Measuring Delivery System Quality and Efficiency

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Overview

- Critical assumption: Driving quality for all
- Challenges to using metrics to drive change
- Organizations committed to meeting these challenges
- Role of managed care industry in improving quality and lowering cost
- Implications for regulators

FSSB Agenda Description

- Explore the *feasibility* of developing appropriate measures/metrics to quantify the quality and efficiencies that the integrated care delivery model provides as compared to other delivery models.

A 45% “Error Rate”

- In March of 2003, RAND reported that 55% of patients received recommended care
  - No material difference for preventive care or acute care, or chronic care
- RAND report reflects what we have long known/suspected about inconsistent medical practice patterns.

Good News and Bad News

- Good News is a host of sophisticated, focused and well resourced organizations are hard at work on developing quality and efficiency metrics
- Bad news is the work is slow and arduous
  - Defining good medical practice
  - Defining and collecting good data
  - Analyzing and reporting data in a way which drives change

Crucial Assumption: High Quality Care for All

- All boats rise with the tide.
  - Fundamentally, health plans are driving to improve quality and lower cost of care overall, regardless of delivery system
- Score keeping must be fair to all to drive change
  - Point is to find opportunities for specific improvements in various delivery systems
  - Competitive dynamic can be powerful and dynamic
  - Yet, other teams won't show up if someone has their thumb on the scale

Purchasers Drive Plans to Prove Quality and Value

- Large health care purchasers are potent force demanding plans, and delivery systems, demonstrate quality – value – to support purchaser costs.
- Purchasers are never satisfied – nor should they be
  - Work with organizations which keep the bar ever rising
  - NCQA, Leapfrog, PBGH, NQF

Who's The Audience?

- Is there an emerging new audience for quality metrics? If so, this greatly impacts the type of metrics to be collected and how they are reported
  - Large purchasers, such as large employers and CMS, want population metrics which show system improvement
    - Distribution tends to be "wholesale"
  - Consumers want metrics specific to their physician and procedure choices
    - Distribution tends to be "retail"
  - Metrics can work at cross purposes depending upon the audience

Quality Can Drive Efficiency

- Considerable contemporary work in measuring quality aimed at driving down cost too
  - Consistent practice patterns
  - High volumes of procedures by facilities leads to better quality and lower cost

Feasibility of Creating Metrics

- Several critical components:
  1. *Stakeholder buy-in*
     - Critical for all parts of the process
  2. *Evidence based medicine*
  3. *Sound and fair process*
     - Data collection, analysis and reporting
     - Actionable insights that support concrete improvements.
  4. *Process continuously improved*

Quality

- Examples of organizations/initiatives:
  - IHA Pay For Performance
  - NCQA
  - The National Quality Forum
  - Leapfrog
- Potential new metrics these organizations we might ask these organizations to consider
  - Care management programs
  - EMR adoption

Efficiency

- Definition of “efficiency” metrics less well established compared to quality metrics
  - It could be enough to focus on evidence driven care that drives down “error rates” drives down cost
  - Market based prices are an existing and powerful measure of efficiency
    - Challenge here is transparency of health care pricing

Implications for Regulators

- Tremendous opportunities to partner with existing organizations
  - 30 state regulators rely on NCQA medical audits for commercial and/or public programs
  - The Medicare program relies on NCQA
- Bring leadership to these organizations
  - Director Ehnes, CMS Administrator Flick engagement with CalRHIO and IHA boards
- Be careful to avoid cross purposes
  - CQI drives change and pushes participants to reach
  - If a regulatory standard, risk participants becoming defensive out of fear of enforcement actions

Managed Care Industry Focus on Improving Quality & Lowering Cost

- From the HMO Act of 1973, to the early development of staff model HMOs, managed care sought to advance quality while making the system more efficient.
- Health plans were from the start at the table advancing efforts to measure, report and fund improvements in the quality of health care
  - Origins of HEDIS
  - More recently, the funding and founding of CalRHIO

Summary

- Our industry is driven by the market and by mission to improve quality at lower costs.
- We support efforts to improve quality using a competitive dynamic and metrics
  - These processes work when the *intent and execution* is to raise quality and lower cost for all of health care.
- Regulators can – and should – bring even more leadership to quality improvement organizations
- Health plans have and will continue to provide staff, leadership and funding to these efforts.

Thank You

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