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
• 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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