

EXECUTIVE SUMMARY

June 2009

Ten Years of Pushing the Boulder

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Kanin
"Hey, Sisyphus, when you've got a minute I'd like to discuss this progress report with you."

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Ten years ago, the Pittsburgh Regional Health Initiative (PRHI) made a controversial debut by suggesting that health care's high costs and unreliable quality were related, and that the best way to contain cost was to advance safety, efficiency, and best practices at the frontline of care. Like Sisyphus, PRHI was pushing the rock of health reform up a steep hill.

Ten years of demonstrating the proposition followed. PRHI tested the assumption through delivery system improvements in removing errors such as HAIs, preventing hospitalizations, and reducing waste through better teamwork, problem solving at the point of care and enhanced primary care. We applied our quality improvement method, Perfecting Patient Caresm, and achieved universal success.

These demonstrations provided insight into what prevents frontline clinicians from delivering peak performance. From these obstacles, we developed a "xylophone" of requisites for meaningful health reform. Hitting one note would not achieve substantial gains; playing the full scale could transform health delivery in the U.S.

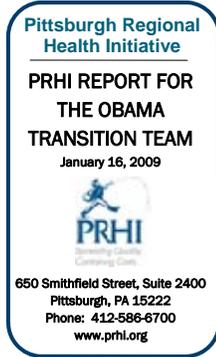
Building a High **VALUE** Care System: Hitting all the Notes on the Xylophone of Quality



or we don't make music

PRHI's Center for Perfecting Patient Caresm has been approved by the Pennsylvania State Nurses Association as a provider of continuing education.

Obama's Election: Chasing the Boulder



After five months of a new Administration in Washington, PRHI is now happily chasing the boulder of health reform down the hill.

As a candidate, Barack Obama committed to comprehensive healthcare reforms. His Presidential Transition Team then moved to swift Congressional enactment of federal economic stimulus legislation that includes huge boosts for health information technology and healthcare quality improvement. These provisions are being implemented with unprecedented speed, even as the White House and Congress are immersed in developing legislation that will make sweeping changes in our nation's health care system.

PRHI is playing a supportive role in these historic

developments. PRHI staff and stakeholders have traveled across Pennsylvania, throughout the United States, and halfway around the world to learn about potential models for healthcare reform. More miles were logged traveling back and forth to Washington, D.C. to promote our ideas for quality improvement and complementary payment reform.

The journey won't end until the President's signature is affixed to final healthcare reform legislation. But the ultimate destination is coming into view; legislation being drafted in Washington incorporates almost every PRHI priority. In the meantime, ongoing and imminent PRHI-sponsored demonstrations and clinical projects are putting our region at center stage for national healthcare transformation.

PRHI Surveys

From two online surveys and follow-up discussions with area healthcare stakeholders, (consumers, physicians, hospitals, insurers, researchers/educators, and employers), PRHI produced for the Obama Administration two detailed healthcare policy reports and specific recommendations for action. Both PRHI reports were also forwarded to our Congressional delegation, the Governor's Office and state legislative leaders, and others involved in policy making.

The first report (<http://www.prhi.org/documents/PRHIFullReporttotheObamaTransitionTeam.pdf>) set forth an ambitious series of PRHI recommendations for quality improvement, including regional quality demonstrations, quality measurement on basis of patient outcomes,

complementary payment reform, and strengthening primary care. The Consumer Health Coalition also furnished information gathered from local consumers about access, quality and affordability.

The second report (http://www.hcfutures.org/Pdfs/News/RHCW_Stakeholder_Recommendations.pdf) set forth recommendations for addressing regional healthcare workforce problems. A large majority of respondents described an "urgent" situation across the full range of healthcare occupations, including primary care physicians, nurses, technologists and technicians, nursing assistants.

Federal Economic Stimulus Bill

Hitting the Right Notes: HIT, Quality Improvement, Disease Management

The federal economic stimulus bill enacted earlier this year (The American Recovery and Reinvestment Act, or ARRA) featured two other major healthcare initiatives that match current PRHI projects and priorities.

ARRA appropriated more than \$30 billion for health information technology, providing financial incentives for physicians to implement and make “meaningful use” of electronic health records (EHRs). These incentives – up to \$44,000 for eligible physicians – will be in effect from 2011-2016, after which Medicare and Medicaid reimbursements will be reduced for physicians that do not adopt EHRs. The purpose: give physicians the data they need, when they need it, to manage care and gauge performance.

For hundreds of Pittsburgh area physicians, however, federal financial incentives for EHRs will begin this year, two years earlier than under ARRA. With PRHI as its Community Partner, CMS (Centers for Medicare and Medicaid) this spring launched its national EHR Demonstration in southwestern Pennsylvania and at three other sites. The CMS EHR Demonstration will enable 138 small Pittsburgh area primary care practices to earn as much as \$40 million extra (up to \$290,000/practice) from Medicare over the next five years for adopting EHRs and hitting chronic disease quality benchmarks.

Primary care practice improvement and better disease management define two other regional demonstrations for which PRHI has a lead role: collaboration with the Governor’s

Office of Health Care Reform on a regional chronic care improvement demonstration through which PRHI will provide training and support to about 20 smaller primary care practices; and a \$500,000 grant from the Commonwealth Fund to assist 12 local community health centers in attaining primary care practice performance standards.

Enhancing the CMS initiative, Highmark Blue Cross Blue Shield is also providing health information technology grants of up to \$7,000 for eligible physicians, and has committed \$1 million to PRHI and the support of 12 of their Provider Performance Consultants for training, coaching and technical assistance to any of the participating practices.

Another ARRA provision is \$1.1 billion earmarked for “comparative effectiveness research”(CER). CER was conceived to compare cost and efficacy among similar medications, medical equipment, etc. But PRHI and other regional quality coalitions support a different set of priorities: regional demonstrations to test better care delivery models.

PRHI’s most recent clinical projects – Reducing Hospital Readmissions, Integrating Treatment in Primary Care, and Medication Reconciliation: Pharmacy Agents for Change – demonstrate both clinical and cost-saving improvements. All three of these projects are supported by local foundation grants from The Richard King Mellon, Fine, Jewish Healthcare, and Staunton Farm Foundations. Federal CER funds to expand and diversify such demonstrations will accelerate reforms.

Around the World in Thirty Days *Mapping the Best Route* *to Value-Driven Health Care*

In a February 2009 *New Yorker* article, Atul Gawande, MD described how other developed nations' healthcare systems have evolved successfully from their differing cultures and histories. He argued that U.S. healthcare reform should evolve from the current system. But what direction should that take? PRHI embarked on a journey of enlightenment.

Israel

A week-long, Jewish Healthcare Foundation-sponsored Healthcare Mission to Israel in April enabled a group of 23 Pittsburgh-area and national healthcare experts to learn firsthand how Israel's healthcare system has developed. What they found was the most technologically advanced healthcare system in the world, a system that assured universal coverage for a diverse, challenging and growing population, produced services and population health of a very high quality, and at a much lower cost than the U.S.

Details will be published separately. PRHI and Israel's leading social science think-tank will collaborate on monographs that would suggest lessons learned and applications from the Israeli experience to guide U.S. decision making.



Geisinger Health System

Geisinger Health System, headquartered in Danville, Pennsylvania, has attracted a great deal of attention for visionary experiments in healthcare delivery improvement. During a visit this spring, PRHI staff and board members sought ideas.

Geisinger Health System (GHS) serves more than two million residents of central and northeastern Pennsylvania through a large network of hospitals, physician practices, and clinics. GHS is one of the most completely integrated care delivery organizations in the U.S. Its subsidiary, Geisinger Health Plan (GHP), has approximately 200,000 members and is one of the nation's largest rural HMO's.

GHS ties quality improvement to payment innovations in "ProvenCare" – a performance warranty program for selected surgical services. Under ProvenCare, GHS is paid a single, all-inclusive fee for a surgery. If additional, related expenses occur within 90 days of discharge (e.g., complications that necessitate longer hospital stay, readmission, or emergency room visit), they are the medical and financial responsibility of Geisinger Health System. The purchaser pays just one fee for delivering care perfectly, the first time, rather than for the sheer volume of services delivered.

Do different incentives produce better care? GHS calculates that ProvenCare has resulted in halving of patient mortality rates for CABG surgery (to less

than 1%). GHS is expanding ProvenCare incrementally to other surgical procedures (nine currently).

ProvenCare isn't a stand-alone innovation: models exist for patient care, satisfaction and clinical outcomes across all service lines. The system-wide Nursing Services Performance Improvement Council has 100 audits underway.

GHS leaders, most of whom are physicians, build on unique factors. GHS is a fully integrated system, all GHS physicians that provide care in hospital settings are salaried, and compensation is often tied to performance (including "all or nothing" adherence to standardized guidelines). Health information technology is ubiquitous. Teamwork is the foundation for quality

improvement work. New leadership is recruited based on commitment to reform.

Geisinger Health System suggests an advanced transition stage: apply a wide variety of best practices (many notes on the "Xylophone of Quality"), measure the impact diligently, sustain what works. Its leaders volunteer that not every initiative has been a complete success (e.g., seamless transitions of care are not perfectly realized) and that there are important areas yet to be addressed. One can speculate that a unifying process improvement method might help to tie together the system's large number and variety of projects.



Karen Wolk Feinstein, PhD, president and chief executive officer of PRHI meets with Richard Gilfillan, MD, president and chief executive officer of Geisinger Health Plan

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Geisinger cont'd.

Some current Geisinger quality and value initiatives illustrate transformative work underway.

- ◆ **Health information technology (HIT).**
Interoperable, high functionality EHRs in all GHS settings enable more effective primary care and disease management, medication management, transitions of care, and use of decision support tools in both outpatient and inpatient settings.
- ◆ **Disease management.**
Geisinger Health Plan's ProvenHealth Navigator program blends together the Chronic Care Model and standards for Patient-Centered Medical Homes. Among chronically ill enrollees, there have been 12% fewer hospital admissions, nearly 12% fewer 30-day readmissions, and an 8% reduction in medical cost trend. GHS physicians fill out annual patient report cards that assess individual patients' adherence to healthy behaviors and treatment. Specialty clinics incorporate specially trained nurses to deal directly with "hard to manage" chronically ill patients.
- ◆ **Reducing hospital readmissions.**
In addition to ProvenCare, GHS also emphasizes Interdisciplinary Care Review Teams (nursing, physical therapy, pharmacy, nutrition and more) to improve care coordination, detail discharge procedures, and assure medication reconciliation (identified by GHS as the largest contributing factor in its preventable readmissions, and targeted through EHR decision aids (medication prompts), pharmacy-driven improvement projects and more prominent roles for clinical pharmacy). Also directly related to reducing admissions is use of predictive modeling, employed by GHS and GHP to screen and assess for chronic diseases, monitor long-term health status, and identify highest risk Medicare patients (e.g., "Diabetes Bundle," etc.).

- ◆ **Process Reliability Teams.**

These are hospital based and focus on "clinical micro-systems" – individual care delivery units. Quality improvement coaches are embedded in units for compliance with standardized care guidelines and a team approach to improvement.

- ◆ **System-wide research.**

At the Henry Hood Research Center in Danville are the Geisinger Center for Health Research, Weis Center for Research, and Geisinger Center for Clinical Studies. These research arms encompass epidemiology, molecular and cellular biology, rural health, genomics, HIT, development of new healthcare models, and clinical trials management.



James M. Walker, MD is the Chief Health Information Officer at Geisinger Health System.

What is happening at Geisinger and at a handful of other systems to hit as many Quality Improvement and Cost Containment notes as possible sheds light on what can and should be implemented broadly.

Key points on which PRHI staff and board will reflect in coming weeks include: How can we in southwestern Pennsylvania structure a demonstration project around Geisinger methods and initiatives? Does the Geisinger Health System help us to understand the requirements for developing local accountable care systems?

Comprehensive Healthcare Reform Legislation Emerges

Less than a month after the Geisinger visit came release of the U.S. Senate Finance Committee's initial outline ("Policy Options") for the major healthcare reform bill that Congressional leaders have promised to the President by the end of this year.

The Policy Options reinforce PRHI's priorities and projects:

Hitting the Notes:

- ◆ TRAINING in Quality Improvement; lifelong learning requirements; web-based practice improvement tools, rapid learning networks
- ◆ REDUCTION of INEFFICIENCY, fraud, waste and abuse
- ◆ DISEASE MANAGEMENT and Transitions in Care including care management and medication reconciliation
- ◆ NEW MODELS of CARE DELIVERY -- including Advanced Primary Care Medical Homes and Accountable Care Organizations
- ◆ INTEROPERABLE Health Information Technology
- ◆ PUBLIC REPORTING of performance data in hospitals, for MDs, in Skilled Nursing and Home Health

- ◆ WORKFORCE Development -- particularly in primary care
- ◆ PAYMENT INCENTIVES for clinical and administrative excellence
- ◆ NEW MODELS OF PAYMENT

Overall, these options evoke a set of value-based healthcare targets that would serve to prevent readmissions, better integrate care and manage disease such as COPD, congestive heart failure, depression and diabetes, and generally strengthen primary care. This is indeed a rapidly moving boulder of reform, much in line with PRHI's early tenets.

It should be acknowledged that our southwestern Pennsylvania Congressional delegation has been extraordinarily accessible and supportive when PRHI sought help. High-level healthcare conferences in Washington, D.C. and elsewhere have supplied important opportunities to promote PRHI ideas directly to senior managers at CMS, administration officials, and key Congressional staff. A series of legislatively mandated public hearings also provided occasions for advocating on behalf of PRHI priorities.

Accountable Care Networks

As this issue of Executive Summary goes to print, PRHI is moving to extend its current clinical improvement and demonstration projects through the alignment of groups of providers.

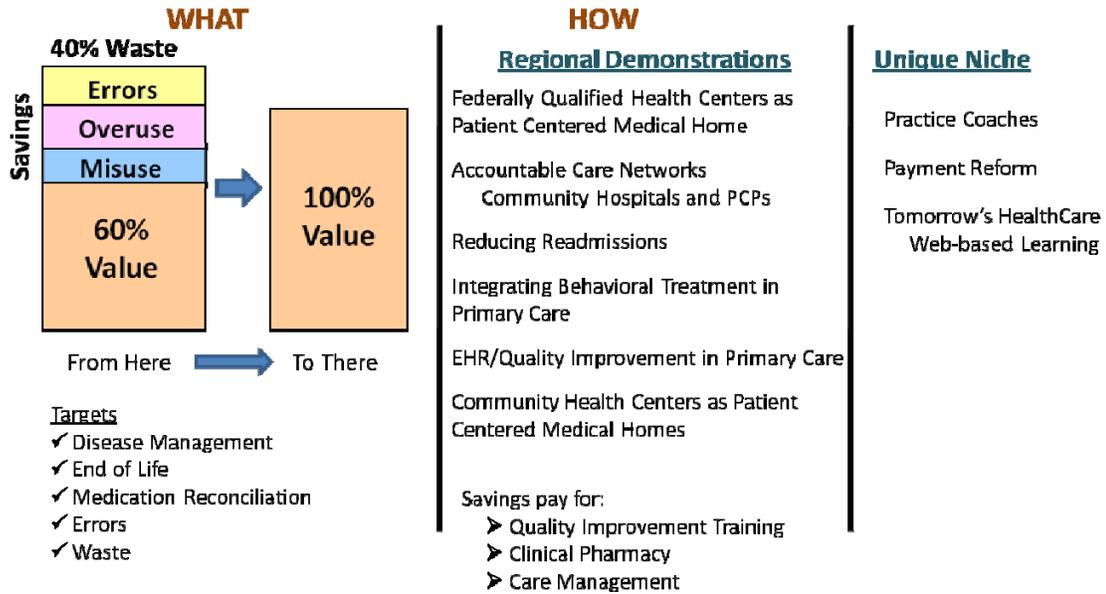
Known variously as accountable care organizations, systems, or networks, the development of formal or informal groupings of providers for better disease management has been posited by several healthcare researchers. Accountable care networks would knit together inpatient and outpatient providers, and perhaps skilled nursing, home health rehabilitation, and laboratory services. Better patient care and outcomes, indicated by objective performance measures, would yield higher reimbursements.

The possibility of supporting formation of one or

more accountable care networks occurred initially to PRHI when it applied for the CMS EHR Demonstration on behalf of southwestern Pennsylvania. PRHI's primary care practice recruitment strategy for the demonstration was based on practices that were owned by or aligned with a community hospital. By linking a hospital and its affiliated practices with EHRs and financial incentives for quality improvement, coordinated care across inpatient and outpatient settings, and shared resources and services for efficiency and quality improvement could be realized. Financial support for practice management assistance and practice staff training from Highmark, the Governor's Office, and local and national foundations add momentum to this concept.

PRHI OBJECTIVE

Containing Healthcare Cost  By Improving QUALITY 



via Perfecting Patient CareSM Method



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