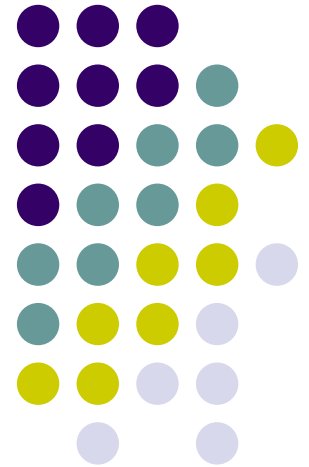


Value-Based Healthcare

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November 9, 2006



Opportunity



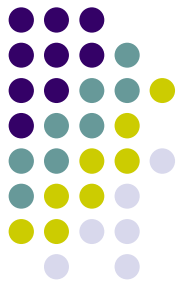
- Consumers/patients have easy access to meaningful and reliable information on quality and costs
- Consumers/patients use that information to guide decisions about their health care
- Physicians and hospitals use information on quality and costs to improve their care

Overarching Goal



Enhance person and population-centered care by improving the quality of health care services and reducing healthcare costs

Specific Goals



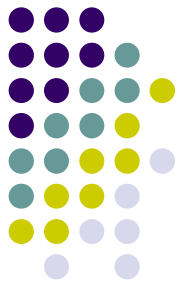
- Provide personalized information on quality and price for patients and caregivers
- Develop a stronger foundation of evidence for delivering high value healthcare
- Support opportunities for the increased adoption of health information technology
- Promote a collaborative approach to improve quality of care

Initial Strategies



- Expand the development and use of consistent measures of quality and price
- Promote local multi-stakeholder collaboratives
- Establish nationwide learning network
- Leverage the power of public and private sector roles

Expand Use of Consistent Measures



- Support National Quality Forum work
- Build national consensus across stakeholders for measure implementation
 - Ambulatory Quality Alliance
 - Hospital Quality Alliance
 - AQA/HQA Quality Alliance Steering Committee
 - Topic-specific Alliance Workgroups

AQA to Date



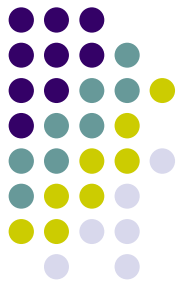
- Parameters/principles to guide AQA workgroups
- Consensus on a starter set of measures
 - Prevention, CAD, HF, Diabetes, Asthma, Depression, Prenatal care, pediatric URIs
- Consensus on several specialty measures
- Agreement on cost of care definitions
- Description of public/private Stewardship Board
- Recommendation to conduct pilot project



Current Six Sites

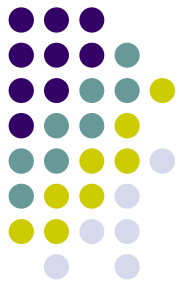
- MA Quality Healthcare Partners
- WI Collaborative for Quality Healthcare
- CA Cooperative Reporting Initiative
- Phoenix Regional healthcare Value Measurement Initiative
- IN Health Information Exchange
- MN Community Measurement

Promote Local Collaboratives



- Create all-payer patient and physician-centric databases
- Give providers feedback about their performance based on the all-payer data
- Enable CMS to make providers' performance publically available to Medicare beneficiaries (and thus indirectly to others)

Challenges



- Variability of community readiness (stakeholder relationships)
- Current measurement/data variability
- State of research in generating meaningful patient outcomes at the physician level
- Efficiently summarizing physician and hospital performance
- Learning as we implement
 - Early identification and mitigation of untoward consequences
 - Identification of what works when and how

Establish Learning Network



- Share experiences
- Identify promising practices
- Identify gaps where innovation needed
- Raise issues to be addressed by national consensus-building organizations
- Provide on the ground perspective to inform and participate in setting national priorities for quality improvement

Leverage Public & Private Sector Roles



- Governance of Alliances
- Role of QIOs
- Role of national employers
- Funding streams
- President Bush's Executive Order

Executive Order for Federal Gov't:



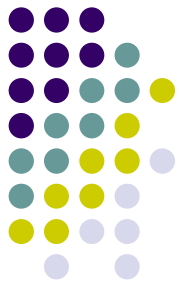
- Adopts and commits to using critical, interoperable Health Information Technology standards using CCHIT as certifying entity
- Provides quality information from health care providers in Federal programs
- Aggregates price information from federal programs and providers
- Gives Federal employees consumer power and incentives to demand better value

By January 2009



- Interoperable health IT standards
- Consensus-derived national quality measurement
- Price information for episodes of care
- Provider payment aligned with value
- Consumer incentives

Pay Off



- Consumers/patients have easy access to meaningful and reliable information on quality and costs
- Consumers/patients use that information to guide decisions about their health care
- Physicians and hospitals use information on quality and costs to improve care