

Making Healthcare Affordable

...data fed, doctor led

Toward a Shared Vision of Payment Reform

Thursday, October 21, 2010
Massachusetts Medical Society, Waltham, MA

Michael van Duren, M.D., MBA
Chief Medical Officer, Sutter Physician Services



Goals

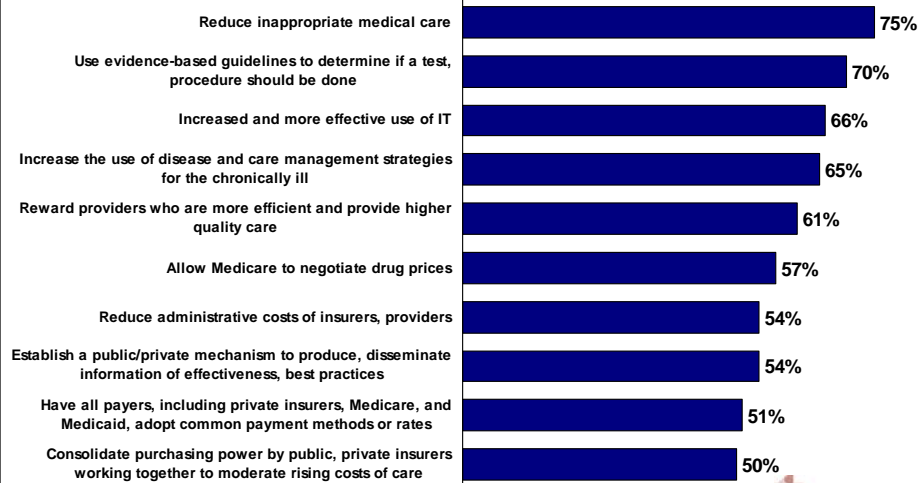
- Show that creating an affordable provider system is possible
 - Eliminate “waste”
 - Improve quality
- Data fed; physician led - demonstration
- Clear implementation steps



Health Care Opinion Leaders Survey

“How effective do you think each of these approaches would be to control rising costs and improve the quality of care?”

Percent saying “extremely/very effective”



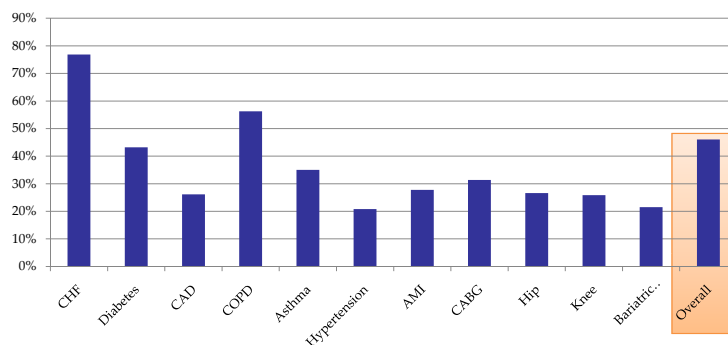
Note: Based on a list of 19 issues.

Source: The Commonwealth Fund Health Care Opinion Leaders Survey, Jan. 2007.

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Care defects consume billions of dollars every year

Cost of care defects as % total cost of care for each condition/procedure



The results of an analysis for a large national employer showed that 10% of overall costs of care, across all employees and dependents, could be saved if defects were reduced to zero.

Health Care Incentives Improvement Institute, Inc. (2010)

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March 2005,
the Medicare
Payment Advisory
Commission
(MedPAC)
recommended that
Medicare provide
confidential resource
use reports to
physicians



CENTERS FOR MEDICARE & MEDICAID SERVICES

Medicare Resource Use Measurement Plan








VISION FOR AMERICA:

- ▶ Patient-centered, high quality care delivered efficiently.



COMBINED WITH QUALITY METRICS, RESOURCE USE MEASURES WILL HELP MEDICARE:

- ▶ Encourage the highest outcomes for the lowest cost.
- ▶ Identify the most efficient providers, systems of care, and regions.
- ▶ Prevent overuse and inappropriate use of health services.
- ▶ Improve the value of Medicare for beneficiaries and taxpayers.


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Payment Models

ACO-Shared Savings	PCP Medical Home	Bundled Payments	Partial Capitation	Full Capitation
Providers accountable for total per-capita costs; patient assignment, not lock in (important distinction)	Supports coordinated care, does not provide accountability for total costs	Promotes efficiency and coordination w/in a defined episode, does not provide accountability for total costs	Provides "upfront payment" but accountability limited to services and providers that fall under partial capitation	Provides "upfront" payment w/ accountability for per-capita costs, requires patient "lock-in"

Source: ACO Learning Collaborative

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Sutter Health's ACO Vision

VISION 2.0

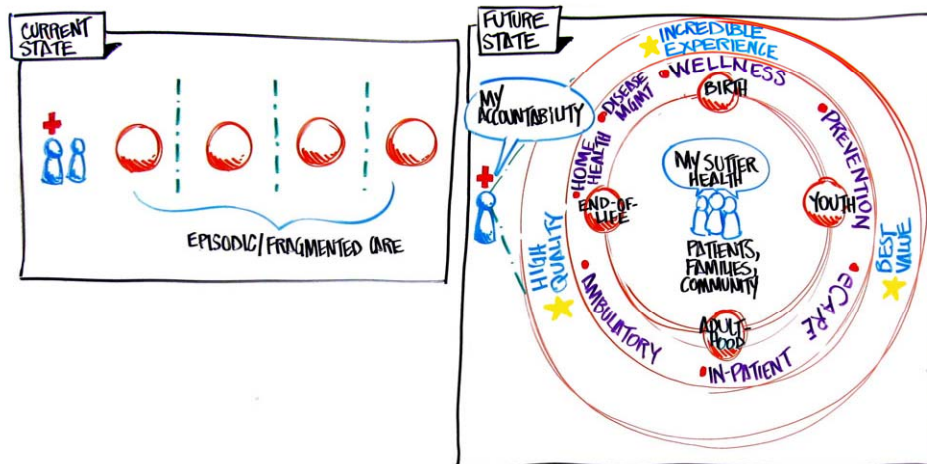
SUTTER HEALTH'S (ACO) WILL BE:
ACCOUNTABLE FOR THE HEALTH, WELLNESS,
OUTCOMES, COST, AND EXPERIENCE OF
CARE ACROSS THE CONTINUUM FOR OUR
POPULATION.

TO ACCOMPLISH THIS, SUTTER HEALTH
WILL DELIVER A CONSISTENT, HIGH
QUALITY EXPERIENCE WHERE EACH PERSON
CAN ARTICULATE THE VALUE OF SUTTER
HEALTH IN THEIR LIVES.

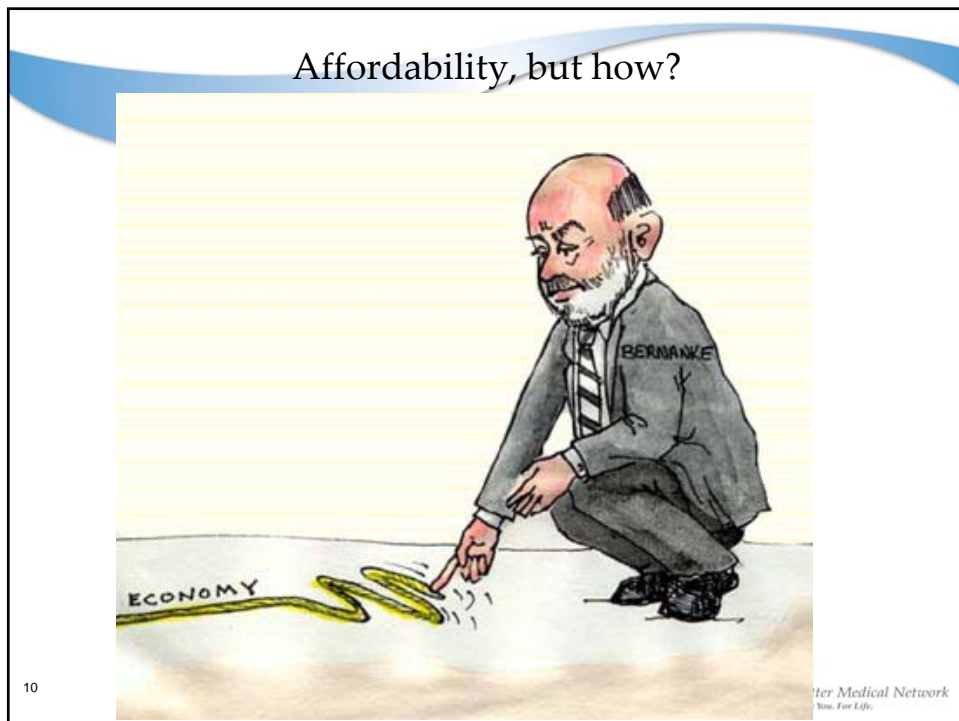
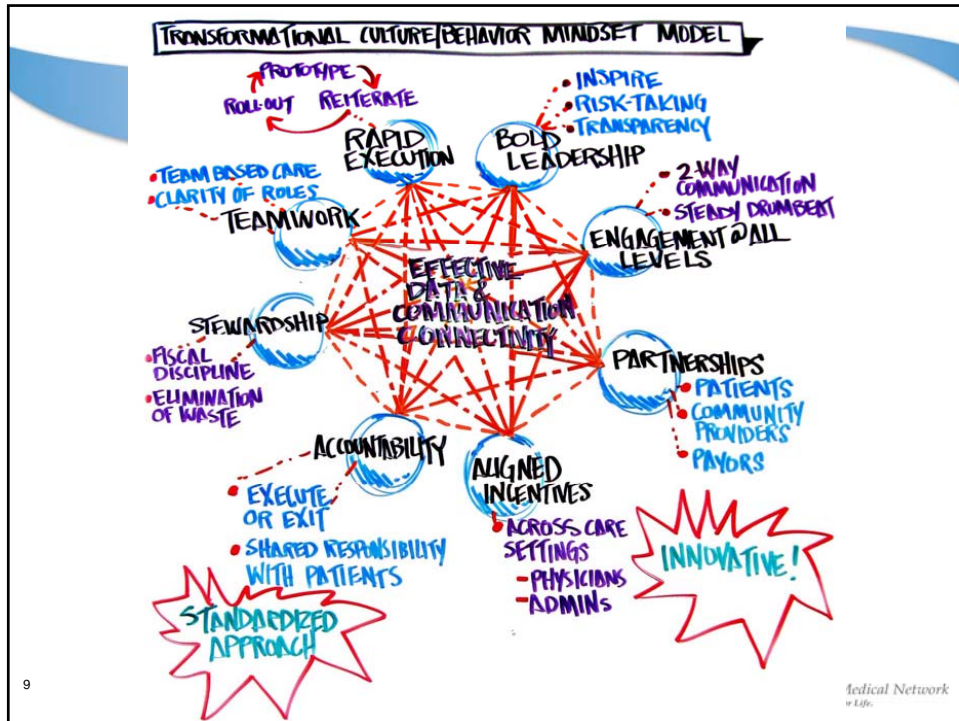


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ACO Vision



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Levels at which address affordability

- Policy
- Regulatory
- Payer
- **Provider Organizations**
 - **Physician**
 - Hospital
- Clinician
- Consumer/Patient

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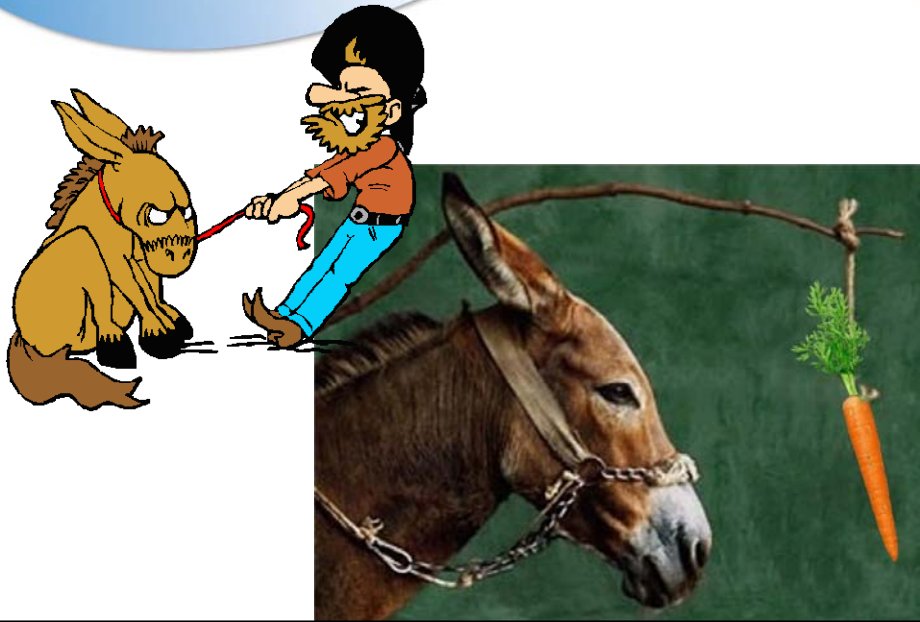
What drives physician care pattern variation?

- **Components driving cost**
 - # of Visits
 - Specialty Referrals
 - Ancillary testing (Imaging, Lab)
 - Treatment choice (drugs, interventions)
 - Decision to operate
- **Can we measure these patterns?**
- **Can we manage these patterns?**

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Philosophy of Physician Behavior



Philosophy of Physician Behavior



Contributors to overutilization



- Fee for Service
- Self-interest



- Training
- Lack of feedback

Solutions

- Alignment of Incentives
- Pay for performance
- Profiling
- Accountability
- Outlier counseling
- Prior authorization
- Punishment/rewards
- Respectful feedback
- Actionable information
- Helpful tools
- Decision support
- Trustworthy data
- Supportive learning environment

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Results



- Burnout
- Frustration
- Resentment



- Engagement
- Professional pride
- Empowerment

Tools

- Compliance with evidence based medicine
- Variation reduction

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Variation Reduction

- Bring small groups of physician peers together
- Create safe environment
 - Respect , confidentiality, trust
 - Desire for improvement
 - Pull, not push
- Show variation by comparing episodes of care
 - Episode grouper software
 - Visual display, live, drillable
 - Follow curiosity, not judgment

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Sutter Care Pattern Analyzer Exploration Process

- Select a clinical area
 - High volume, high cost, ability to impact, curiosity
- Narrow to one “Episode Treatment Group”
 - Drill down into all areas of variation; look for differences and patterns
- Explore without judgment, follow curiosity
- Be looking for a “project “
 - specific metric to improve

<http://SCPA>

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ENT Dept: Chronic Sinusitis

Impact Intelligence: Care Pattern Analyzer

Time Period: 10/08 - 9/09

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Peer Group: Otolaryngology

Measure Displayed: Average Cost

Minimum Episode Count: 20

[Restart Analysis](#)

[Go to Episode Frequency](#)

Clinical Areas

Major Practice Category
ETG Family
ETG
Severity

Provider

Region
Medical Group
Provider

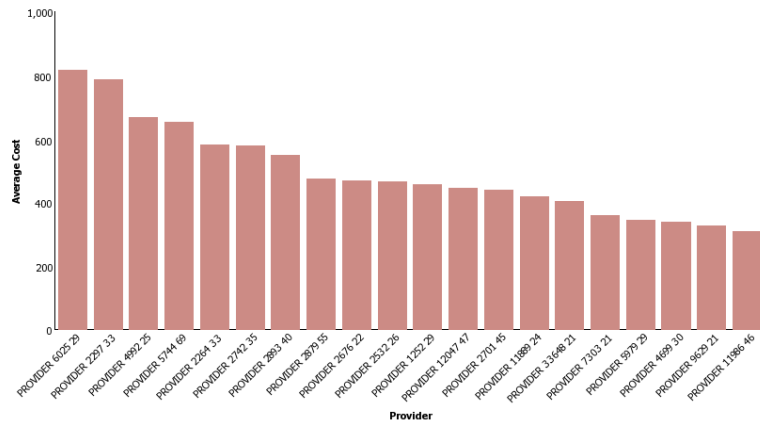
Service Level

Service Level 1

Clinical Area: ETG: Chronic sinusitis, w/o surgery

Provider:

Select value for chart focus



Variation in Chronic Sinusitis

Impact Intelligence: Care Pattern Analyzer

Time Period: 10/08 - 9/09

Sutter Medical Network
With You. For Life.

Peer Group: Otolaryngology

Measure Displayed: Average Cost

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[Restart Analysis](#)

Clinical Areas

Major Practice Category
ETG Family
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Provider

Region
Medical Group
Provider

Service Level

Service Level 1

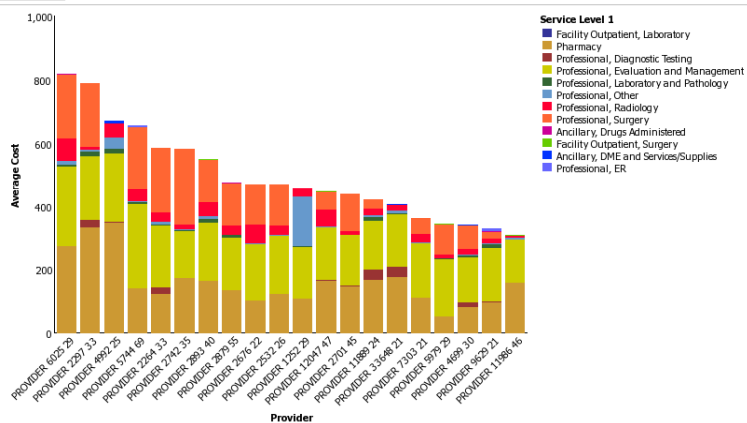
Claim Detail

[View Claims](#)

Clinical Area: ETG: Chronic sinusitis, w/o surgery

Provider:

Service Level: **S-Level 1:**



Variation in Choice of Inhaled Corticosteroid

Impact Intelligence: Care Pattern Analyzer

Time Period: 10/08 - 9/09

Sutter Medical Network
WALLS. WISE. AND LIFE.

Peer Group: Otolaryngology

Measure Displayed: Average Cost

Minimum Episode Count: 20

[Restart Analysis](#)

Clinical Areas

Clinical Area: ETG: Chronic sinusitis, w/o surgery

Major Practice Category

ETG Family

ETG

Severity

Provider

Region

Medical Group

Service Level

Service Level 1

Service Level 2

Service Level 3

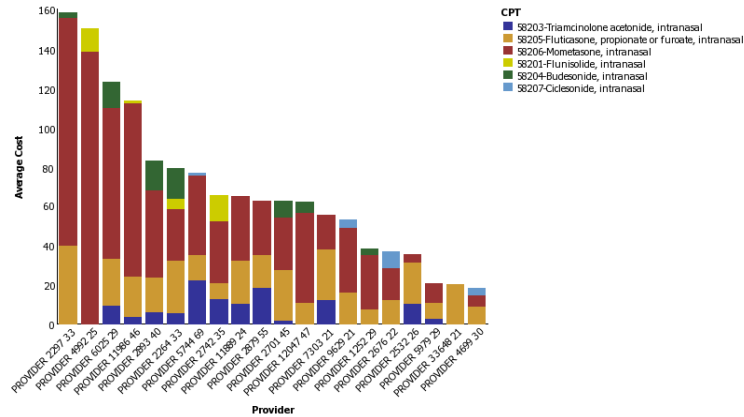
CPT

Claim Detail

[View Claims](#)

Provider:

Service Level: S-Level 1: Pharmacy S-Level 2: Respiratory agents S-Level 3: Intranasal steroids



Variation in Use of Nasal Endoscopy

Impact Intelligence: Care Pattern Analyzer

Time Period: 10/08 - 9/09

Sutter Medical Network
WALLS. WISE. AND LIFE.

Peer Group: Otolaryngology

Measure Displayed: Average Cost

Minimum Episode Count: 20

[Restart Analysis](#)

Clinical Areas

Clinical Area: ETG: Chronic sinusitis, w/o surgery

Major Practice Category

ETG Family

ETG

Severity

Provider

Region

Medical Group

Service Level

Service Level 1

Service Level 2

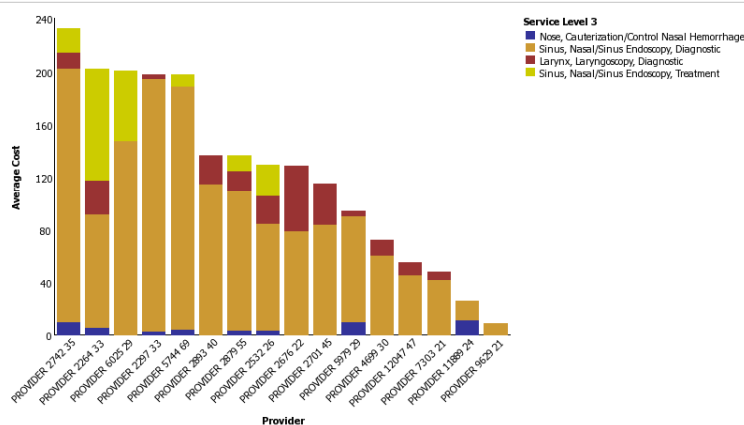
Service Level 3

Claim Detail

[View Claims](#)

Provider:

Service Level: S-Level 1: Professional, Surgery S-Level 2: Surgery, Respiratory S-Level 3:



Neurology: Variation in Treatment of Migraines

Impact Intelligence: Care Pattern Analyzer

Time Period: 10/08 - 9/09

Sutter Medical Network
Health Net, Inc. d/b/a

Peer Group: Neurology

Measure Displayed: Average Cost

Minimum Episode Count: 20

[Restart Analysis](#)

Clinical Areas

Major Practice Category
ETG Family
ETG
Severity

Provider

Region
Medical Group

Service Level

Service Level 1

Service Level 2

Service Level 3

CPT

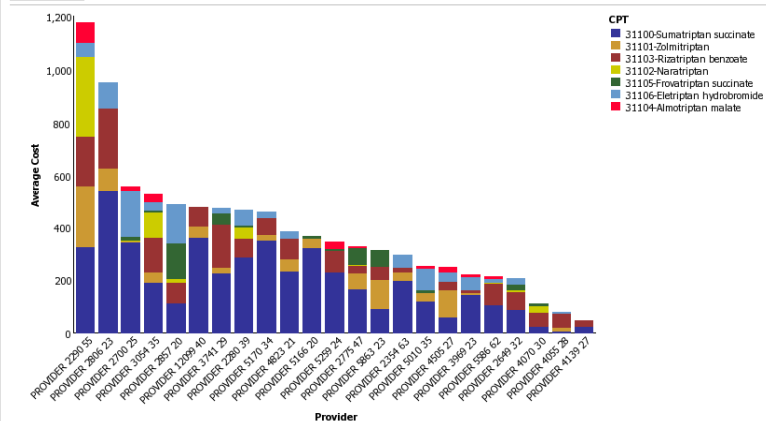
Claim Detail

[View Claims](#)

Clinical Area: ETG Family: Migraine headache

Provider: Provider:

Service Level: S-Level 1: Pharmacy S-Level 2: Central Nervous System agents S-Level 3: Migraine agents, serotonin receptor agonists



Sutter Care Pattern Analyzer

Impact Intelligence: Care Pattern Analyzer

Time Period: 10/08 - 9/09

Sutter Medical Network
Health Net, Inc. d/b/a

Peer Group: PCPs (FP IM)

Measure Displayed: Average Cost

Minimum Episode Count: 100

[Restart Analysis](#)

Clinical Areas

Major Practice Category
ETG Family
ETG
Severity

Provider

Region
Medical Group

Service Level

Service Level 1

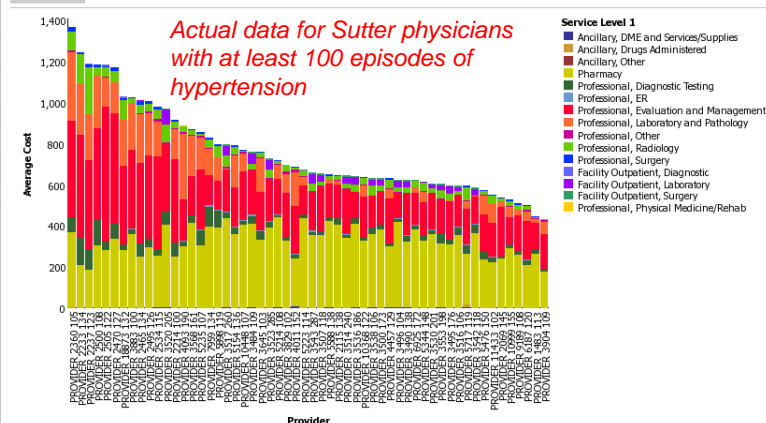
Claim Detail

[View Claims](#)

Clinical Area: ETG Family: Hypertension

Provider: Provider:

Service Level: S-Level 1:



Actual data for Sutter physicians
with at least 100 episodes of
hypertension

Variation Reduction Milestones

Initiating and Implementing Variation Reduction Projects

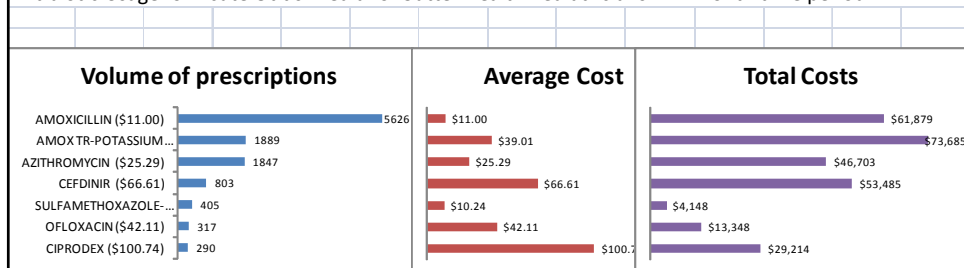
Month 1	Month 2	Months 3-6	Months 7-12	Post 12 months
<ul style="list-style-type: none"> Identify Local Leaders Identify Opportunity Departments to engage first Meet with physician leaders of department 	<ul style="list-style-type: none"> Have a meeting with preliminary departments identified Identify their project Agree on the new improvement effort/standard to be measured Identify metrics Select baseline metric 	<ul style="list-style-type: none"> Month 3: Implement improvement effort/standard Months 3-12: Department meets monthly to discuss/assess variation reduction improvement efforts and metrics <ul style="list-style-type: none"> Track and trend project Department reports affordability progress to local leaders 	<ul style="list-style-type: none"> Ongoing tracking and trending of improvement efforts 	<ul style="list-style-type: none"> Quarterly reports of progress

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Example of variation reduction analysis

Antibiotic Usage for Acute Otitis Media for Sutter Health Pediatricians - 12 month time period xx-xx

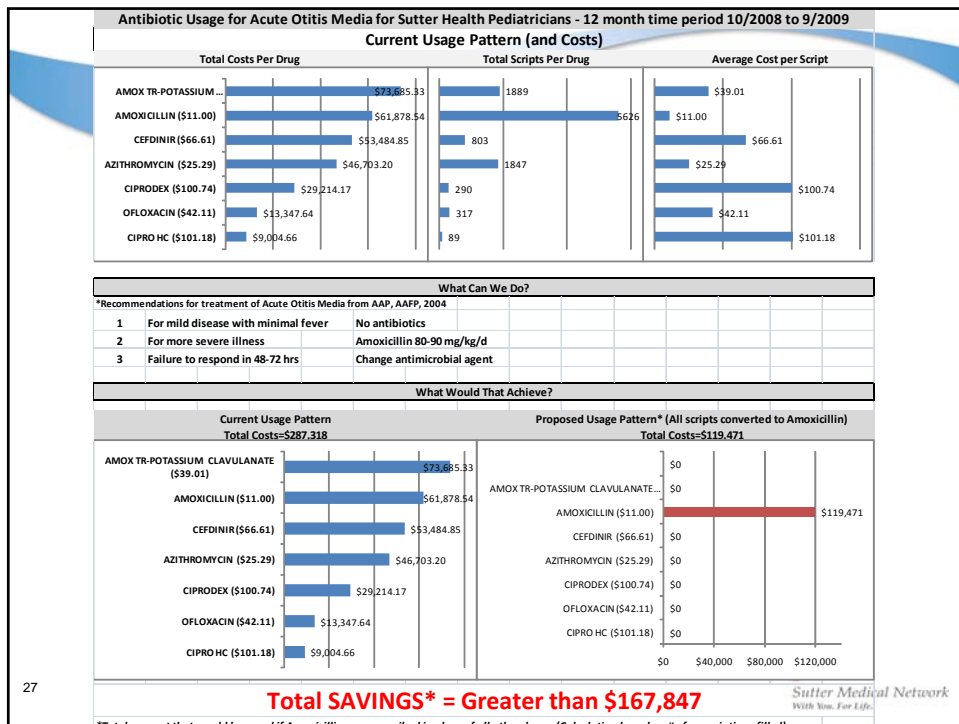


Recommendations for treatment of Acute Otitis Media from AAP, AAFP, 2004


1	For mild disease with minimal fever	No antibiotics
2	For more severe illness	Amoxicillin 80-90 mg/kg/d
3	Failure to respond in 48-72 hrs	Change antimicrobial agent

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Epic: Best Practice Alert



- Inclusion: any low back pain dx
- Exclusion: cancer on problem list

BestPractice Alert - Zztest,Clinconanita

Condition Management (1 Alert)

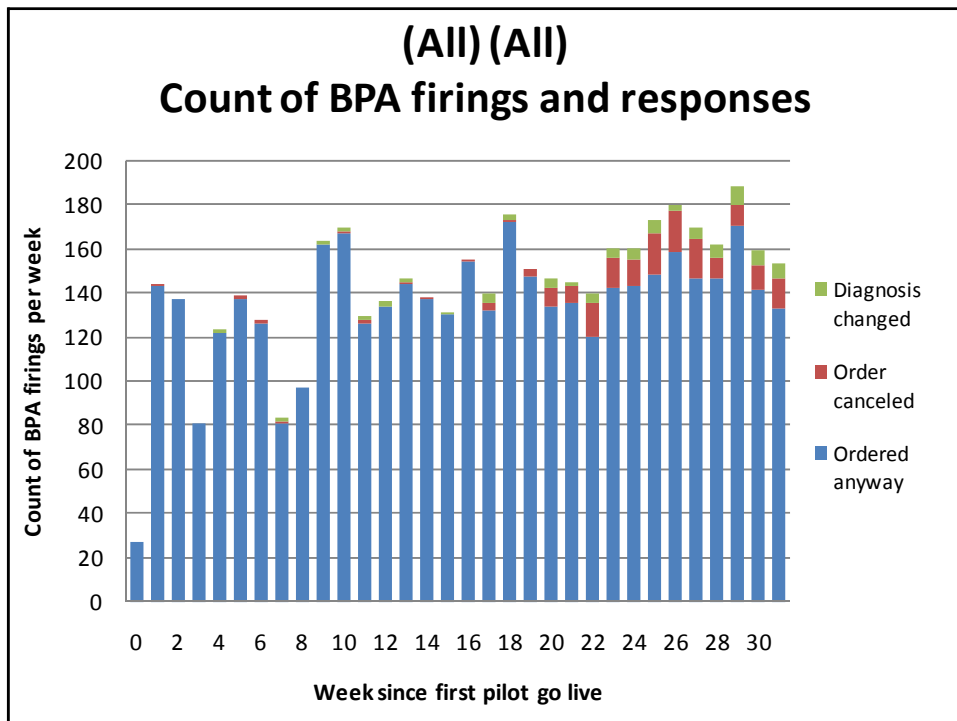
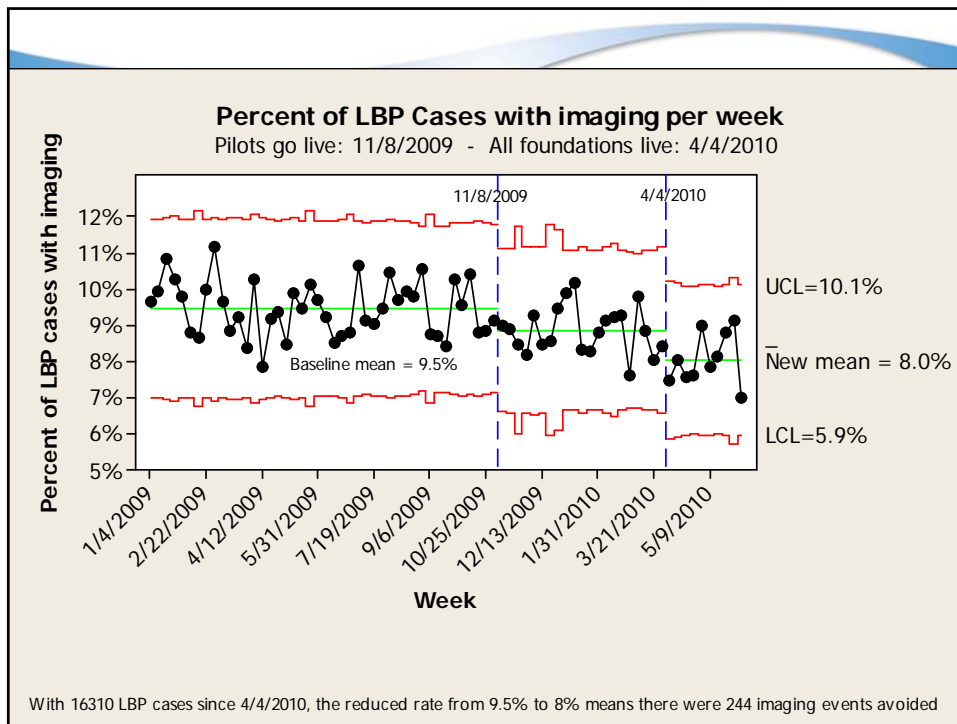
Imaging is not recommended for LBP <30 days duration without hx of Cancer, IV drug use, trauma, or new neuro impairment. LS plain films are rarely appropriate to evaluate LBP.

Accept Cancel

O.

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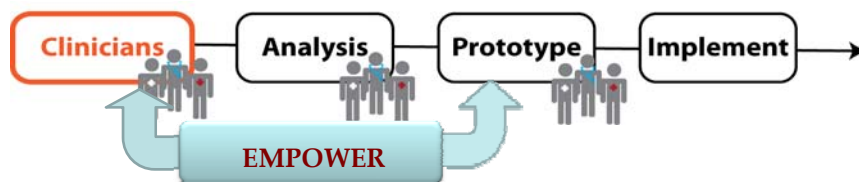


CONTEXTUALIST APPROACH

Deductive Approach



Contextualist Approach



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Success Factors

Small Group of Peers

- Trust, Safety, Openness
- Provides Clinical Context
- Learning is self-directed

Visual Data

- Impact is on "right brain"
- Avoid analysis
- Allows pattern recognition

Live, drill through

- Stimulate curiosity
- "pull" rather than "push"
- Creates ownership

Expert facilitation

- Create safe space
- Guide discussion to discovery, mutual learning
- Convert exploration to improvement project

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Success Metrics

- Intermediate
 - Physicians accept feedback on resource utilization
 - Physicians accept data validity (claims & pharmacy)
 - Physicians accept grouper methodology


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Over 7 Million saved in 2 years

(Larry Shapiro, Laurel Trujillo, Wendi Knapp)
Palo Alto Medical Foundation

Specialty	Practice Standard	Balancing Measures	Months
Surgery	Lap Cholecystectomy	incidence of post op pancreatitis	22
Allergy	Skin Testing and Allergic Rhinitis	Number of office visits	19
PMR	# of Epidurals for LBP	Follow up injections	14
Ophthalmology	Glaucoma	number of visual field tests	13
Urology	Kidney Stones	number of post lithotripsy office visits	12
Endocrinology	Type II Diabetes	HBA1C levels	12
OB	Post-Menopausal Bleeding	days to detection of uterine cancer	8
Neurology	Dementia	Post consult PCP visits for dementia	7
Dermatology	Tx of BCC: Nodular BCC, Mohs Surg. and Superficial BCC	Number of procedures after initial procedure	4
Oncology	Use of MGF in Breast Cancer	Admission for infection in breast cancer patients	4
³⁴ Nephrology	Anemia Management in CKD	Hospital admission rates for CKD patients	4 ^k



Questions? Reactions?

vanduren@sutterhealth.org
916-402-7492