



Center for Value-Based Insurance Design

# Driving Quality and Affordability in a Consumer-Focused World

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# The Affordability Crisis: Diagnosis



- Cost increases are intrinsic to the delivery system:
  - Technology advancement
  - Baumol's Disease (slow productivity improvement in service sector)
  - Induced Demand
  - Poorly functioning markets (for information, for care)
- Latest employer response: consumer cost-sharing
  - Has potential as a game-changer (but not by itself)
- Beware the single "magic bullet":

For every complex problem there is an answer that is clear, simple and wrong. H.L.Mencken (1880-1956)

# The Way Ahead: Empowering Consumers (and their physicians) with information



- Not all healthcare is the same
- Physicians may not know how they are doing
- Consumers want information, may not know how to get it, or how to best use it
- We need to turn raw data:
  - First, into useful information
  - Second, into an "operating system" for improvement





Elyria has three times the rate of angioplasties of Cleveland, 30 miles away (8/18/06)

### **Turning Data into Improvement:**





#### **Data and Clinical Expertise**

- "Ingenix inside" The most comprehensive set of clinical data in the industry
- We collaborate with medical societies to ensure we incorporate the latest science on quality and effectiveness
- Supports every program we develop

#### **Applied to Care Delivery**

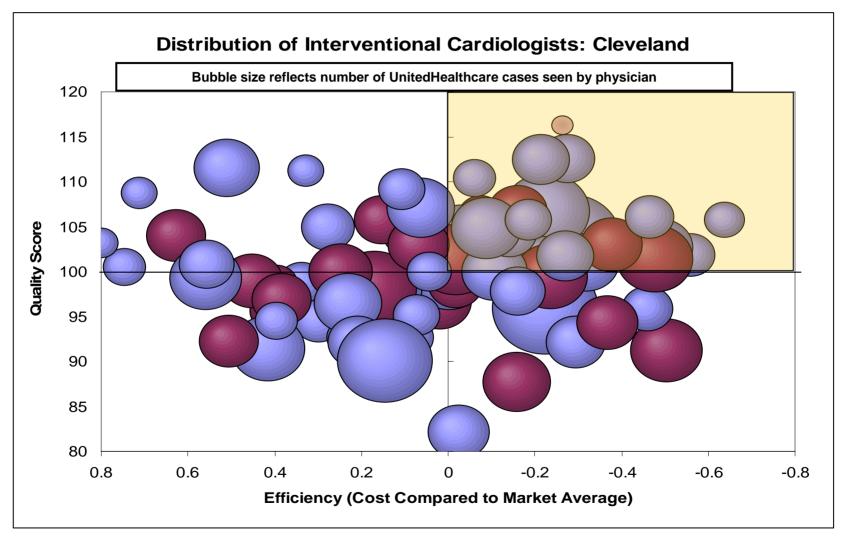
- Target high cost, complex areas
- Focuses on minimizing variation to drive out waste
- Dedicated teams focused on clinical lines of service – network, care delivery, patient support
- Utilizes full suite of clinical management tools on a targeted basis

#### Total Affordability Management

- The right care, by the right care provider
- Eliminates waste
- Improves health care outcomes
- Increases cost efficiency

# Practice Variation- Market Level Quality and Efficiency of Care Distribution





Source: UnitedHealthcare Episodes of Care Analysis, claims 2003-2004. All data risk and severity adjusted. Physicians limited to those with >20 UnitedHealthcare cases (with the exception of some physicians who saw customer patients- added for purposes of showing actual customer volume)

# A "designation" strategy for Quality and Efficiency drives transparency and improvement





# **Showcasing Both Quality and Efficiency**



**Proceduralists** 

Non-Proceduralists

| Condition   | % Physicians | % of<br>Attributable<br>Episodes | Episode Cost<br>Compared to<br>Market<br>Average |
|---|--------------|----------------------------------|--|
| Insufficient Data, Do<br>Not Meet Quality<br>Criteria, or Meet<br>Quality Criteria Only | 62%          | 40%                              | +15%   |
| Designated Quality and Efficiency   | 38%          | 60%                              | -15%   |

| Condition   | % Physicians | % of Attributable Episodes | Episode Cost<br>Compared to<br>Market Average |
|---|--------------|----------------------------|---|
| Insufficient, Do Not<br>Meet Quality, or Meet<br>Quality Only | 52%          | 29%                        | +24%  |
| Designated Quality and Efficiency                             | 48%          | 71%<br>*Based on U         | -13% HPD Methodology for 20 Market            |

### Designated Physicians are Higher Quality and More Efficient

### **Key Engagement and Support Components:**





#### **Medical Professional**



#### Plan Sponsor



#### Individual

- On-line performance reports and patient-level detail reports
- Physicians engaged and managed based on performance
- Medical director outreach to discuss quality and efficiency improvement opportunities
- Practice Rewards<sup>sm</sup> to reward demonstrated performance
  - Performance Report

    Patient Detail Report

- Comprehensive reporting to support decision-making on employer benefit programs
  - Utilization
  - Quality Improvement
  - Savings

- Provider directory: physicians and facilities (on-line and phone)
  - Hospital comparison program for approx. 75 IP/OP procedures in over 140 markets
  - Educational information on value of quality and efficiency
  - 24/7 NurseLine to assist with provider selection, treatment and follow-up decisions

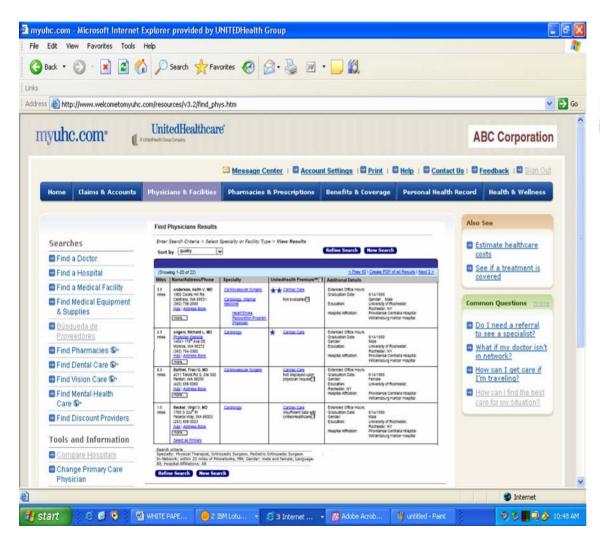






### **Supporting Consumers In Health Care Decision-Making**





Physicians' designation status identified online

- Quality and efficiency \*\*
- Quality only ★
- Specialty not evaluated. insufficient data, or designated physician opt-out noted

Average of 10-23% lower cost per episode with \*\* provider

# **Detailed Physician Performance Reports:**



#### Cardiothoracic Surgeon Report

UnitedHealthcare'

A UnitedHealth Group Company

Physician: MPIN: Data Range: 1/1/2003 - 12/31/2004

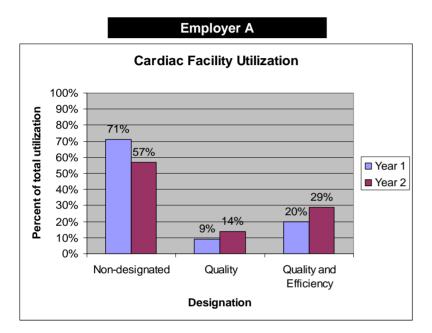
Market: CHICAGO Market Number: 12471
CV Surgeon Cases: 50 Total Cases: 51

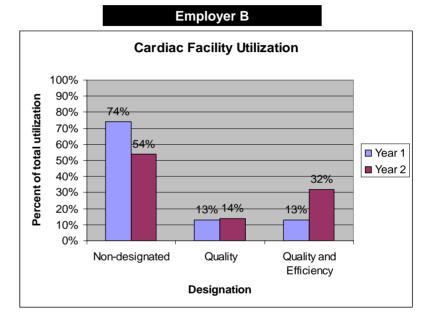
**Physician Detail** 

| Metric                      | Description of Metric                                       |        |                          |                                     | MD Score |          | Market Avg | Target*     |         |         |
|-----------------------------|---|--------|--------------------------|-------------------------------------|----------|----------|------------|-------------|---------|---------|
| Case Mix / Severity         |   |        |                          |                                     |          |          |            |             |         |         |
| Severity:                   | Average severity of   | illnes | s of patients compared   | to market average                   |          | 0.95     | •          | 1.00        |         | N/A     |
| Quality                     |   |        |                          |                                     |          |          |            |             |         |         |
| **COE Usage:                | % of procedures pe  | erform | ed at a COE designated   | facility                            | •        | 0.00 %   | -          | 0.15 %      |         | N/A     |
| Beta Blocker Rate:          | % of patients discharged w/ AMI who are given beta blockers |        |                          |                                     | 100.00 % | -        | 74.00 %    | •           | 80.00 % |         |
| Statin Rate:                | % of patients disch   | narged | w/ atherosclerosis that  | receive lipid lowering therapy      | •        | 100.00 % | •          | 60.62 %     | •       | 90.00 % |
| 12 Month Redo Rate:         | % of patients requi   | ring a | dditional procedures (PC | I, CABG) within 1 year post CABG    |          | 22.22 %  | •          | 8.08 %      |         | 10.00 % |
| Complication Rate:          | Observed complica   | tion s | core compared to risk a  | nd severity adjusted state norm     | •        | 0.11     | •          | -0.08       |         | N/A     |
| Overall Scores              |   |        |                          |                                     |          |          |            |             |         |         |
| Quality Disposition:        |   |        |                          | Efficiency Disposition:             |          |          |            |             |         |         |
| Met quality designation cri | teria   |        |                          | Met efficiency designation criteria |          |          |            |             |         |         |
| Quality Score:              |   | -      | 106.74                   | Efficiency Score:                   |          |          | •          | -0.09       |         |         |
| Quality Confidence In       | terval:   |        | 102.65 - 111.81          | Efficiency Confidence Interv        | /al:     |          | •          | -0.17 - 0.0 | 12      |         |
| Minimum Quality Mark        | et Threshold:   | -      | 90.77                    | Maximum Efficiency Market           | Thre     | shold:   | -          | 0.24        |         |         |

# Early results: benefit design plus communication increases utilization of high-performing facilities



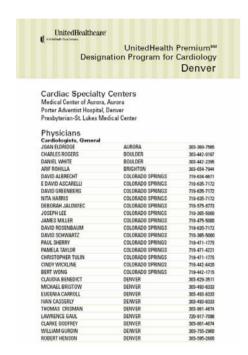




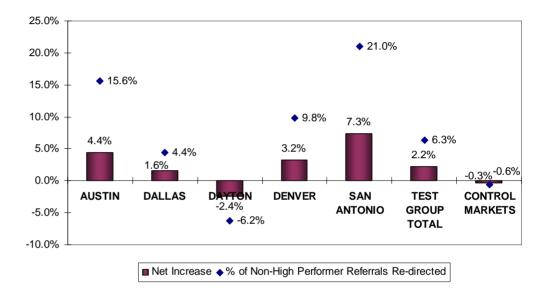
- 7 employers implemented a variety of benefit incentive designs based on the UnitedHealth Premium designation program in 2005.
- The experience of Employer A and B demonstrate that benefit tiering, when coupled with communication, is an effective means of moving consumers to Premium designated cardiac facilities.
- Employer B implemented a more comprehensive communications plan than Employer A. This may explain the more favorable change in Premium designated cardiac facility utilization compared to Employer A.

# Early results: "academic detailing" to PCPs increases referrals to high-performing specialists





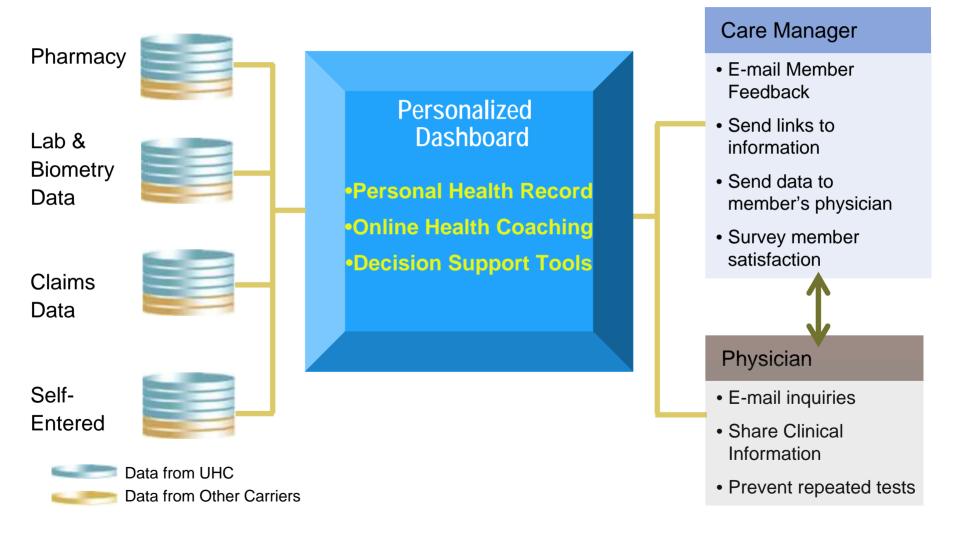
#### Change in High Performer Referral Rates by Market



- Piloted in 5 markets May 2006: Denver, Dallas, San Antonio, Austin, Dayton.
- 5000 PCPs were mailed a letter requesting referrals for UHC members to a Premium Designated "Quality and Efficient" Cardiologist.
- Provided with hard-copy referral list to post at the referral desk (per office feedback)
- Pilot divided up into 4 test groups to study effects of different approaches, with controls
- Results: 6.3% increase in patients referred to a Premium Q&E physician
- Abstract presented at Society of General Internal Medicine April 2007
- 2007 expansion underway to other markets and additional specialties

# Supporting "Activated" Consumers Through an Integrated Consumer Experience





# Consumer Empowerment Through Treatment Decision Support





**Condition Education** 

**Treatment Alternatives** 

Right Facility and Provider

Admission Counseling

"What do I have?"

### Identify consumer needs and preferences

- Understand severity of condition
- Provide evidencebased information about the condition
- Provide assistance with emotional support surrounding the diagnosis

"What are my options?"

### Provide a foundation for decision-making

- Explain relevant decision points that are unique to each individual consumer
- Expand consideration set with information about treatment alternatives

"Where should I go?"

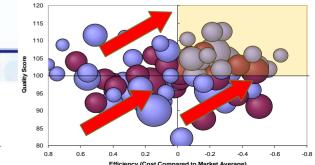
#### Refer to UnitedHealth Premium<sup>SM</sup> and Centers of Excellence Network

- Understand consumer treatment preferences for physician and facility selection
- Identify benefit and health coverage information
- Refer consumers to physicians and facilities that meet quality and efficiency standards, and to COE Network facilities

"What should I expect?

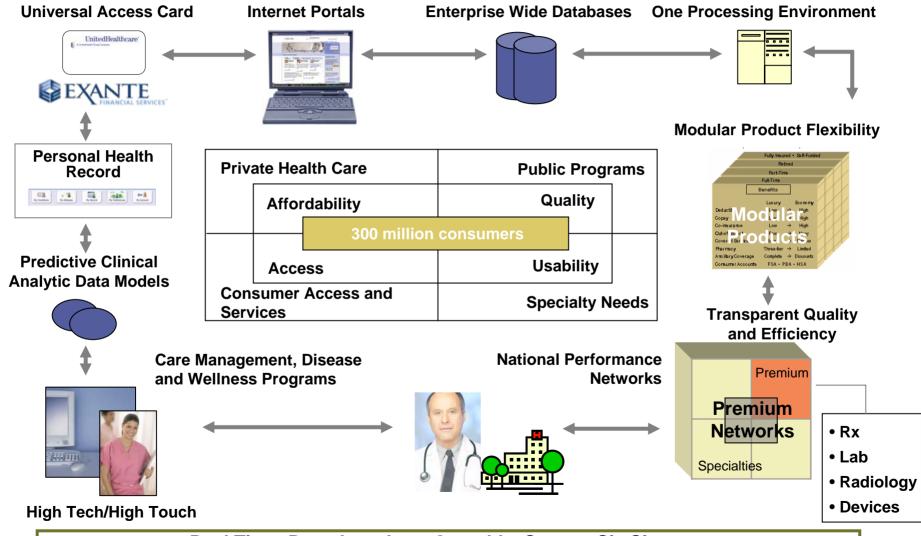
#### Help consumers prepare for treatment and followup care

- Answer questions about the treatment, including what to expect in the course of care
- Identify expected length of stay, based on clinical guidelines
- Explain post-discharge planning steps and considerations



### The Evolving Vision of Modern Health Care:





### An "Operating System" for Improvement:



- Promote and disseminate information on evidence-based medicine
- Analyze and share data on variations in care practices
- Build specialty networks with best quality and cost outcomes
- Identify and promote physicians with superior quality and efficiency practices through a "designation" strategy, while retaining broad choice and access
- Support consumer engagement and activation to:
  - Seek and use information on quality and efficiency of care
  - Become more empowered in interacting with the healthcare system
  - Promote wellness and a broad perspective on health and well-being

An integrated, comprehensive, data-driven, multi-level program = meaningful and sustainable impact on affordability and quality