

“Approaches to Improve Quality and Contain Costs”

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National Business Coalition on Health

Michigan Center for Value Based Insurance Design
May 1, 2007

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?”

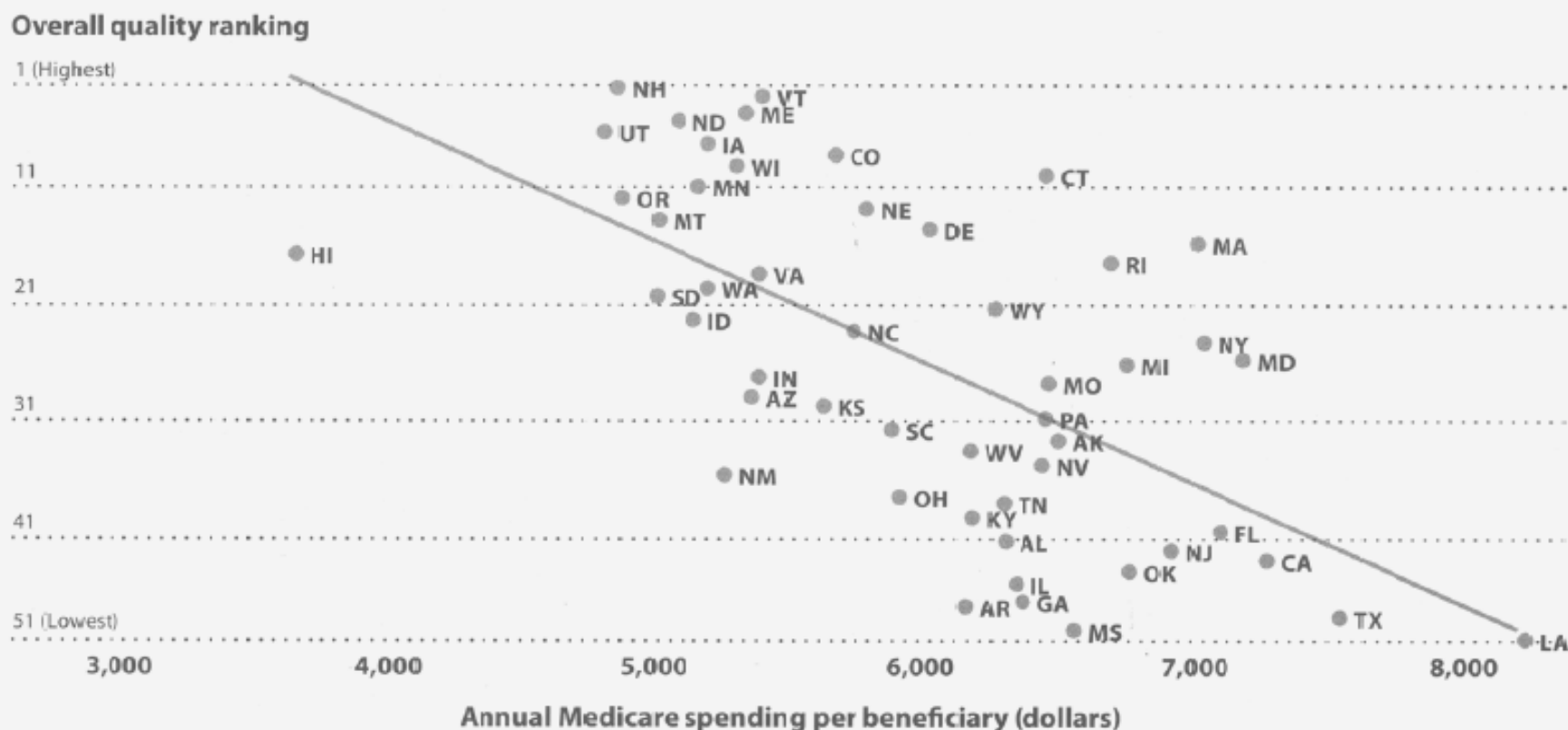
Mark McClellan

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



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**

Current Strategies

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**

Current Strategies

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**

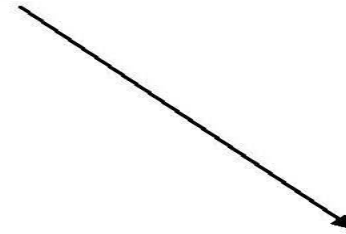
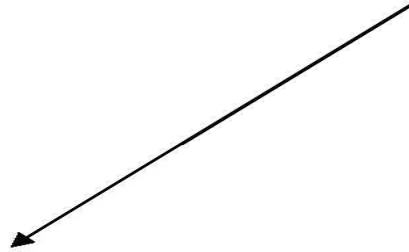
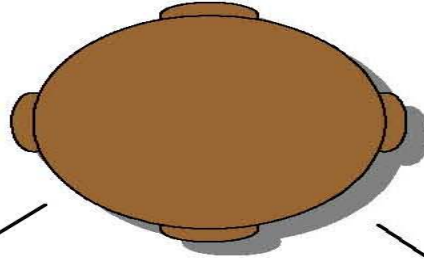
Current Strategies

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