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Why Not the Best? How States Can Lead Us Toward a High Performance Health System

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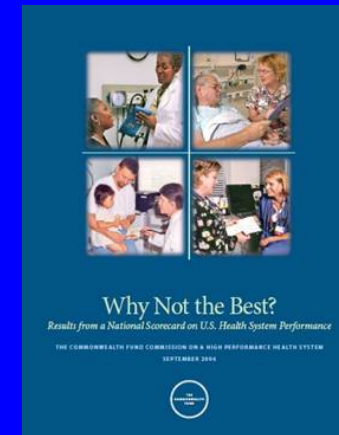
Charlene B. Rydell Lecture

January 26, 2007

Commonwealth Fund's Commission on a High Performance Health System

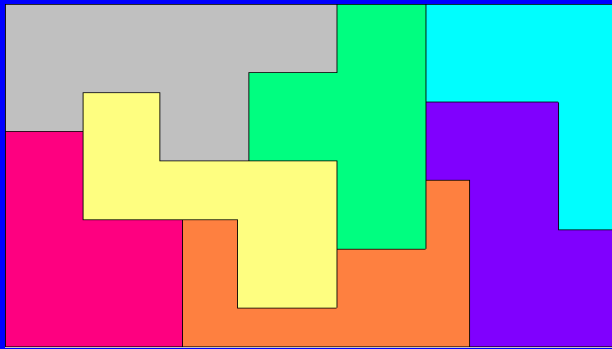
Objective:

- Move the U.S. toward a higher-performing health care system that achieves better access, improved quality, and greater efficiency, with particular focus on the most vulnerable due to income, gaps in insurance coverage, race/ethnicity, health, or age



Achieving a High Performance Health System Requires:

- Commitment to a clear strategy and establishing a process to implement and refine that strategy
- Establishing and tracking metrics for health outcomes, quality of care, access, disparities, and efficiency
- Addressing seven keys to high performance



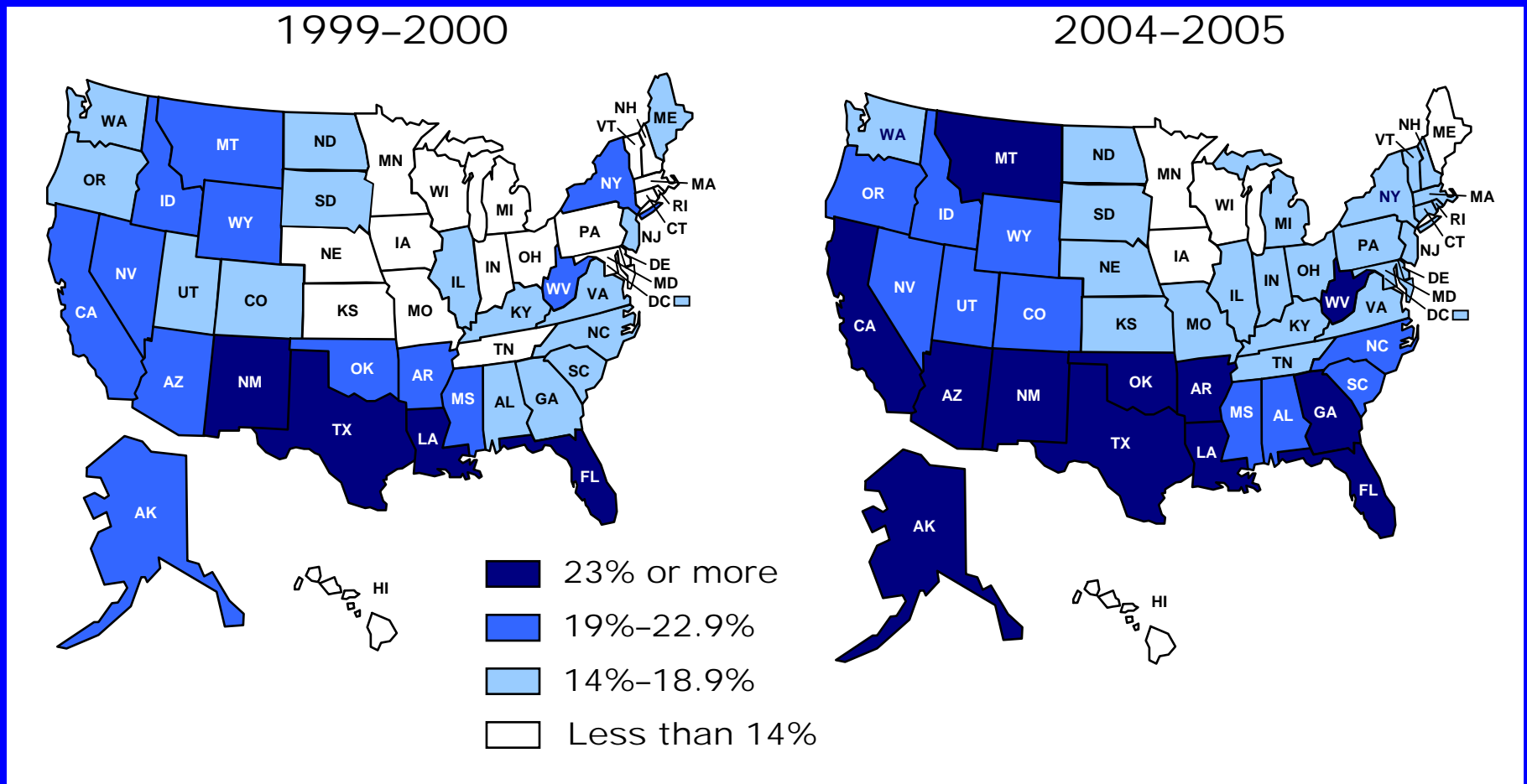
Seven Keys to Transforming the U.S. Health Care System

1. Extend health insurance to all
2. Pursue excellence in provision of safe, effective, and efficient care
3. Organize the care system to ensure coordinated and accessible care for all
4. Increase transparency and reward quality and efficiency
5. Expand the use of information technology and exchange
6. Develop the workforce to foster patient-centered and primary care
7. Encourage leadership and collaboration among public and private stakeholders

State Performance: Where We Are Now and Achievable Benchmarks

Despite Rising National Rates of Uninsured, Maine Increased Coverage in Last Five Years

Percent of Adults Ages 18-64 Uninsured by State

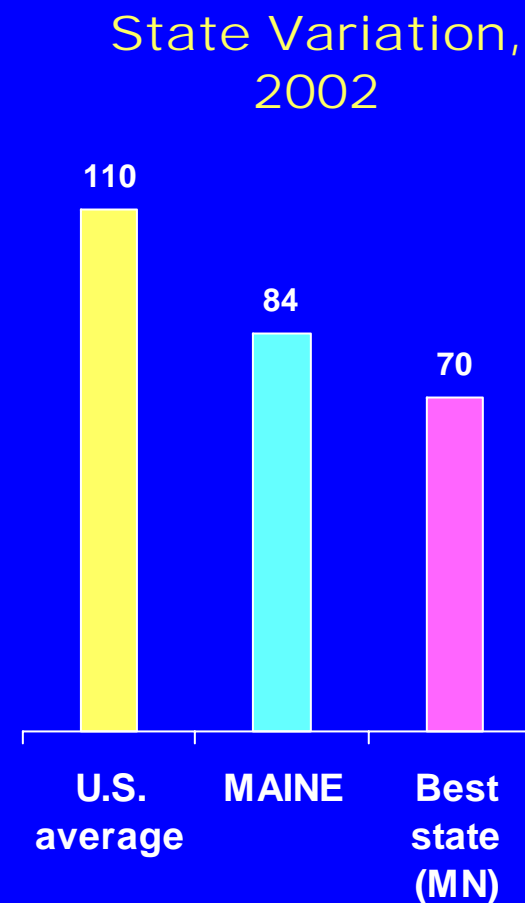
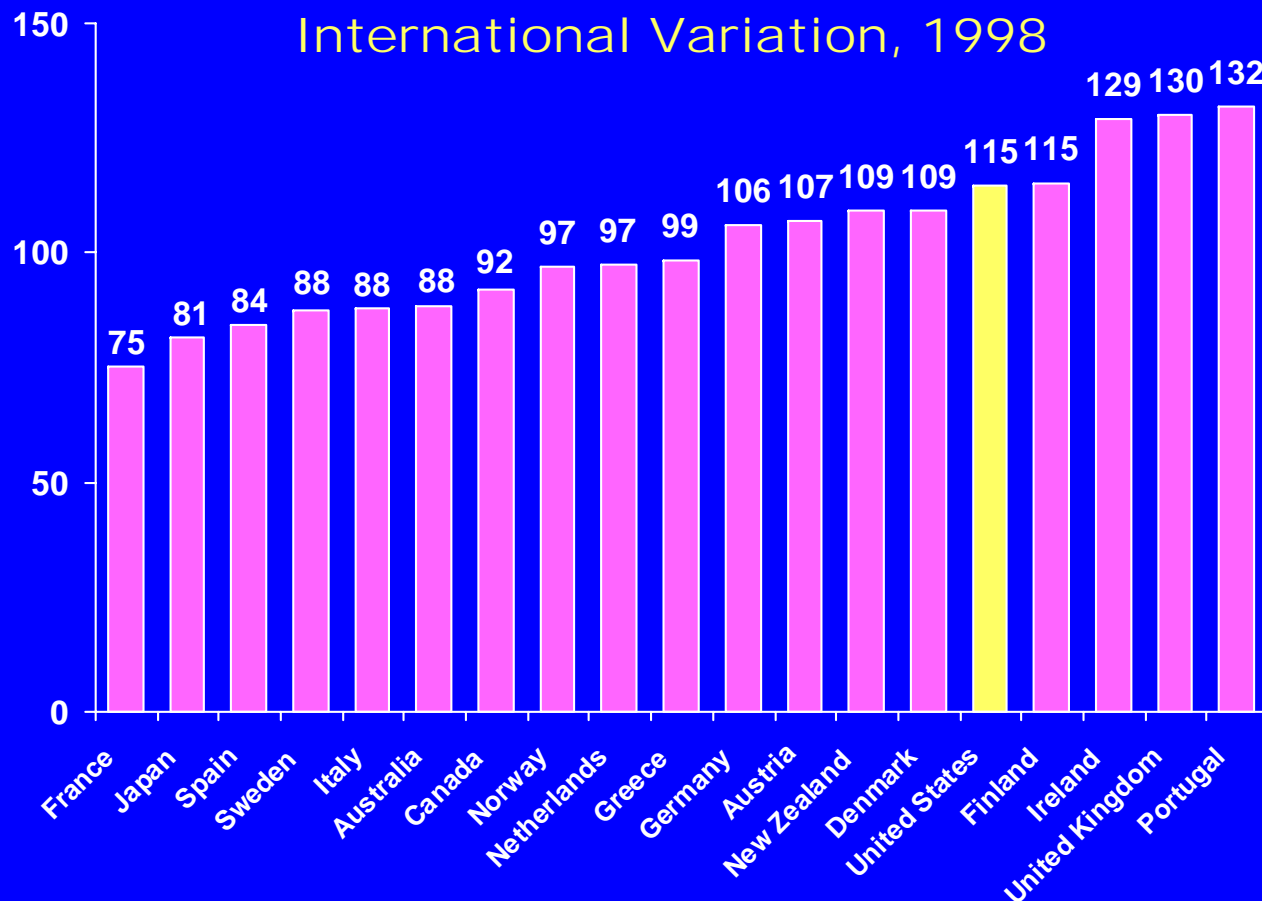


Data: Two-year averages 1999-2000 and 2004-2005 from the Census Bureau's March 2000, 2001 and 2005, 2006 Current Population Surveys. Estimates by the Employee Benefit Research Institute.

Source: Commonwealth Fund National Scorecard on U.S. Health System Performance, 2006

Compared to the National Average, Maine Has Low Mortality Amenable to Health Care

Deaths per 100,000 population*



* Countries' age-standardized death rates, ages 0–74; includes ischemic heart disease.

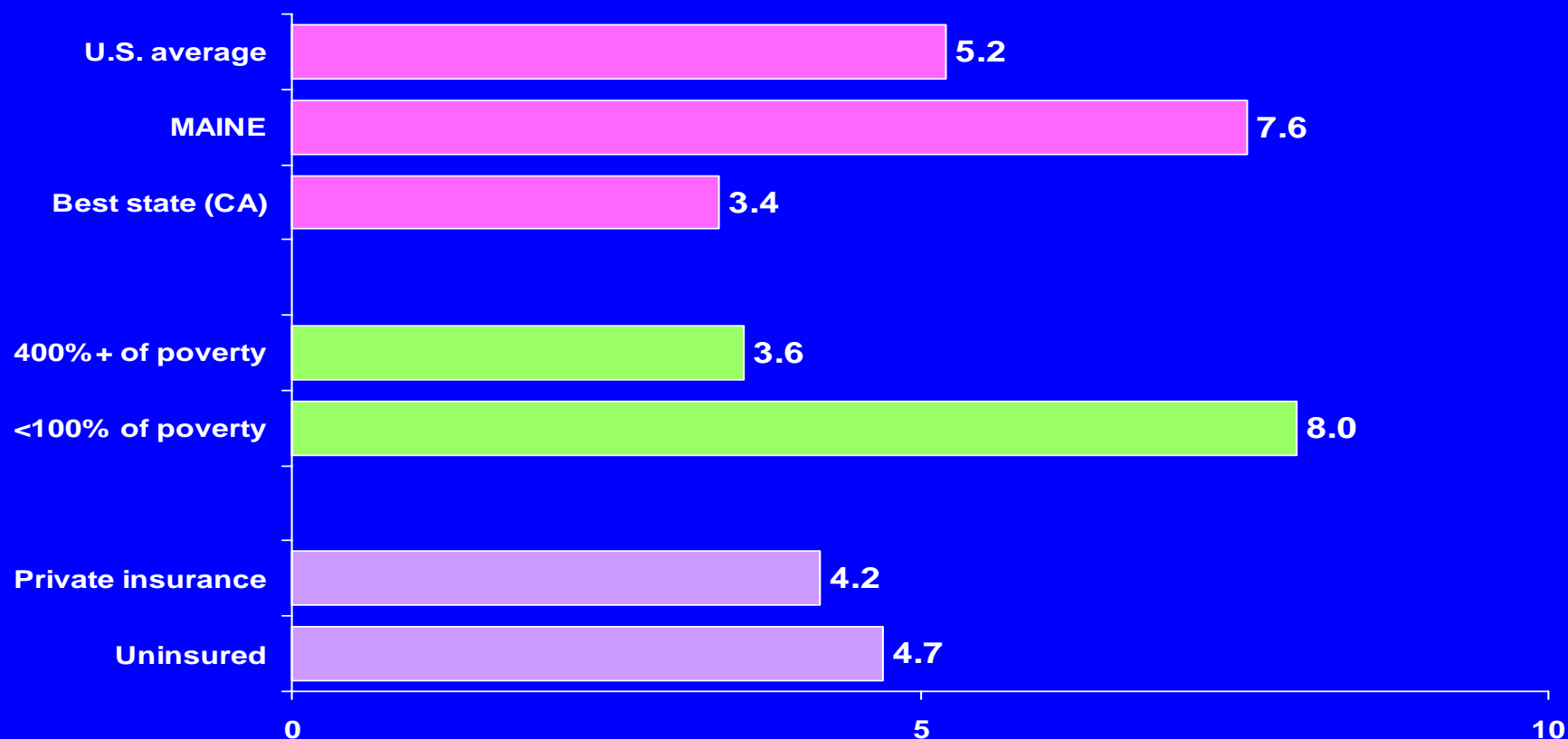
See Technical Appendix for list of conditions considered amenable to health care in the analysis.

Data: International estimates—World Health Organization, WHO mortality database (Nolte and McKee 2003);

State estimates—K. Hempstead, Rutgers University using Nolte and McKee methodology.

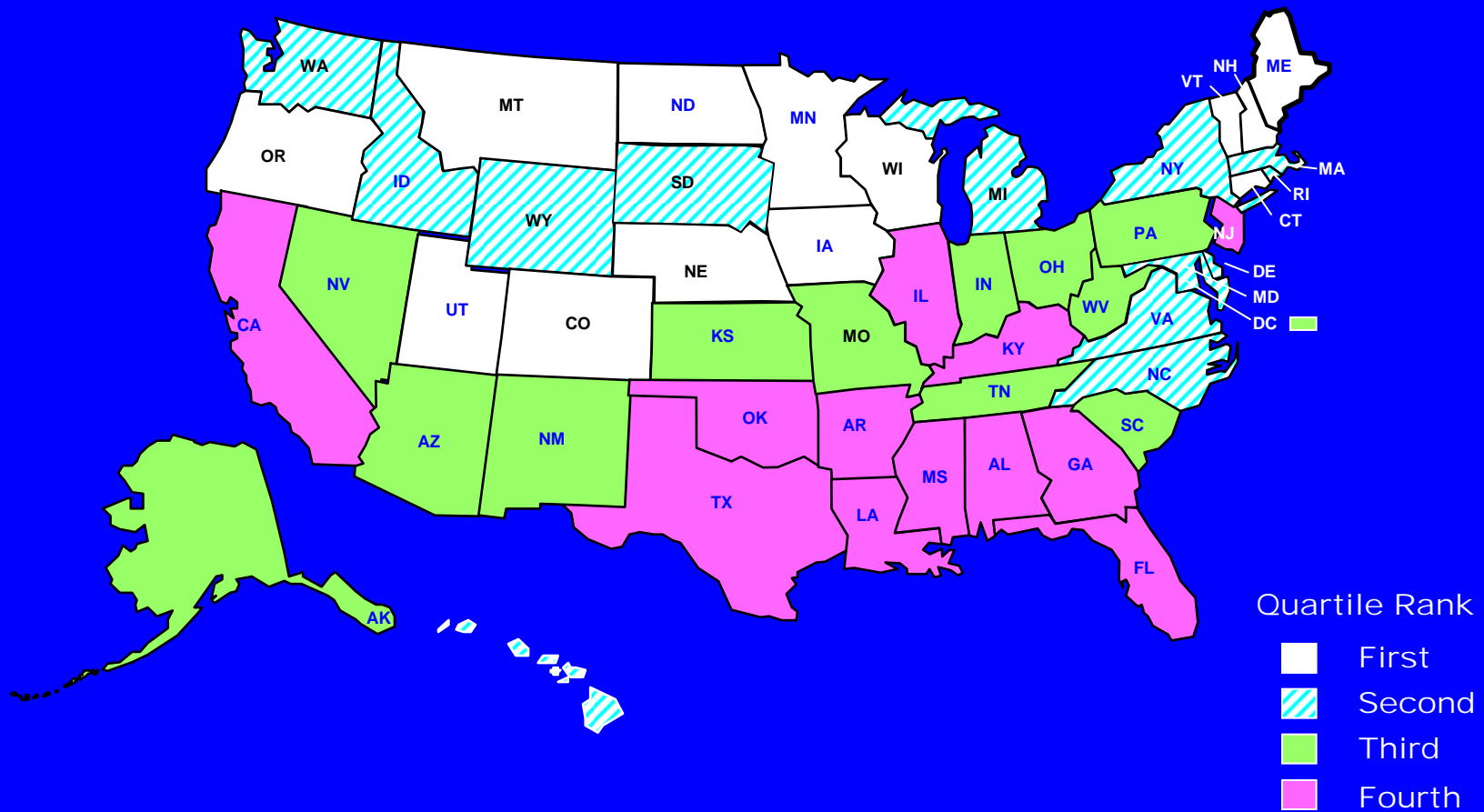
Maine Kids Are More Likely to Miss School Due to Illness or Injury than the National Average, 2003

Percent of children (ages 6–17) who missed 11 or more school days due to illness or injury during past year



Data: 2003 National Survey of Children's Health (HRSA 2005; retrieved from Data Resource Center for Child and Adolescent Health database at <http://www.nschdata.org>).

Maine Scores in First Quartile on Quality of Care, 2000–2001



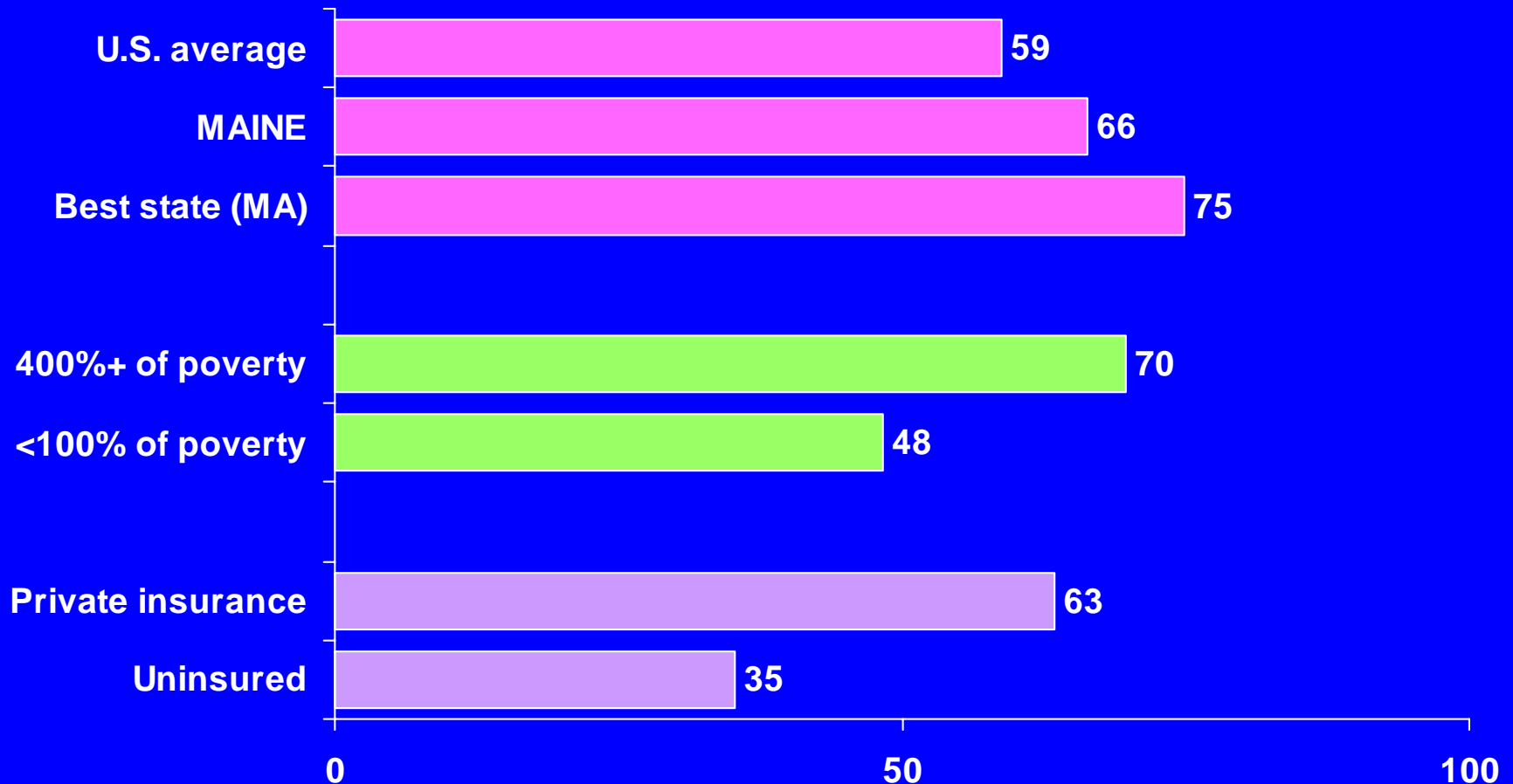
Note: State ranking based on 22 Medicare performance measures.

Source: S.F. Jencks, E.D. Huff, and T. Cuerdon, "Change in the Quality of Care Delivered to Medicare Beneficiaries, 1998–1999 to 2000–2001," *Journal of the American Medical Association* 289, no. 3 (Jan. 15, 2003): 305–312.



Children in Maine Are More Likely than the U.S. Average to Have Preventive Care Visits

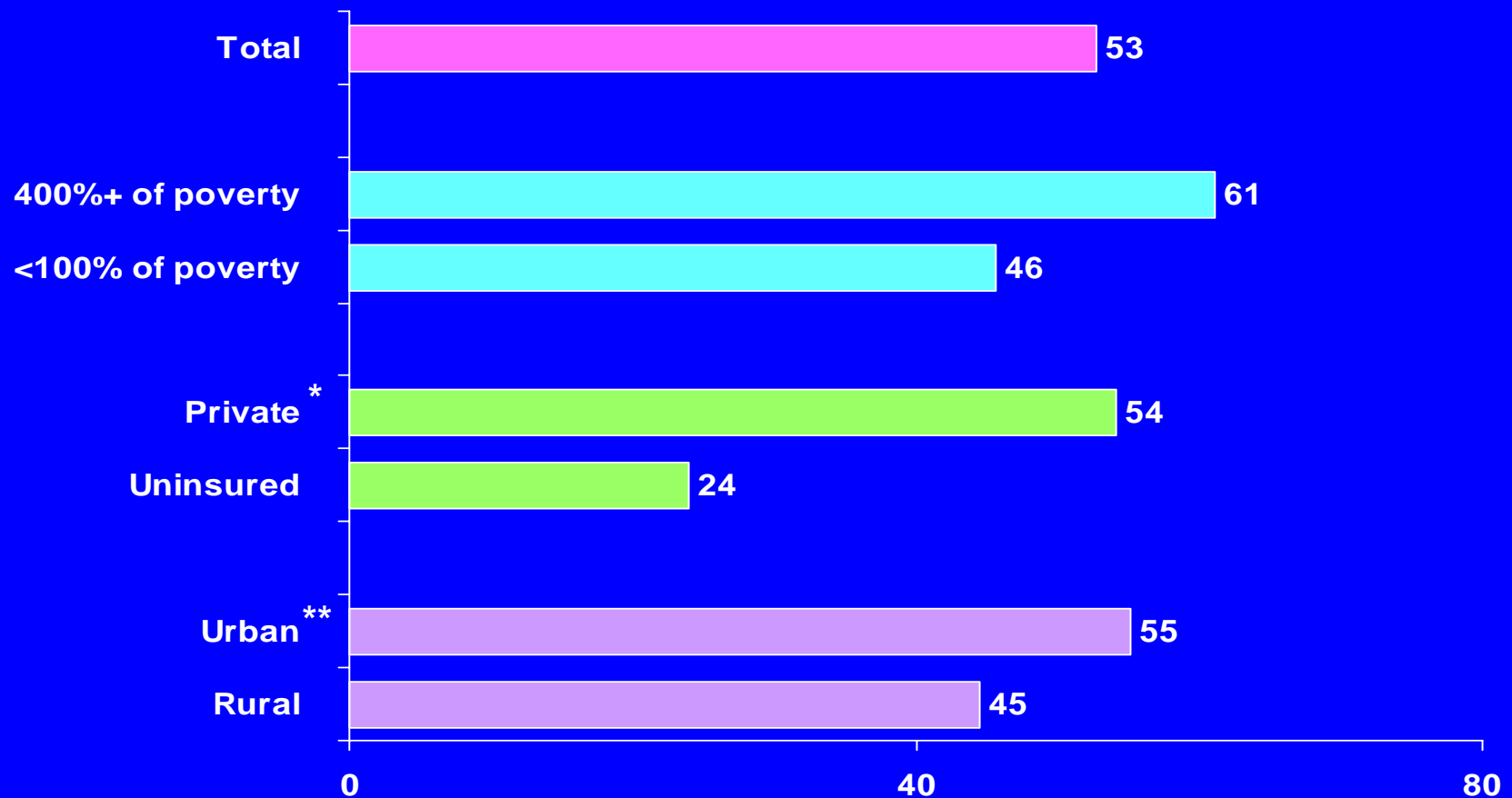
Percent of children (ages <18) who received BOTH a medical and dental preventive care visit in past year



Data: 2003 National Survey of Children's Health (HRSA 2005; retrieved from Data Resource Center for Child and Adolescent Health database at <http://www.nschdata.org>).

Diabetes Care Is Worse for Low-Income, Uninsured, and Rural Americans

Percent of diabetics (ages 18+) who received HbA1c test, retinal exam, and foot exam in past year



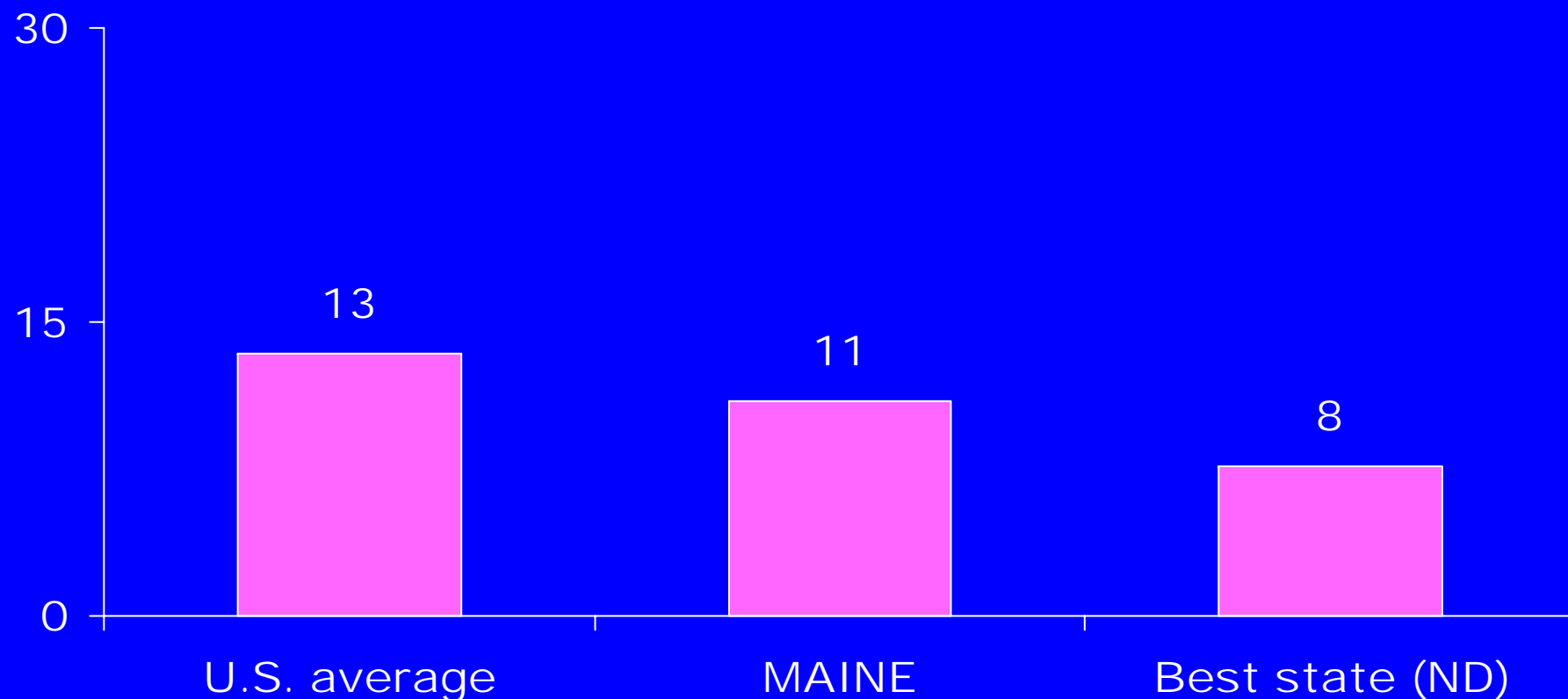
* Insurance for people ages 18–64.

** Urban refers to metropolitan area ≥ 1 million inhabitants; Rural refers to noncore area $< 10,000$ inhabitants.

Data: Medical Expenditure Panel Survey (AHRQ 2005a). Data is from 2002.

Fewer High-Risk Residents in Nursing Facilities in Maine Had Pressure Sores than the Average, 2004

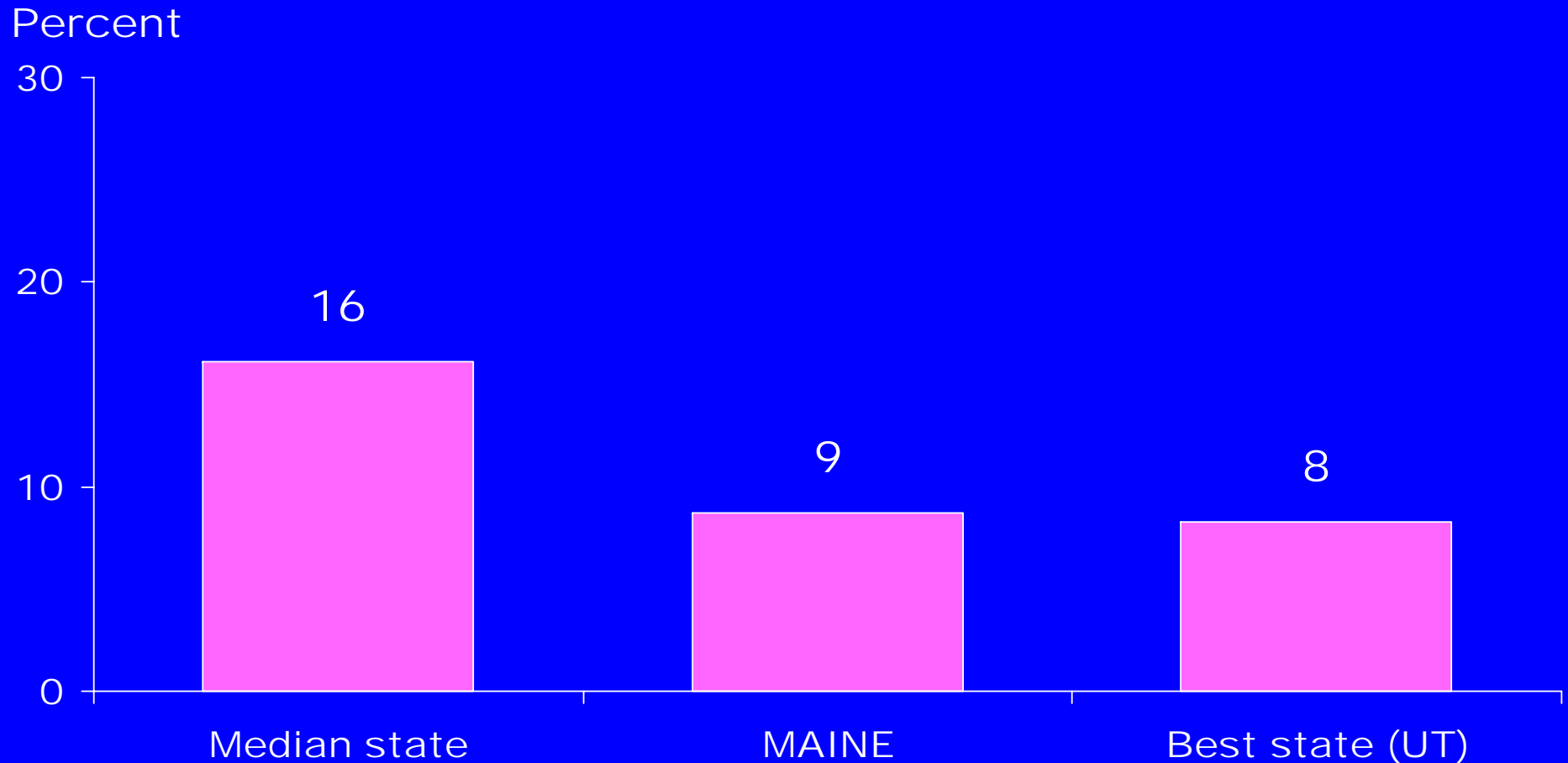
Percent of high-risk nursing home residents with pressure sores



Data: Nursing Home Minimum Data Set (AHRQ 2005a).

Source: Commonwealth Fund National Scorecard on U.S. Health System Performance, 2006

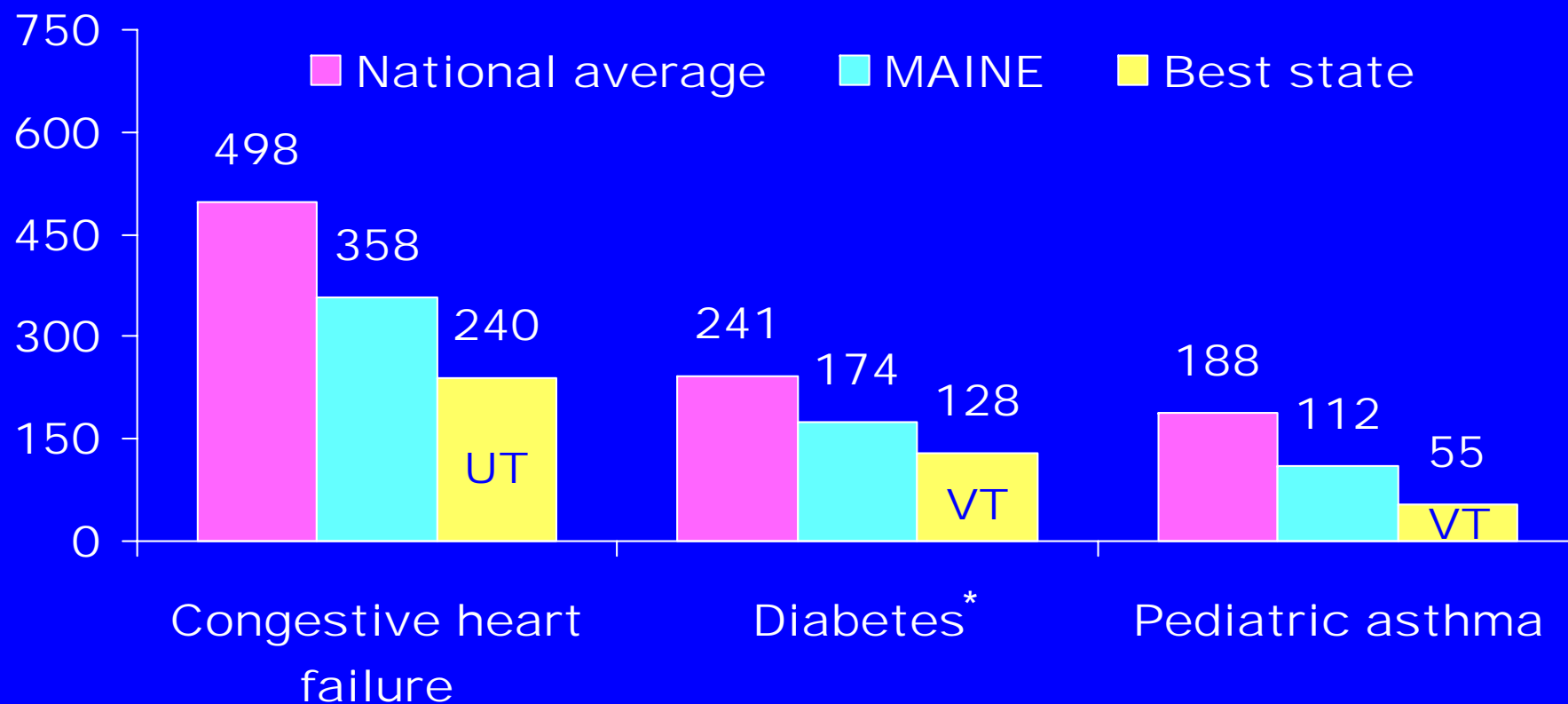
Maine Also Has Lower Hospital Admission Rates Among Nursing Home Residents Compared to the Nation



Data: V. Mor, Brown University analysis of Medicare enrollment data and Part A claims data for all Medicare beneficiaries who entered a nursing home and had a Minimum Data Set assessment during 2000.

Maine Scores Better than Average on Ambulatory Care Sensitive (Potentially Preventable) Hospital Admissions for Select Conditions

Adjusted rate per 100,000 population



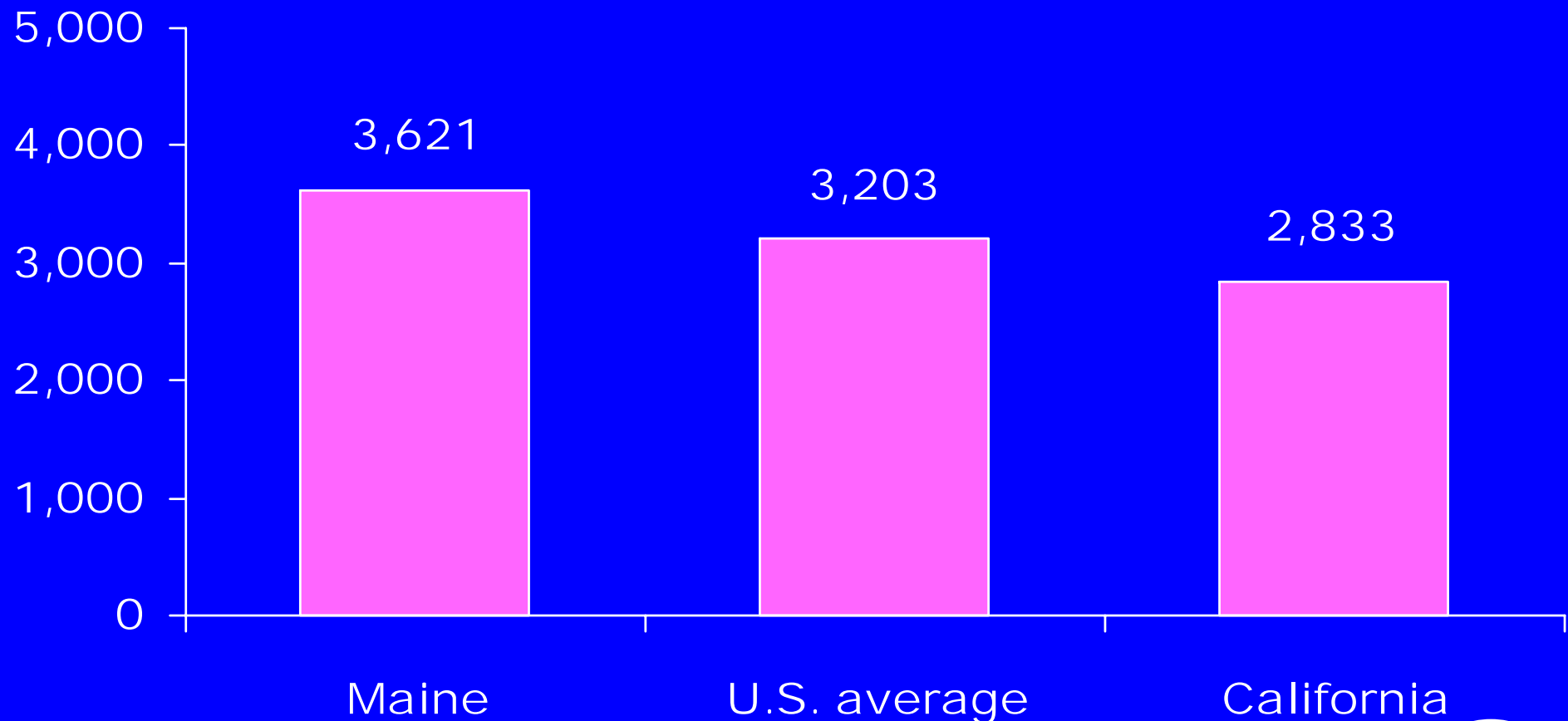
* Combines four diabetes admission measures: uncontrolled, short-term complications, long-term complications, and lower extremity amputations.

Data: National estimates—Healthcare Cost and Utilization Project, Nationwide Inpatient Sample; State estimates—State Inpatient Databases; not all states participate in HCUP (AHRQ 2005a). Data is from 2002.

Adjusted Health Plan Premiums Are High in Maine

Employee-only adjusted premiums

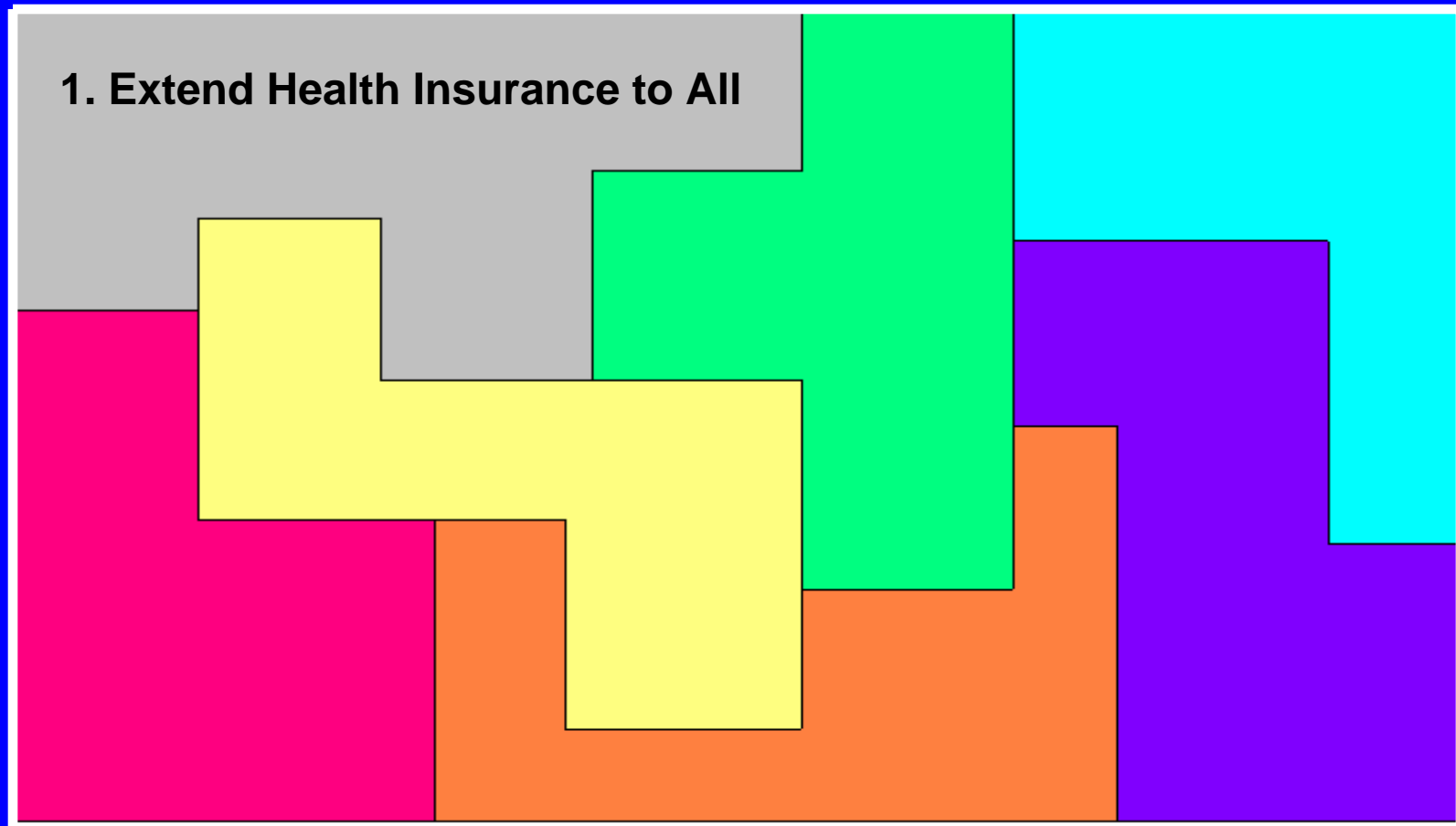
Dollars



Adapted from J. Gabel, R. McDevitt, L. Gandolfo et al., "Generosity and Adjusted Premiums in Job-Based Insurance: Hawaii Is Up, Wyoming Is Down," *Health Affairs*, May/June 2006 25(3):832–43. Data is from 2002.



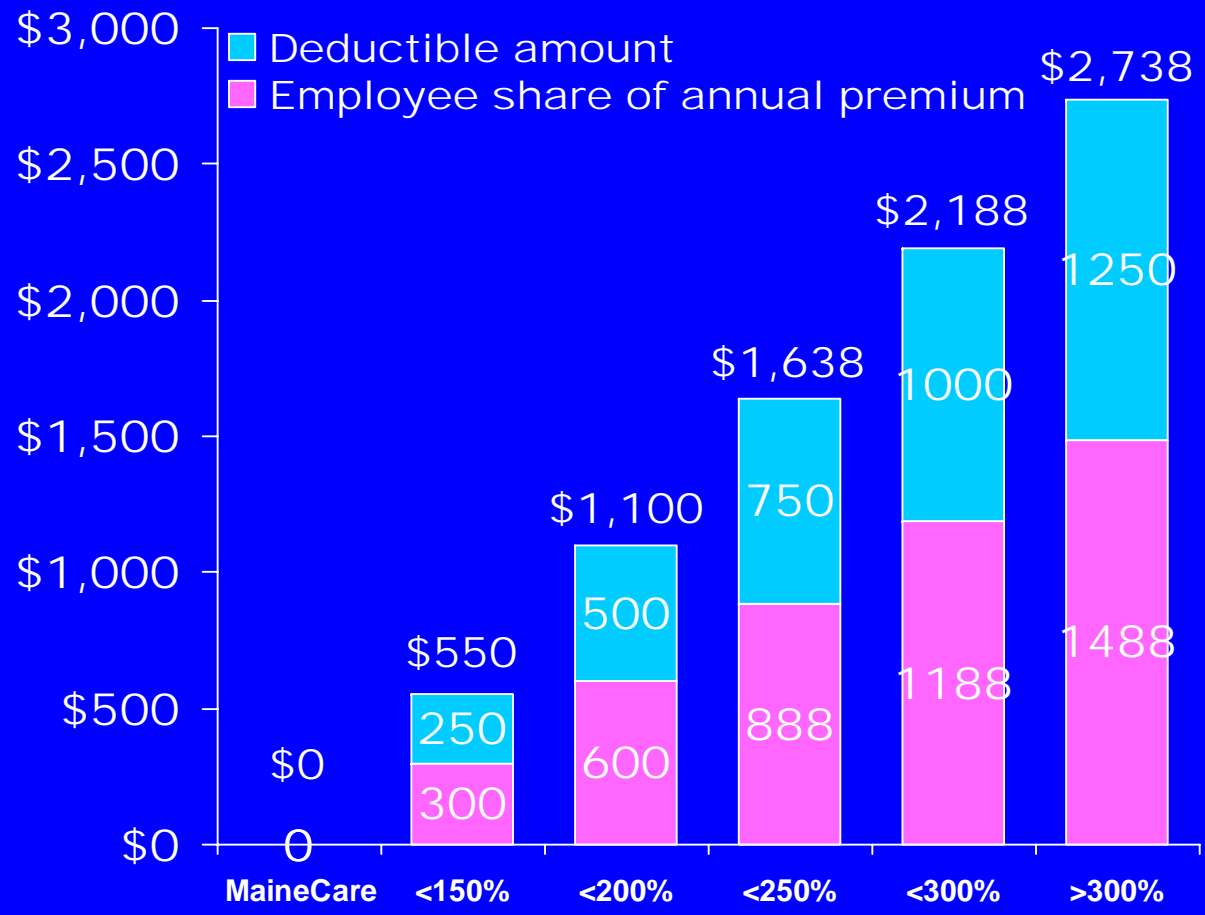
Extend Health Insurance to All





Retaining and Expanding Employer Participation: Maine's Dirigo Health

Annual expenditures on deductible and premium



- New insurance product; \$1250 deductible; sliding scale deductibles and premiums below 300% poverty
- Employers pay fee covering 60% of worker premium
- Began Jan 2005; Enrollment 13,290 as of 12/1/06

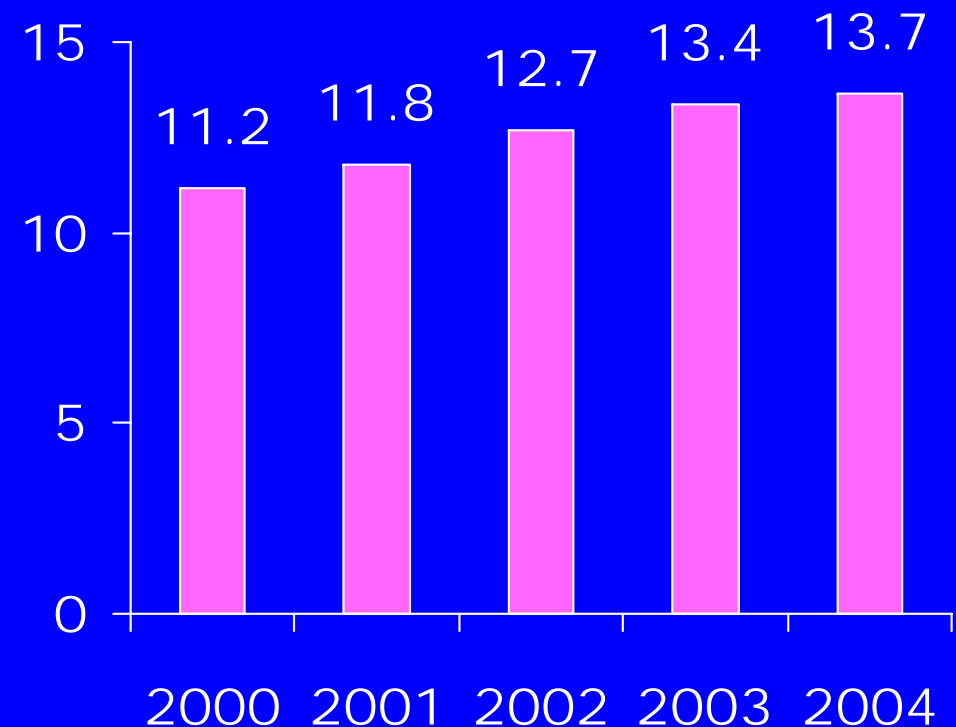
* After discount and employer payment (for illustrative purposes only).



New Jersey Raises Age of Dependent Status for Health Insurance

- As of 5/2006, NJ requires all state insurers to raise dependent age limit to 30
 - Highest age limit in country
 - Covers uninsured, unmarried adults with no dependents who are NJ residents or FT students
 - Premium capped at 102% of amount paid for dependent's coverage prior to aging out
- 200,000 young adults expected to receive coverage under the law

Millions uninsured, adults ages 19-29



Source: S.R. Collins, C. Schoen, J.L. Kriss, M.M. Doty, B. Mahato, "Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help," Commonwealth Fund issue brief, May 2006. (Analysis of the March 2001-2005 Current Population Surveys)



Massachusetts Health Plan

- MassHealth expansion for children up to 300% FPL; adults up to 100% poverty
- Individual mandate, with affordability provision; subsidies between 100% and 300% of poverty
- Employer must offer, employee must take-up
- Employer assessment (\$295 if employer doesn't provide health insurance)
- Connector to organize affordable insurance offerings through a group pool



Source: John Holahan, "The Basics of Massachusetts Health Reform," Presentation to United Hospital Fund, April 2006.



Vermont Health Care Affordability Act Enacted May 2006

- Coverage expansion
 - Catamount Health Plans
 - Targets those w/o access to work-based coverage
 - Premium subsidies based on sliding scale up to 300% FPL
 - Comprehensive benefit package
 - No patient cost-sharing for preventive or chronic care
 - Builds upon the established Chronic Care Model
- Financing
 - Employer assessment
 - Increase in tobacco taxes
 - Federal matching funds from Medicaid waiver
- Quality improvement initiatives
 - Public-private collaboration
 - Collect health care data from all payers
 - Rules to publicly report price & quality information

California Governor's Proposal

- Individual mandate
- Premium subsidies for adults below 250% federal poverty level
- Employer offer health insurance or pay 4% of wages into pool
- Provider fee assessment (2% of physician revenues to 4% of hospital revenues)
- Insurance market regulation
 - Guaranteed issue
 - Community rating with age bands
 - 85 percent minimum medical loss ratio

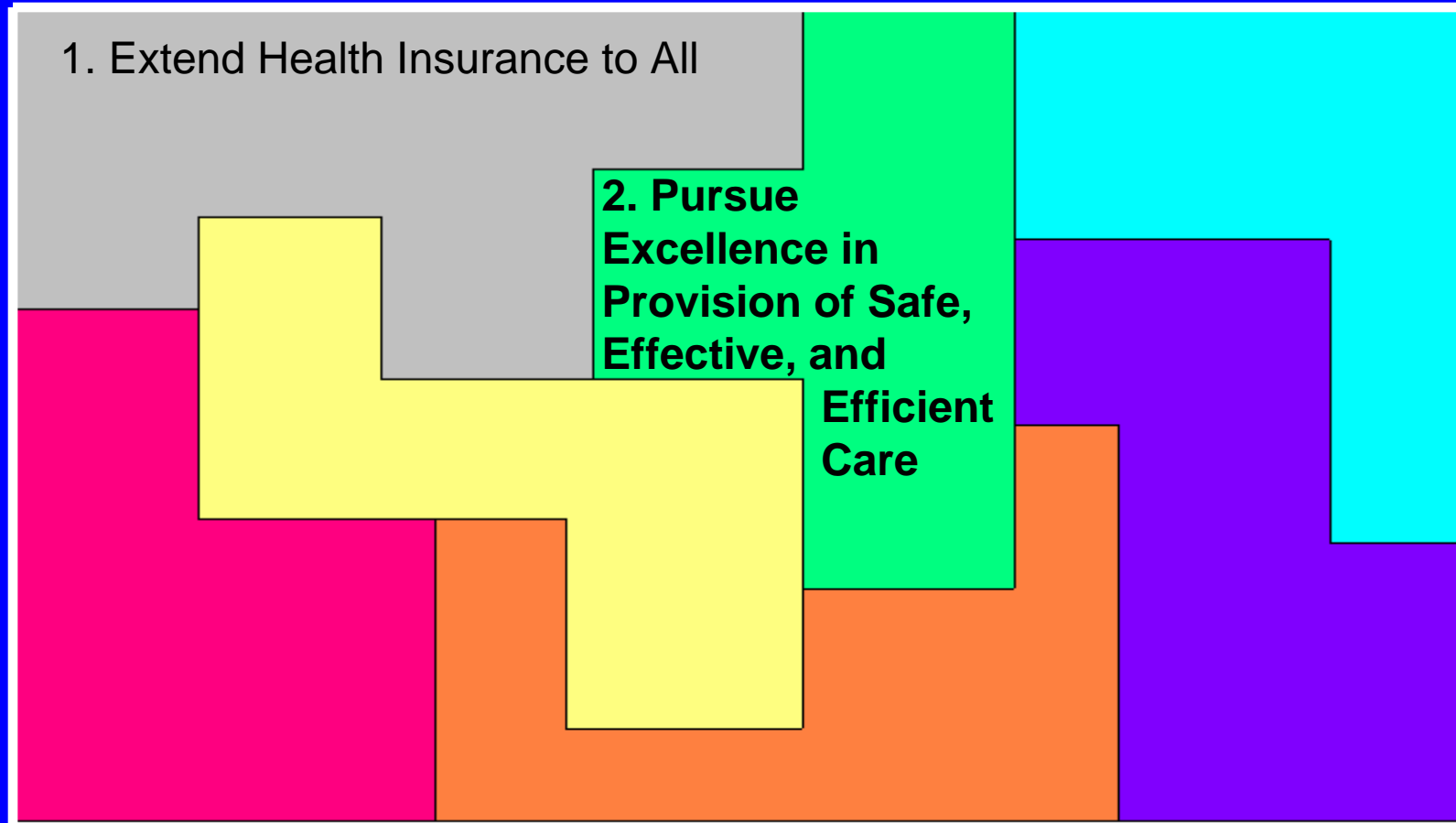


Illinois All-Kids



- Effective July 1, 2006
- Available to any child uninsured for 6 months or more
- Cost to family determined on a sliding scale
- Linked to other public programs (FamilyCare & KidCare)
- Federal and state funds
 - Children <200% of FPL covered by federal funds
 - Children 200%+ of FPL funded by state savings from Medicaid Primary Care Case Management Program
- All-Kids Training Tour
 - Public outreach program to highlight new and expanded healthcare programs

Pursue Excellence in Provision of Safe, Effective, and Efficient Care





Rhode Island: Five-Point Strategy

1. Creating affordable plans for small businesses & individuals
2. Increasing wellness programs
3. Investing in health care technology
4. Developing centers of excellence
5. Leveraging the state's purchasing power

RI Quality Institute

- Non-profit coalition -- hospitals, providers, insurers, consumers, business, academia & government
- Partnered with "SureScripts" to implement state-wide electronic connectivity between all retail pharmacies and prescribers in the state

Health Information Exchange Initiative

- Statewide public/private effort
- AHRQ contract 5 yr/ \$5M
- Connecting information from physicians, hospitals, labs, imaging & other community providers



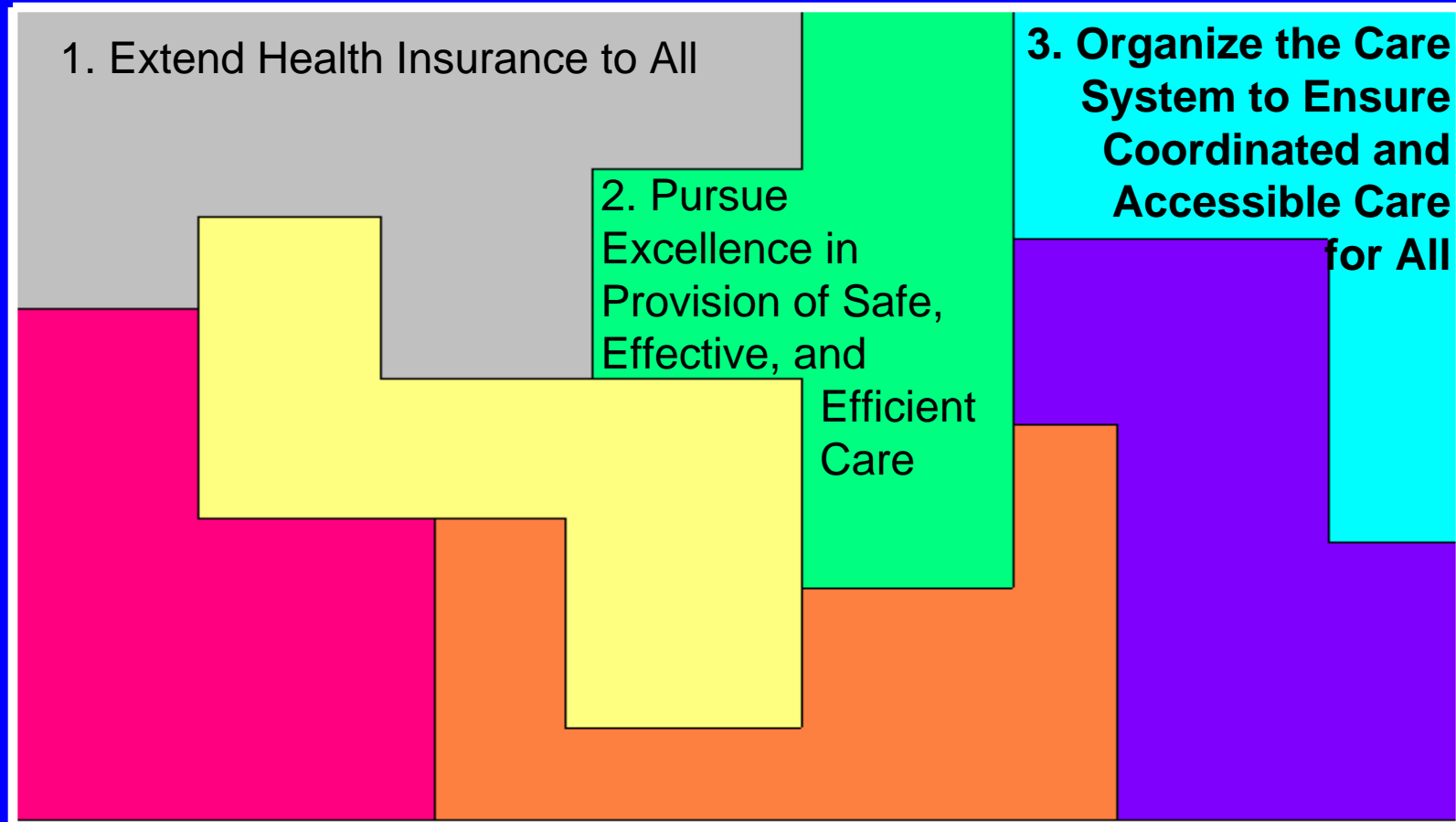


Maine's Dirigo Health: The Maine Quality Forum

- Helped to launch HealthInfoNet (HIN) – an independent not-for-profit organization working to build a statewide, interconnected Electronic Medical Record system
- Working with hospitals on the In a Heartbeat initiative to improve heart attack care, to implement national Patient Safety Indicators, and report on Heart Attack, Heart Failure, Pneumonia, Infection Prevention, Nursing, and Discharge Practices
- Working with physicians to measure and improve the quality of patient care in independent practices
- Created the MQF website dedicated to public reporting of healthcare quality information to help the people of Maine make better informed decisions about the care they receive and to help providers improve the care they deliver
- Published a variation analyses for a range of services showing that where you live affects the care you receive
- Launched the Safety Star program to identify and designate Maine hospitals that meet national safety standards



Organize the Care System to Ensure Coordinated and Accessible Care for All



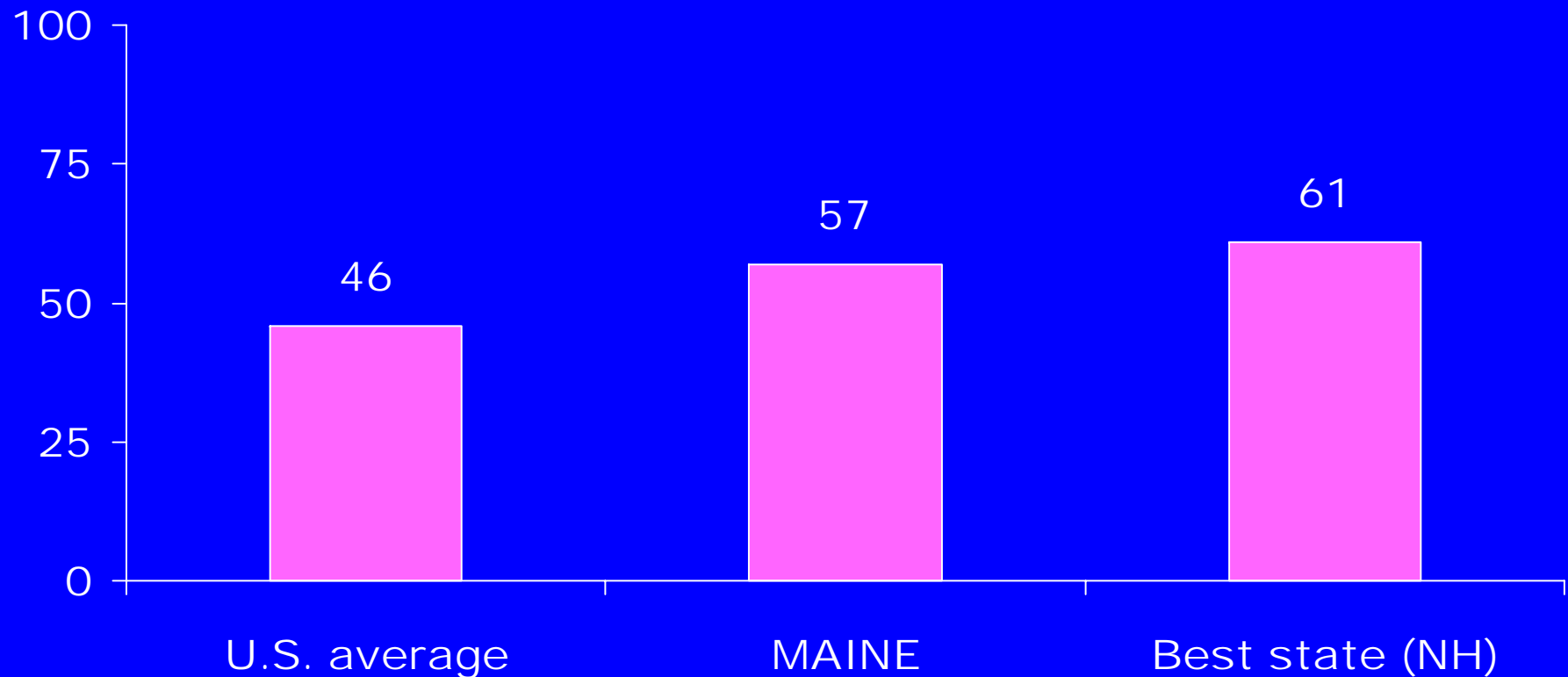
Utah's Primary Care Network Section 1115 Medicaid Waiver

- Targets uninsured adults (19-54) with family income less than 150% FPL
- Provides primary care and preventive care services
 - Physician office visits
 - Immunizations
 - Emergency care
 - Lab, X-ray, medical equipment & supplies
 - Basic dental care
 - Hearing & vision screening
 - Prescription drugs
- Hospitals provide \$10 million in charity care for PCN participants



Maine Ahead in Providing Medical Homes to Children

Percentage children/youth (ages 0-17) with a medical home*

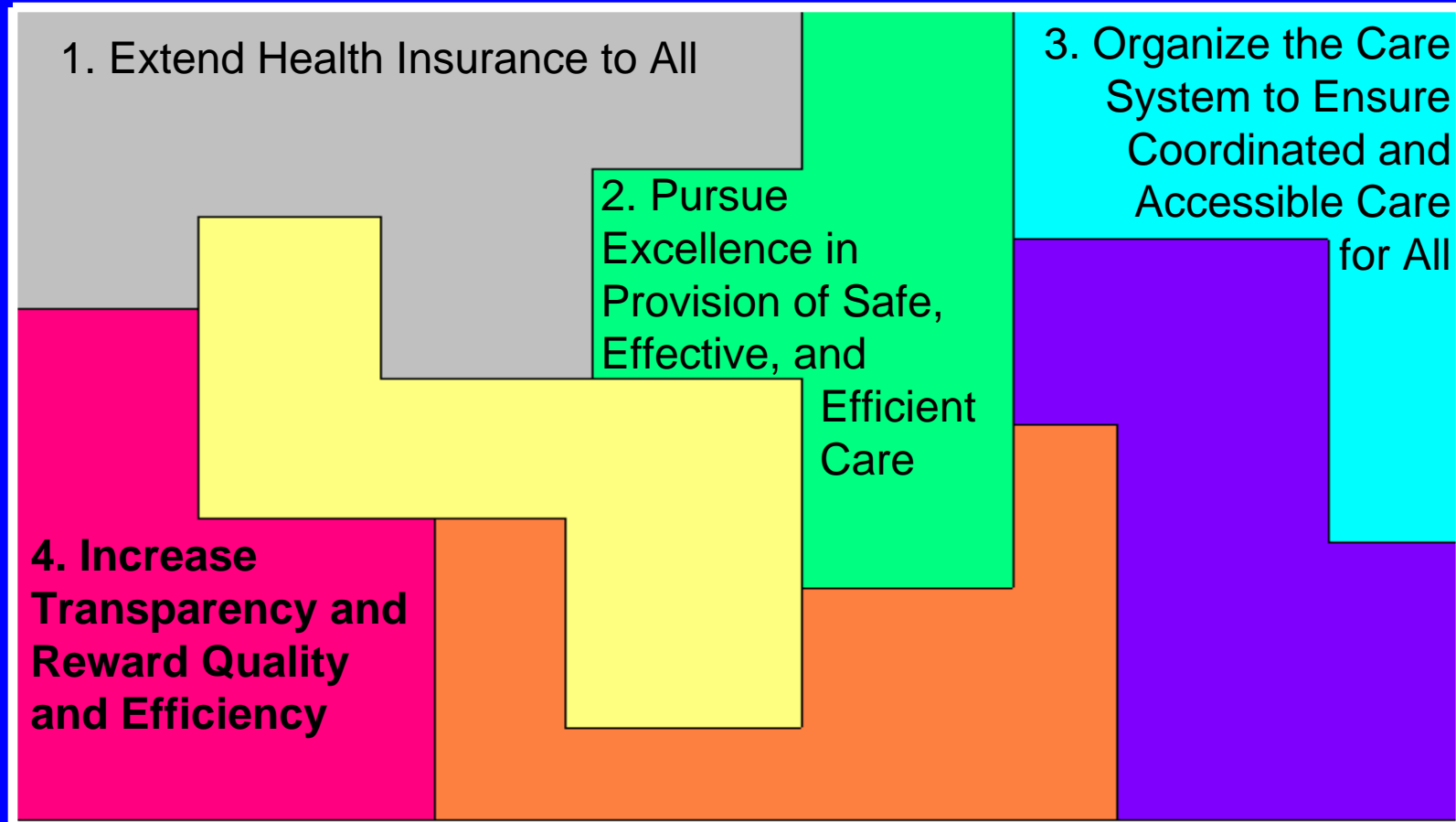


*Children who have a primary care provider AND consistently received all needed care, including one or more preventive care visits during past 12 months

National Survey of Child Health, 2003



Increase Transparency and Reward Quality and Efficiency





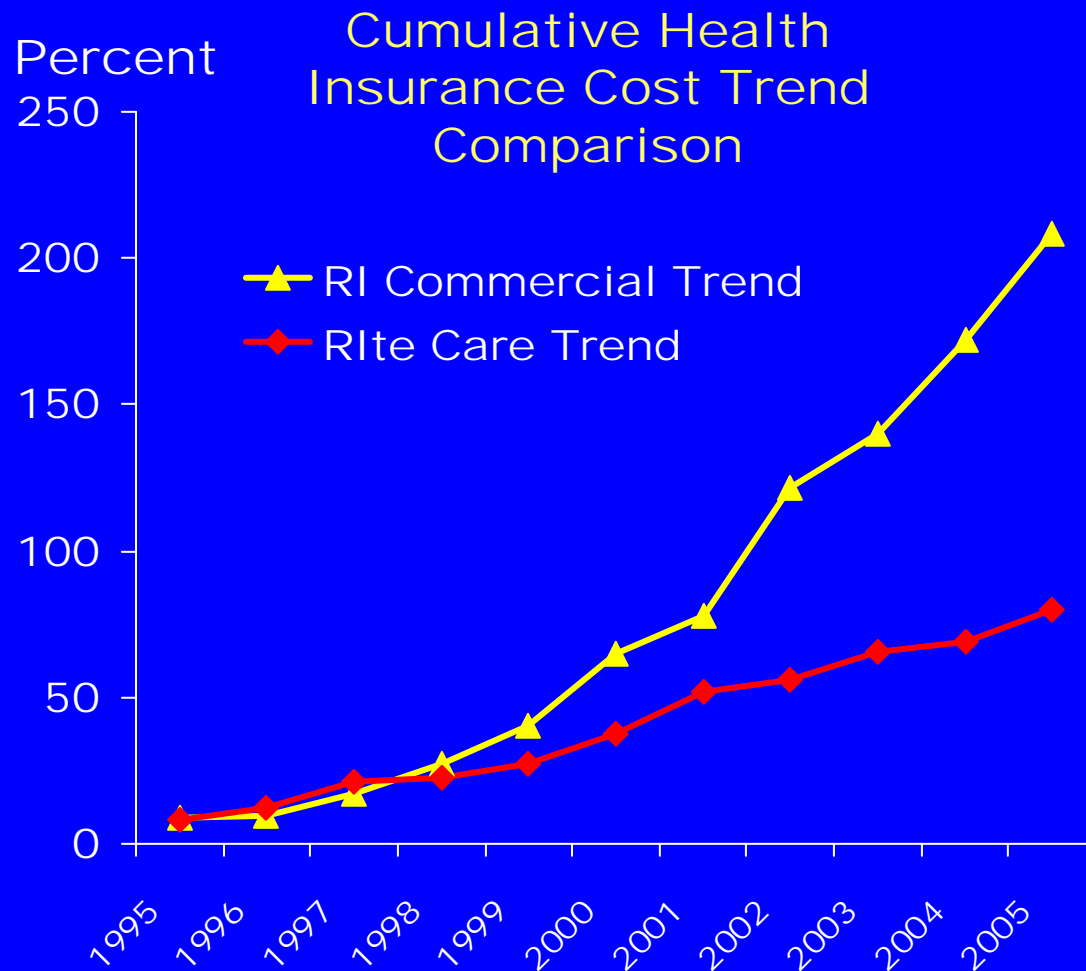
Wisconsin

- Wisconsin Collaborative for Healthcare Quality
 - Voluntary consortium formed in 2003 -- physician groups, hospitals, health plans, employers & labor
 - Develops & publicly reports comparative performance information on physician practices, hospitals & health plans
 - Includes measures assessing ambulatory care, IT capacity, patient satisfaction & access
- Wisconsin Health Information Organization
 - Coalition formed in 2005 to create a centralized health data repository based on voluntary sharing of private health insurance claims, including pharmacy & laboratory data
 - Wisconsin Dept of Health & Family Services and Dept of Employee Trust Funds will add data on costs of publicly paid health care through Medicaid



Building Quality Into Rite Care

Higher Quality and Improved Cost Trends



- Quality targets and \$ incentives
- Improved access, medical home
 - One third reduction in hospital and ER
 - Tripled primary care doctors
 - Doubled clinic visits
- Significant improvements in prenatal care, birth spacing, lead paint, infant mortality, preventive care

Source: Silow-Carroll, *Building Quality into Rite Care*, Commonwealth Fund, 2003. Tricia Leddy, *Outcome Update*, Presentation at Princeton Conference, May 20, 2005.



New York State Medicaid Pay-for-Performance

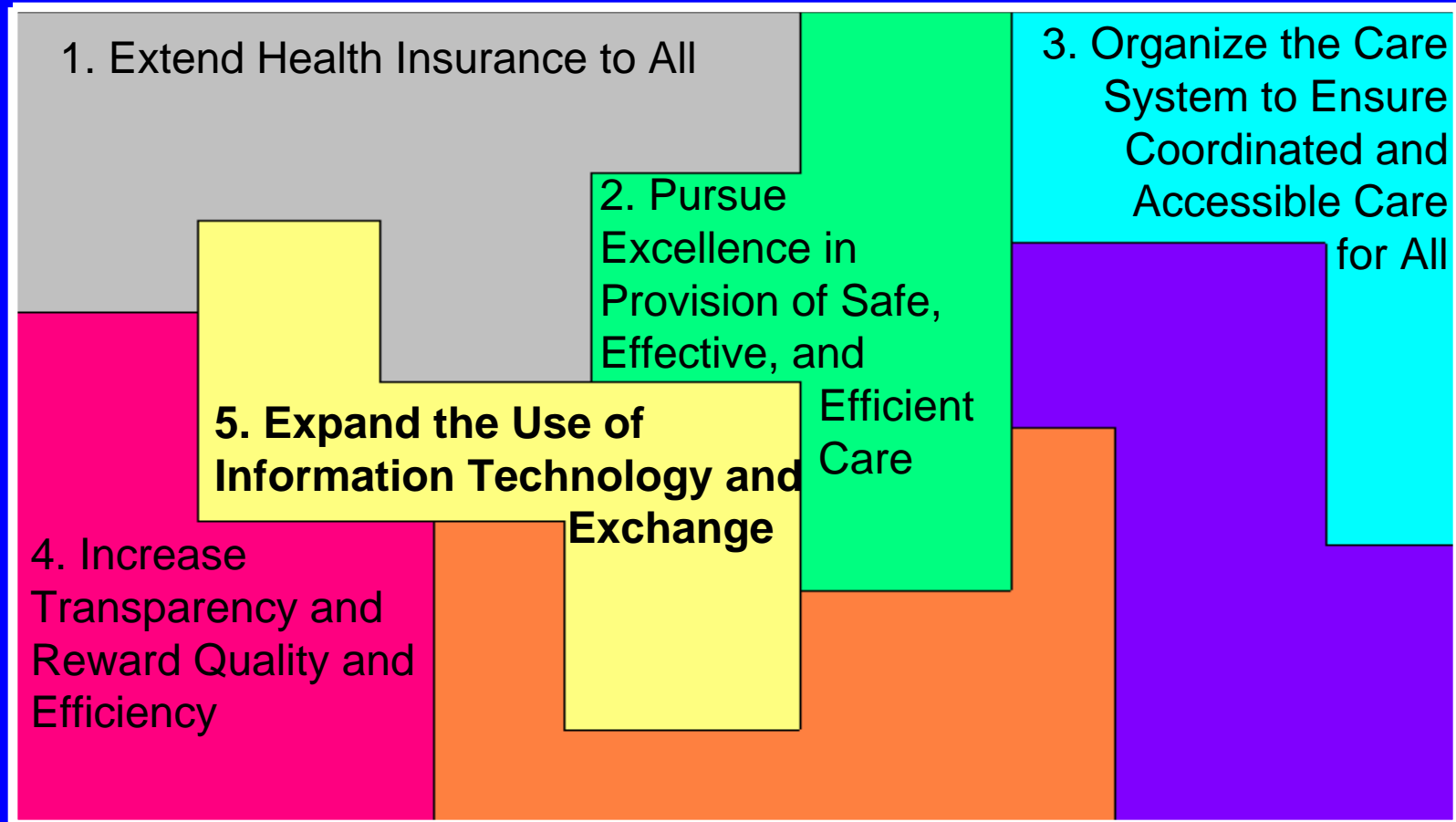


- 1997 — NY began transition to mandatory statewide Medicaid managed care. Currently > 2.5 million enrollees
- 2002 — NY Department of Health incorporated quality incentive Medicaid managed care capitation rates
 - Incentive tied to performance on 10 quality of care measures and 5 consumer satisfaction measures
 - Initial incentive up to an additional 1% of monthly premium; maximum increased to 3%
- 2005 — incentive payments totaled \$40 million
- Commonwealth Fund supporting Urban Institute to evaluate the impact of quality incentive program.

Maine's Dirigo Health: Increasing Transparency

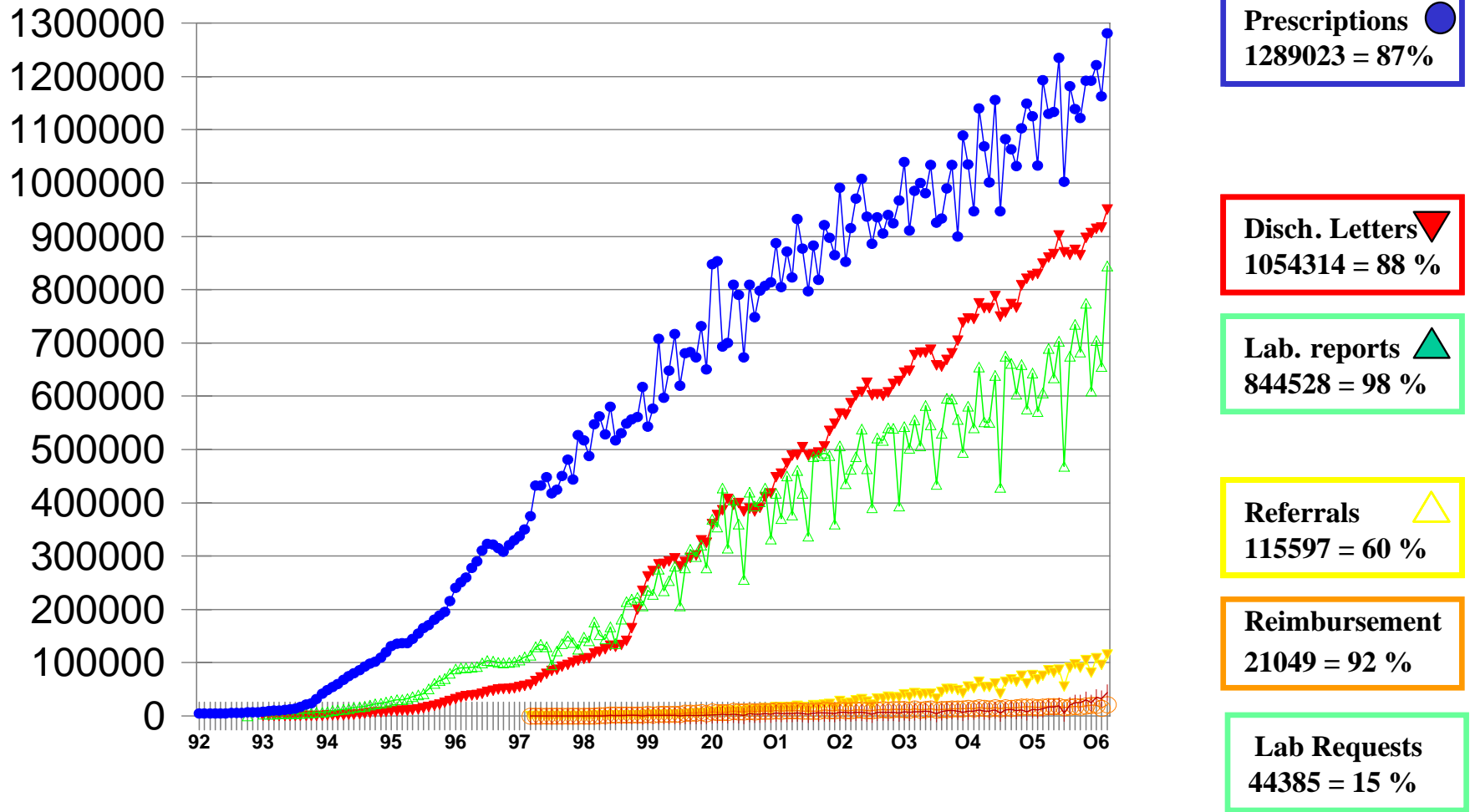
- Requires standardized reporting of cost and financial data from insurers and hospitals
- Hospitals and doctors offices must maintain and make public a list of what they charge for a standardized list of the most common procedures performed across the state
- Maine Health Data Organization (MHDO) maintains an all-payer database and will use it to produce summary report of hospital-specific average price paid for common services and procedures
- Maine Quality Forum helping to develop transparent and usable quality measures

Expand the Use of Information Technology and Exchange



MedCom -The Danish Health DataNetwork

Messages/Month



Source: I. Johansen, "What Makes a High Performance Health Care System and How Do We Get There? Denmark," Presentation to the Commonwealth Fund International Symposium, November 3, 2006.



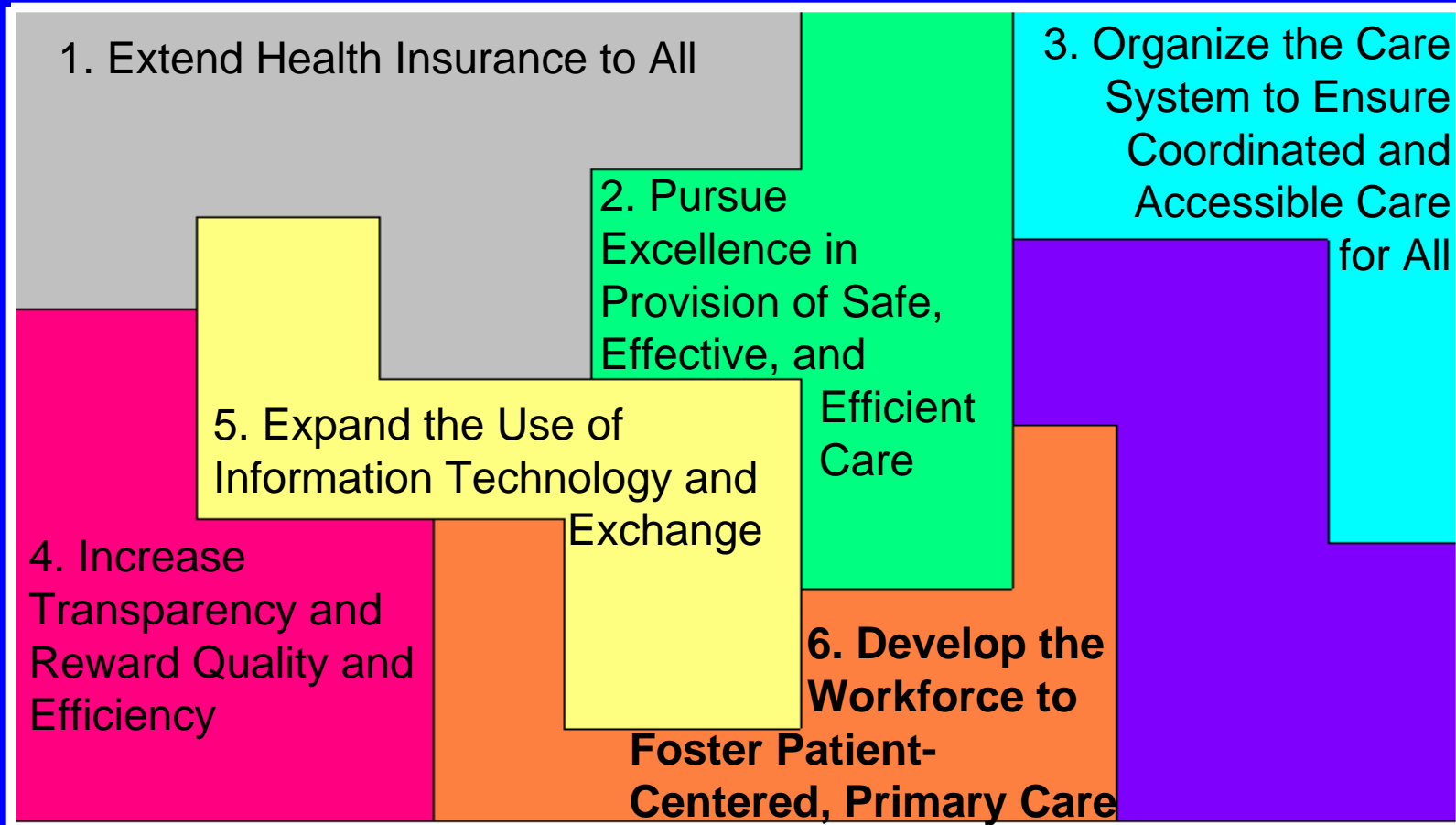


Information Exchange: States Leading the Way

- Rhode Island Quality Institute Information Exchange
 - Provide access to patient data (as permitted) to all providers initially through secure web-based portal – future integration into EHRs
 - Create the ability to aggregate and utilize data for public health purposes (e.g., population-based analysis, biosurveillance)
- Maine HealthInfoNet
 - Effort to advance a comprehensive state-wide health IT system
 - Public-private partnership, now governed as a separate new nonprofit entity
- MidSouth e-health Alliance: Memphis, TN
 - State-wide data exchange with initial focus on EDs
- Utah Health Information Network
 - Secure exchange of health care data using standardized transactions through a single portal
- New York State Health Information Technology (HIT) initiative
 - Under the Health Care Efficiency and Affordability Law for New Yorkers, \$52.9 million awarded to 26 regional health networks to expand technology in NY health care system and support clinical data exchange; Commonwealth Fund-supported evaluation underway



Develop the Workforce to Foster Patient-Centered and Primary Care



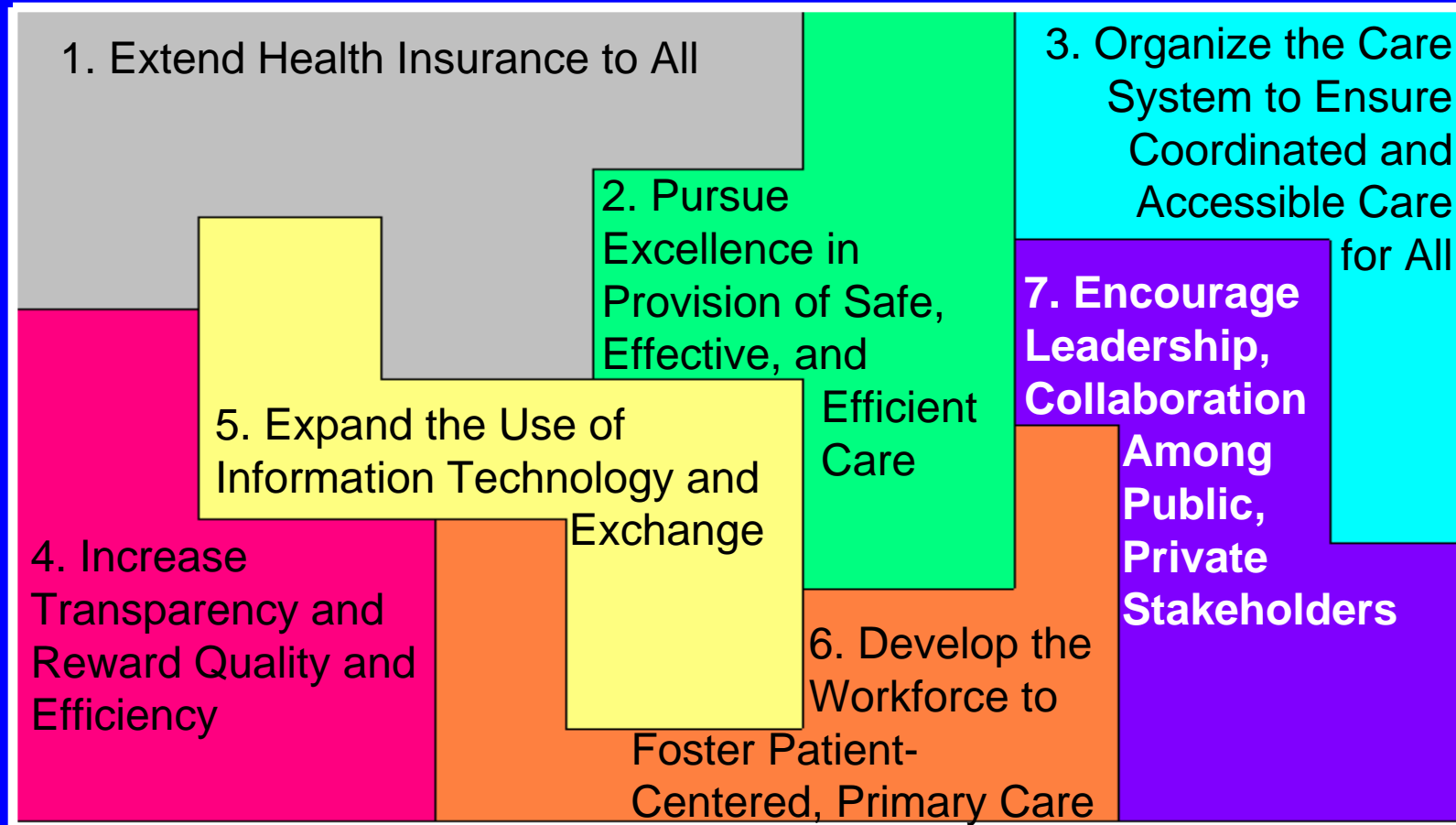
Washington State Puget Sound Health Alliance



- Founded in 2004 as independent non-profit organization
- Five-county partnership among employers, physicians, hospitals, consumers, health plans and others
- Multi-prong approach to improving care and "systemness"
 - Developing evidence-based guidelines for physicians, hospitals and other health care professionals
 - Designing tools for consumers and patients to support decision making & self management of chronic conditions
 - Producing regional reports on quality, cost & value to be made publicly available by end of 2006
 - Promoting data sharing across health plans & providers with the goal of a shared data repository
 - Building regional infrastructure to support and sustain QI, including workforce development & training



Encourage Leadership and Collaboration Among Public and Private Stakeholders





Minnesota Smart-Buy Alliance

- Initiated in 2004 – alliance between state, private businesses & labor groups
- Purchase health insurance for 70% of state residents ~3.5 million people
- Pool purchasing power to drive value in health care delivery system
- Set uniform performance standards, cost/quality reporting requirements & technology demands
- Four key strategies:
 1. Reward or require “best in class” certification
 2. Adopt and utilize uniform measures of quality and results
 3. Empower consumers with easy access to information
 4. Require use of information technology



Moving Forward



What States Can Do: Strategies to Expand Coverage

- Expand public programs
- Provide financial assistance to workers and employers to afford coverage
- Promote partnerships with employers
- Pool purchasing power and promote new benefit designs to make coverage more affordable
- Mandate that employers offer, and/or individuals purchase, coverage; subsidize those with low incomes
- Develop reinsurance programs to make coverage more affordable in the small group and individual markets



What States Can Do: Strategies to Improve Quality and Efficiency

- Promote evidence-based medicine
- Promote effective chronic care management
- Promote transitional care post-hospital discharge
- Encourage data transparency and reporting on performance
- Promote/practice value-based purchasing
- Promote the use of health information technology
- Promote wellness and healthy living
- Encourage selection of medical home and improved access to primary care and preventive services
- Simplify and streamline public program eligibility and re-determination



Continue to Lead the Way to Achieving a High Performance Health System!

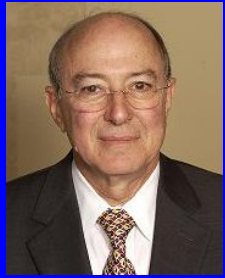


Selected Commonwealth Fund Publications

- The Commonwealth Fund Commission on a High Performance Health System, *Framework for a High Performance Health System for the United States*, The Commonwealth Fund, August 2006
- C. Schoen et al., "U.S. Health System Performance: A National Scorecard," *Health Affairs Web Exclusive*, September 20, 2006
- S. Silow-Carroll and F. Pervez, *States in Action: A Quarterly Look at Innovations in Health Policy*, The Commonwealth Fund
- State Scorecard on Health System Performance, The Commonwealth Fund, Forthcoming



Thank You!



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