Creating a High Performance Health Care System

National Advisory Committee on Rural Health and Human Services
March 1, 2007

Mary Wakefield, Ph.D., R.N.
Associate Dean for Rural Health and Director

Connecting resources and knowledge to strengthen the health of people in rural communities.

Commonwealth Fund’s Commission on a High Performance Health System

Objective:

- The overarching mission of a high performance health care system is to help everyone, to the extent possible, lead long, healthy, and productive lives
- To the Commission, a high performance health system is designed to achieve four core goals
  1. high quality, safe care
  2. access to care for all people
  3. efficient, high value
  4. system capacity to improve
Achieving a High Performance Health System Requires:

- Committing to a clear national strategy
- Delivering care through models that emphasize coordination and integration
- Establishing and tracking metrics for health outcomes, quality of care, access, disparities, and efficiency

Scores: Dimensions of a High Performance Health System

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long, Healthy, &amp; Productive Lives</td>
<td>69</td>
</tr>
<tr>
<td>Quality</td>
<td>71</td>
</tr>
<tr>
<td>Access</td>
<td>57</td>
</tr>
<tr>
<td>Efficiency</td>
<td>51</td>
</tr>
<tr>
<td>Equity</td>
<td>71</td>
</tr>
<tr>
<td>OVERALL SCORE</td>
<td>66</td>
</tr>
</tbody>
</table>

SOURCE: Commonwealth Fund National Scorecard on U.S. Health System Performance, 2006
**Mortality Amenable to Health Care**

Deaths per 100,000 population*

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

Data: International estimates—World Health Organization, WHO mortality database (Nolte and McKee 2003); State estimates—K. Hempstead, Rutgers University using Nolte and McKee methodology.

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

**States Vary In Quality of Care**

2000–2001

Note: State ranking based on 22 Medicare performance measures.

U.S. Adults Receive Half of Recommended Care; Quality Varies Significantly by Medical Condition


Patients Reporting Any Error by Number of Doctors Seen in Past Two Years

Source: 2005 Commonwealth Fund International Health Policy Survey
Number of States with High Proportion of Uninsured Adults Ages 18–64 Is Growing

1999–2000

2004–2005

ACCESS: UNIVERSAL PARTICIPATION


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

Quality and Costs of Care for Medicare Patients Hospitalized for Heart Attacks, Colon Cancer and Hip Fractures, by Hospital Referral Regions, 2000-2002

* Indexed to risk-adjusted 1 year survival rate (median = 0.70).
** Risk-adjusted spending on hospital and physician services using standardized national prices.

Data: E. Fisher and D. Staiger, Dartmouth College analysis of data from a 20% national sample of Medicare beneficiaries.

Source: The Commonwealth Fund National Scorecard on U.S. Health System Performance, 2006
Variation in Annual Total Cost and Quality for Chronic Disease Patients
Quality of Care* and Medicare Spending for Beneficiaries with
Three Chronic Conditions, by Hospital Referral Region

* Based on percent of beneficiaries with three conditions (diabetes, chronic obstructive pulmonary disease, and congestive heart failure) who had a doctor’s visit four weeks after hospitalization, a doctor’s visit every six months, annual cholesterol test, annual flu shot, annual eye exam, annual HbA1C test, and annual nephrology test.

Source: G. Anderson and R. Herbert for the Commonwealth Fund, Medicare SAF 5% 2001 data.

International Comparison of Spending on Health, 1980–2004

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

**Percentage of National Health Expenditures Spent on Health Administration and Insurance, 2003**

<table>
<thead>
<tr>
<th>Country</th>
<th>Net Costs of Health Administration and Health Insurance as Percent of National Health Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>1.9</td>
</tr>
<tr>
<td>Finland</td>
<td>2.1</td>
</tr>
<tr>
<td>Japan</td>
<td>2.1</td>
</tr>
<tr>
<td>Canada</td>
<td>2.6</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>3.3</td>
</tr>
<tr>
<td>Netherlands</td>
<td>4.0</td>
</tr>
<tr>
<td>Austria</td>
<td>4.1</td>
</tr>
<tr>
<td>Australia</td>
<td>4.2</td>
</tr>
<tr>
<td>Switzerland</td>
<td>4.8</td>
</tr>
<tr>
<td>Germany</td>
<td>5.6</td>
</tr>
<tr>
<td>United States</td>
<td>7.3</td>
</tr>
</tbody>
</table>

* Includes claims administration, underwriting, marketing, profits, and other administrative costs; based on premiums minus claims expenses for private insurance. Data: OECD Health Data 2005.

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

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**The Discourse Has Changed**

**FROM:**

- “Americans have the best health care system in the world”
  - President Bush, State of the Union Speech, 2004

**TO:**

- We need to do better
  - We spend more on health care than any other country
  - We need more value for what we are spending
We Know The Problems
Now We Need Solutions

Goals for a High Performance Health System

HIGH QUALITY, SAFE, COMPASSIONATE, COORDINATED CARE

ACCESS AND EQUITY FOR ALL

LIFE EXPECTANCY, HEALTHY, AND PRODUCTIVE LIVES

EFFICIENCY

CAPACITY FOR SYSTEM AND WORKFORCE INNOVATION AND IMPROVEMENT
Keys to Transforming the U.S. Health Care System

1. Extend health insurance coverage 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

Efforts to Extend Health Insurance Coverage to All

1. Extend Health Insurance Coverage to All
### What Are the Most Important Health Care Issues for Presidential and Congressional Action?

<table>
<thead>
<tr>
<th>Percent listing issue as first or second priority:</th>
<th>Total</th>
<th>Less than $50,000</th>
<th>$50,000–$74,999</th>
<th>$75,000 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure that all Americans have adequate, reliable health insurance</td>
<td>52</td>
<td>56</td>
<td>52</td>
<td>50</td>
</tr>
<tr>
<td>Control the rising cost of medical care</td>
<td>37</td>
<td>35</td>
<td>42</td>
<td>39</td>
</tr>
<tr>
<td>Lower the cost of prescription drugs</td>
<td>31</td>
<td>31</td>
<td>27</td>
<td>33</td>
</tr>
<tr>
<td>Ensure that Medicare remains financially sound in the long term</td>
<td>29</td>
<td>29</td>
<td>32</td>
<td>30</td>
</tr>
<tr>
<td>Improve the quality of nursing homes and long-term care</td>
<td>14</td>
<td>16</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Reform the medical malpractice system</td>
<td>14</td>
<td>10</td>
<td>12</td>
<td>18</td>
</tr>
<tr>
<td>Reduce the complexity of insurance</td>
<td>12</td>
<td>12</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>


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

1. Extend Health Insurance Coverage to All

2. Pursue Excellence in Provision of Safe, Effective, and Efficient Care
Reid Hospital; Richmond, Indiana

<table>
<thead>
<tr>
<th></th>
<th>2004 HQA Ave.</th>
<th>Reid Hospital Q4 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMI:ACEI when appropriate</td>
<td>75</td>
<td>100</td>
</tr>
<tr>
<td>CHF: LV assessment</td>
<td>78</td>
<td>99</td>
</tr>
<tr>
<td>CAP: Pneumo-coccal Vaccine</td>
<td>46</td>
<td>100</td>
</tr>
</tbody>
</table>

Perfect Care

• When is performance good enough?
  – For you; for your family
• Near-perfection is attainable even in health care
• The question we all should be asking:
  – How soon can we achieve perfect care?
    • Within our organization
    • Across the entire health care system
Organize the Care System to Ensure Coordinated and Accessible Care for All

1. Extend Health Insurance Coverage 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

Expand Primary Care and Preventive Services

- Health is better in areas where there are more primary care physicians or more primary care services
- People who receive primary care are healthier
- Costs of care are lower in areas where there are more primary care services
- More primary care is associated with more equitable care

Primary Care Score vs. Health Care Expenditures, 1997

Shared Decision-Making: An Important Aspect of Patient-Centered Care
Care Coordination

Base: Have seen a doctor in past 2 years

<table>
<thead>
<tr>
<th>Percent saying in the past 2 years:</th>
<th>AUS</th>
<th>CA</th>
<th>NZ</th>
<th>UK</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test results or records not available at time of appointment</td>
<td>12</td>
<td>14</td>
<td>13</td>
<td>13</td>
<td>17</td>
</tr>
<tr>
<td>Duplicate tests: doctor ordered test that had already been done</td>
<td>7</td>
<td>6</td>
<td>7</td>
<td>4</td>
<td>14</td>
</tr>
<tr>
<td>Received conflicting information from different doctors</td>
<td>18</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>18</td>
</tr>
<tr>
<td>Percent who experienced at least one of the above</td>
<td>28</td>
<td>26</td>
<td>25</td>
<td>24</td>
<td>31</td>
</tr>
</tbody>
</table>

Source: 2004 Commonwealth Fund International Health Policy Survey

Increase Transparency and Reward Quality and Efficiency

1. Extend Health Insurance Coverage to All
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3. Organize the Care System to Ensure Coordinated and Accessible Care for All
4. Increase Transparency and Reward Quality and Efficiency
Medicare/Premier Hospital Quality P4P Demonstration

- First year results showed significant improvement; composite score increased –
  - AMI: 87% to 91%
  - Heart Failure: 65% to 74%
  - Pneumonia: 69% to 79%
  - CABG: 85% to 90%
  - Hip/knee replacement: 85% to 90%
- Patients receiving better care showed lower mortality (AMI, CHF)
- Cost savings for hospitals (AMI, Pneumonia, CABG, Hip/Knee) and Medicare

Source: Premier, “Centers for Medicare and Medicaid Services/Premier Hospital Quality Incentive Demonstration Project: Project Overview and Findings from year One,” April, 2006; and Premier, “Exploring the Nexus of Quality and Cost: Methodology and Preliminary Findings,” August 2006

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Primary Care Doctors’ Reports of Any Financial Incentives Targeted on Quality of Care

<table>
<thead>
<tr>
<th>Country</th>
<th>Percent Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>95</td>
</tr>
<tr>
<td>NZ</td>
<td>79</td>
</tr>
<tr>
<td>AUS</td>
<td>72</td>
</tr>
<tr>
<td>NET</td>
<td>58</td>
</tr>
<tr>
<td>GER</td>
<td>43</td>
</tr>
<tr>
<td>CAN</td>
<td>41</td>
</tr>
<tr>
<td>US</td>
<td>30</td>
</tr>
</tbody>
</table>

*Receive of have potential to receive payment for: clinical care targets, high patient ratings, managing chronic disease/complex needs, preventive care, or QI activities

Source: 2006 Commonwealth Fund International Health Policy Survey of Primary Care Physicians
Expand the Use of Information Technology and Exchange

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4. Increase Transparency and Reward Quality and Efficiency
5. Expand the Use of Information Technology and Exchange

Physicians’ Use of Electronic Medical Records, U.S. Compared with Other Countries, 2000–2001

Percent of physicians

<table>
<thead>
<tr>
<th>Country</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>90</td>
</tr>
<tr>
<td>Netherlands</td>
<td>88</td>
</tr>
<tr>
<td>Denmark</td>
<td>62</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>58</td>
</tr>
<tr>
<td>Finland</td>
<td>56</td>
</tr>
<tr>
<td>Austria</td>
<td>55</td>
</tr>
<tr>
<td>New Zealand</td>
<td>52</td>
</tr>
<tr>
<td>Germany</td>
<td>48</td>
</tr>
<tr>
<td>Belgium</td>
<td>42</td>
</tr>
<tr>
<td>Italy</td>
<td>37</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>30</td>
</tr>
<tr>
<td>Ireland</td>
<td>29</td>
</tr>
<tr>
<td>United States</td>
<td>28</td>
</tr>
<tr>
<td>Canada</td>
<td>25</td>
</tr>
<tr>
<td>Australia*</td>
<td>17</td>
</tr>
<tr>
<td>Spain</td>
<td>14</td>
</tr>
<tr>
<td>France</td>
<td>9</td>
</tr>
<tr>
<td>Greece</td>
<td>6</td>
</tr>
<tr>
<td>United States*</td>
<td>6</td>
</tr>
<tr>
<td>Belgium</td>
<td>6</td>
</tr>
</tbody>
</table>

* 2000


Source: Commonwealth Fund National Scorecard on U.S. Health System Performance, 2006
Electronic Medical Records and Information Systems

- Reduce duplicate tests
- Reduce hospital admissions by having information accessible to emergency room physicians
- Improve patient care
- Provide decision support for physicians and patients
- Facilitate “referrals,” secure transfer of responsibility
- Reduce medical errors
- Promote better management of chronic conditions and care coordination
  - Registries
  - Performance information
  - Facilitated by interoperability


Danish E-Mail Contacts with Patients

Payment for telephone call from pt.: 25 DKR or $4
Payment for E-mail from/to pt.: 50 DKR or $8

Primary Care Practices with Advanced Information Capacity

Percent reporting 7 or more out of 14 functions*

<table>
<thead>
<tr>
<th>Country</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>NZ</td>
<td>87</td>
</tr>
<tr>
<td>UK</td>
<td>83</td>
</tr>
<tr>
<td>AUS</td>
<td>72</td>
</tr>
<tr>
<td>NET</td>
<td>59</td>
</tr>
<tr>
<td>GER</td>
<td>32</td>
</tr>
<tr>
<td>US</td>
<td>19</td>
</tr>
<tr>
<td>CAN</td>
<td>8</td>
</tr>
</tbody>
</table>

*Count of 14: EMR, EMR access other doctors, outside office, patient; routine use electronic ordering tests, prescriptions, access test results, access hospital records; computer for reminders, Rx alerts, prompt tests results; easy to list diagnosis, medications, patients due for care.

Source: 2006 Commonwealth Fund International Health Policy Survey of Primary Care Physicians

Develop the Workforce to Foster Patient-Centered and Primary Care

1. Extend Health Insurance Coverage to All
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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
Encourage Leadership and Collaboration Among Public and Private Stakeholders

1. Extend Health Insurance Coverage to All
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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 to Foster Patient-Centered and Primary Care
6. Develop the Workforce to Foster Patient-Centered and Primary Care
7. Encourage Leadership and Collaboration Among Public and Private Stakeholders

- Broad-based coalition of clinicians, hospitals, health plans, purchasers, and government agencies
- Collaboration among all stakeholders
- Common quality agenda, including shared guidelines and tools, as well as becoming a source for comparative health quality information
- Reporting quality measures and patient satisfaction measures
What States Can Do to Promote a High Performance Health System: Strategies to Expand Coverage

- Design shared responsibility strategy to include state, employers and individuals
  - Expand public programs
  - Provide financial assistance to low income workers and employers to afford coverage
  - Require employers to offer Section 125 benefit plans
  - Mandate individuals to purchase coverage
  - Require employers to offer and employees to take up insurance
- Require insurers to raise age limit for dependents
- Pool purchasing power and promote new benefit designs to make coverage more affordable
- Develop reinsurance programs to make coverage more affordable in the small group and individual markets

What States Can Do to Promote a High Performance Health System: Strategies to Improve Quality and Efficiency

- Promote evidence-based health care
- 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
Achieving a High Performance Health System: What We Can Do

• Advocate for affordable health insurance for all
• Encourage chronic care improvement, transitional care
• Share best practices; join collaboratives to implement proven quality and patient safety measures
• Improve patient-centered care; survey and respond to patient concerns
• Support transparency; public reporting of clinical quality, patient-centered care, and efficiency
• Accelerate adoption of IT; ensure patient access to an integrated personal health record
• Participate in demonstrations that reward high quality and efficient care; be actively involved in design of incentivized payment systems
• Consider options for better coordination and integration of care delivery; shared accountability for patient care

• What We All Must Stop Doing
  – Protect Our Turf (there is still a lot of turf to go around)
Achieving a High Performance Health System Requires:

- Committing to a clear national strategy and establishing a process to implement and refine that strategy
- Delivering care through models that emphasize coordination and integration
- Establishing and tracking metrics for health outcomes, quality of care, access, disparities, and efficiency

For more information contact:

Center for Rural Health
University of North Dakota
School of Medicine and Health Sciences
Grand Forks, ND 58202-9037

Tel: (701) 777-3848
Fax: (701) 777-6779

http://medicine.nodak.edu/crh
Email: mwake@medicine.nodak.edu