“Approaches to Improve Quality and Contain Costs”

Andrew Webber, President and CEO
National Business Coalition on Health

Michigan Center for Value Based Insurance Design
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National Business Coalition on Health (NBCH)

- **Our identity**: National, non-profit association of 70 business and health coalitions. National network of 7,000 employers.

- **Our vision**: Health system reform, through value based purchasing, community by community.

- **Our primary mission**: To build coalition leadership capacity.
The Challenge

“How do we get more for our money?”

Mark McClellan
VBID Symposium, May 1, 2007
Relationship Between Quality of Care and Medicare Spending

States with higher spending per Medicare beneficiary tended to rank lower on 22 quality of care indicators. This inverse relationship might reflect medical practice patterns that favor intensive, costly care rather than the effective care measured by these indicators.

Relationship between quality and Medicare spending, as expressed by overall quality ranking, 2000–2001

Overall quality ranking

1 (Highest)

11

21

31

41

51 (Lowest)

Annual Medicare spending per beneficiary (dollars)

Source: Medicare administrative claims data and Medicare Quality Improvement Organization program data, as analyzed by Baicker and Chandra (2004). The solid line shows that for every $1,000 increase in Medicare spending per beneficiary, a state's quality ranking dropped by 10 positions. Adapted and republished with permission of Health Affairs from Baicker and Chandra, "Medicare spending, the physician workforce, and beneficiaries' quality of care" (Web Exclusive). 2004. Permission conveyed through the Copyright Clearance Center, Inc.
Current Opportunities

- Underuse
- Overuse
- Misuse

AND

- Health Promotion, Wellness, Productivity, Individual Vitality
Influencing supply side, provider behavior:

- Payment reform – P4P
- Transparency and public reporting
- Utilization review, prior authorization
- Performance feedback
- Integrated systems of care
- System redesign, reengineering and continuous quality improvement
- Advanced Medical Home
Influencing demand side, consumer behavior:

- Creative mix of information, coaching, counseling, peer/family/community support and incentives
- Health promotion
- Prevention
- Shared decision making
- Disease management
- Consumer directed benefit plans
- Value based insurance design
Current Strategies

**Structural Reforms:**
- HIT Adoption
- Health planning
- Graduate medical education and workforce mix

*And change leading to improvement is dependent on leadership!*
Community Health Care Reform
Common Table

Value Based Purchasing Council

Quality Improvement Council
Speaker Introductions

- Stephen Parente, University of Minnesota, Consumer Directed Health Plans
- Dee Edington, University of Michigan, Worksite Wellness
- Jennifer Boehm, Hewitt Associates Employer Perspective
- Lewis Sandy, UnitedHealthCare Health Plan Perspective
- Sean Tunis, Health Technology Center Comparative Effectiveness Research