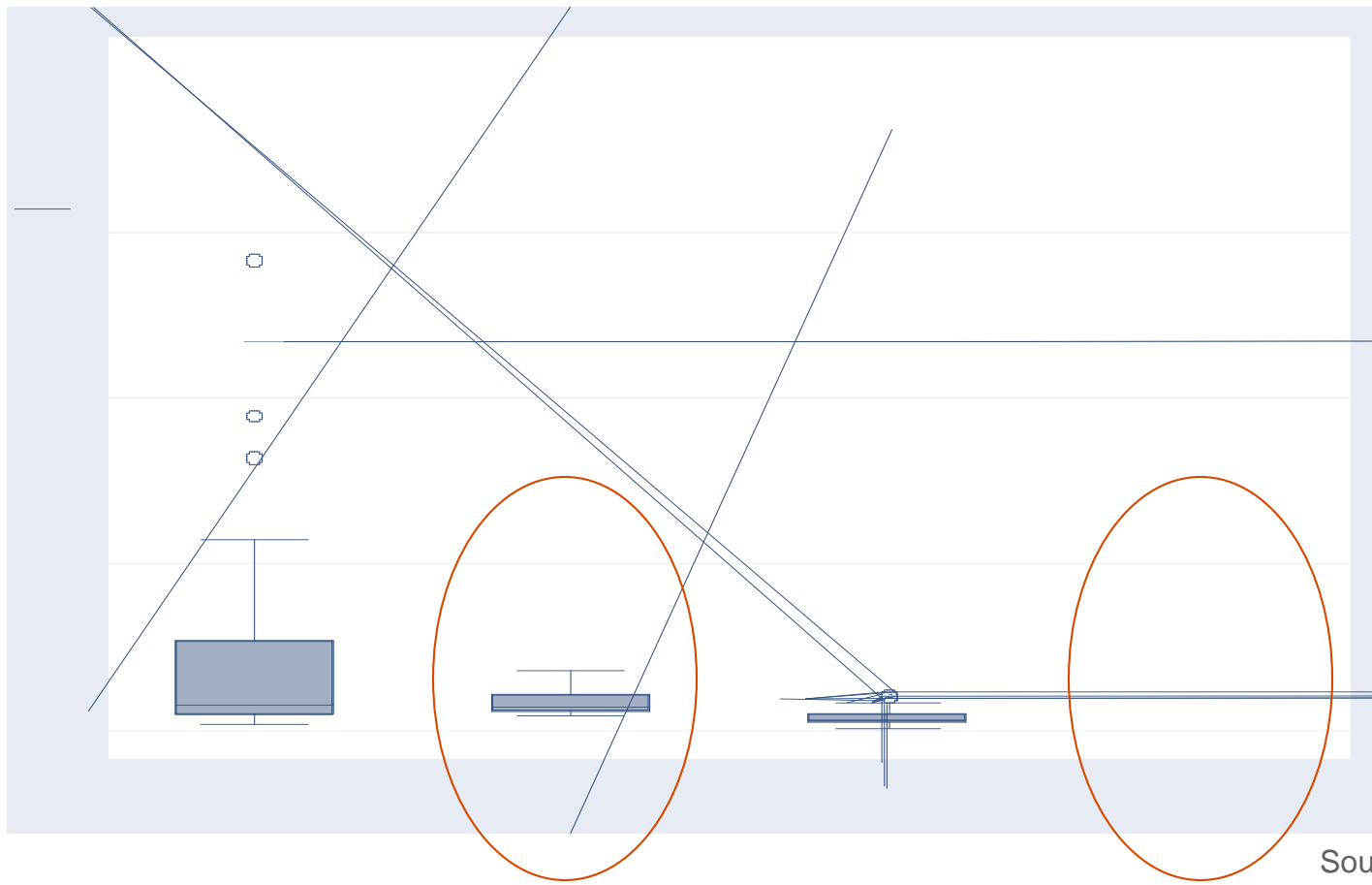
Better quality can cost less, but you need to focus on the right measures

Self-assessment of performance leads to focused quality improvement, but it's resource-intensive to pull charts

Employers banding together can create enough critical mass to impact physician behavior, but you need the plans to really make it work



# BTE-recognized physicians show significant reduction in variation

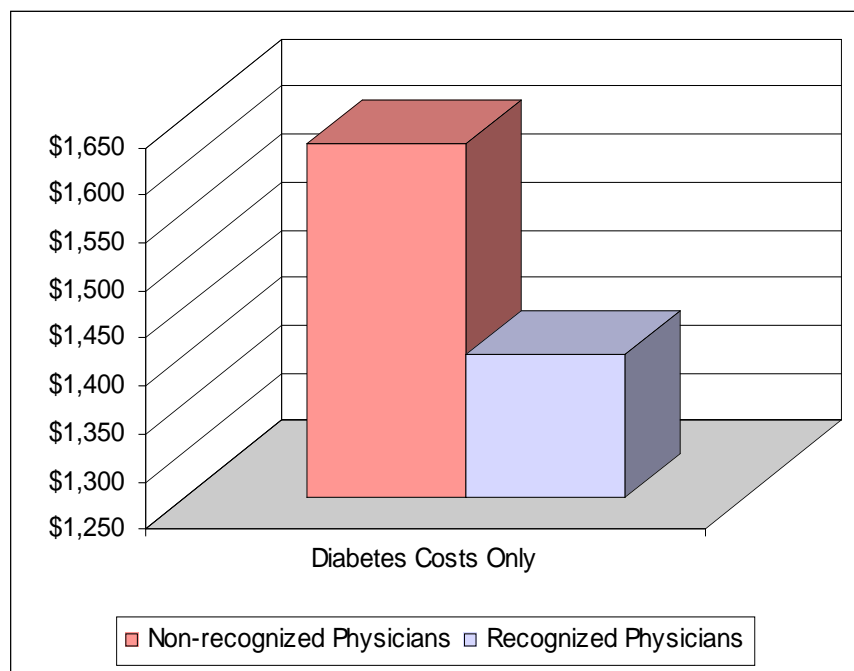


Source: Ingenix

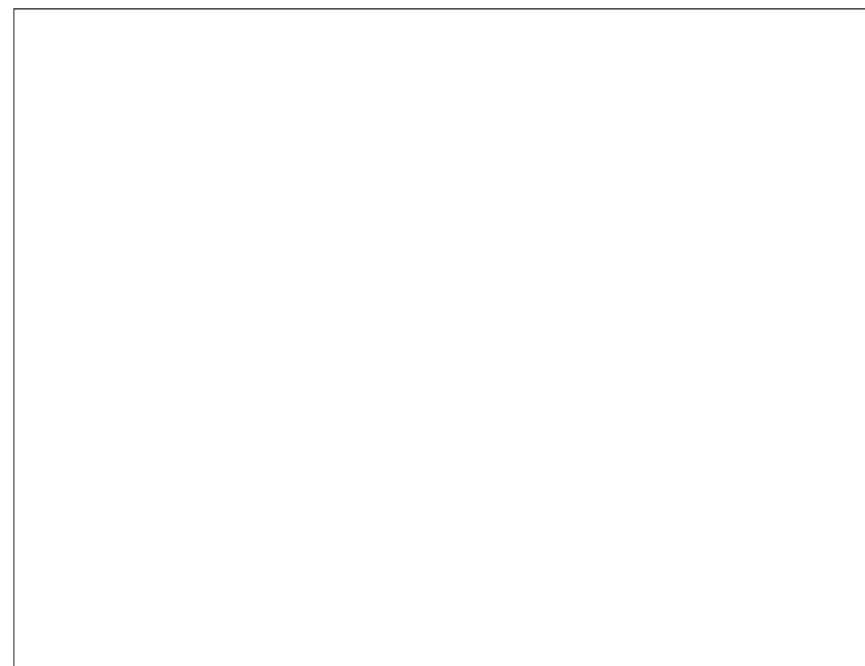


## Which also leads to lower costs of care

Diabetes Care Link



Physician Office Link



Average episode costs of care for recognized and non-recognized physicians

Source: Ingenix, Medstat, Mercer





## **These measures are critical to all stakeholders**

**Consumers** – health status is good/bad/improving

**Public Health** – community activities are helping/hurting/indifferent

**Medical device manufacturers** – our equipment is having a positive/negative/neutral impact on patients

**Life sciences/pharmaceutical companies** – our treatment regimens/therapies are having a positive/negative/neutral impact on patients

**Providers** – my interventions are having a positive/negative/neutral impact on patients



# HIEs can create feedback loops at multiple levels of the system

