



We Must Build Health Care Value

As a nation we spend far more on health care per capita than any other country in the world – \$6,697 for every man, woman, and child in 2005. Yet, the United States ranks only 37th out of 191 countries in providing quality care, and we have the highest proportion of the population without health care coverage of all industrialized nations.

Americans believe in value – most shop to get the best quality possible for their money. Yet, no one is getting good value for their health care dollar. Our health care system is broken:

- Quality of care varies dramatically between doctors and hospitals, but those differences are invisible to patients.
- Payments reward quantity over quality and fixing problems over prevention.
- Lack of standardized performance measures makes it impossible to know which providers are doing a good job, and those who are not.
- Consumers lack information to make the choices that are right for them.

Any health care reform, whether it is an incremental approach or a total overhaul of our current system, must build health care value. We must provide quality care at an affordable price. Without ensuring quality, access to care may be meaningless, or even dangerous. And without addressing runaway costs and inefficiencies, care becomes even more inaccessible. By building health care value into state and national reform measures, we can ensure that Americans get what they deserve – the right care at the right time at a fair price.

This document summarizes critical areas in which health care fails to provide good value, as well as potential solutions to build health care value and make our system work well for all it serves. We must:

Reach for Universal Coverage

The Problem: Health care costs and premium increases are unsustainable. Working Americans are losing their insurance, adding to the ranks of 46 million who already are uninsured. The increasing cost of underfunded public programs and care for the uninsured and underinsured continues to be shifted onto the ever smaller population of insured.

Toward a Solution: Expand coverage to all. At the state and national level, stakeholders are discussing ways to increase coverage including expanding public programs, mandating individuals obtain insurance, requiring a payroll tax from employers, or adopting a single-payer system. Whatever the final solution, we should seek to cover all Americans.

Measure Care to Understand Performance

The Problem: We know there is huge variation in the quality of health care, but we don't know who is or isn't delivering the right care at the right time. Without better information, providers cannot improve their performance and consumers cannot make better choices.

Toward a Solution: Create a transparent health care system. Some examples include:

- Develop robust, independent state-wide collection systems for data on the quality, cost and patients' views of care delivered by doctors, medical groups, hospitals, nursing homes, and other providers.
- Assess quality of care in a standard way that allows for easy and fair comparisons. This means using national measures where they exist and developing measures that can become standards where they do not.
- Report and make performance results available for wide distribution to hospitals, providers, purchasers, patients and other consumers.

Provide Consumers with Useful Quality and Price Information

The Problem: Health care consumers cannot compare the quality or efficiency of care offered by medical practitioners, clinics and hospitals to make good choices.

Toward a Solution: Provide tools that help consumers make good health care decisions. Some examples include:

- Offer tools to compare quality and cost-efficiency of medical treatments and providers.
- Ensure web and print materials comparing quality of care information on all providers is available.
- Provide incentives that reward patients who choose to improve their health or who use health care resources wisely.

Reward Providers for Doing a Better Job

The Problem: Our health care system pays providers for the number of treatments and procedures they provide and pays more for using expensive technology or surgical interventions. It is not designed to reward better quality or to support care coordination or prevention.

Toward a Solution: Design a payment system that rewards providers for giving the right care at the right time. Some examples include:

- Public and private payers – health plans, Medicaid, and Medicare – should use common measures to assess provider performance.
- Providers who deliver high-quality, cost effective care or who improve significantly should be rewarded.
- Providers should be fairly compensated for preventive care, time spent coaching patients and coordinating care for those with chronic conditions.
- Payers should consider paying by episode of care rather than quantity of services. This means paying once for the total package of treatments necessary for a medical condition, rather than paying separately for each treatment.

Adopt Health Information Technology

The Problem: Doctors, hospitals and other providers still rely on paper to record and transfer information, making care delivery slower, more error-prone and harder to measure and coordinate than it should be. Additionally, patients are not regularly given written information about their care and treatment, making it difficult for them to remember and manage their care effectively.

Toward a Solution: Encourage the rapid adoption of health information technology. Some examples include:

- Reward implementation of health technology through pay-for-performance initiatives.
- Reimburse providers for electronic consultations with patients.
- Implement information technology, including where all of a patient's health records can be centrally stored electronically, allowing easy access to a patient's complete medical history by both providers and patients.

Reengineer How We Deliver Health Care

The Problem: Our current health care system uses outdated methods to deliver care and, as a result, we encourage unnecessary care provided in a high-cost, poor-quality environment. Without rapidly making both easy-to-implement and more complex improvements, we will continue to squander precious resources on a broken system.

Toward a Solution: Create a health care system that delivers the right care at the right time in the right setting.

- Allow providers such as physician assistants, nurses, nutritionists and dietitians to provide more care for which they are appropriately trained, such as working in settings like retail clinics.
- Redesign care settings to encourage medical providers to work in teams.
- Compensate medical professionals for spending time with patients helping them learn to manage their own health and care.

Reduce Disparities in Quality of Care

The Problem: People of color, limited English speakers and poor people often receive lower quality health care, even when they have the same health care coverage as other populations.

Toward a Solution: Ensure our health care system provides high quality care for everyone. Some examples include:

- Measure and publicly report quality of care information to ensure everyone benefits from improvements and allowing us to know where disparities exist so they can be addressed.
- Improve care coordination, including fairly compensating providers for spending time educating and coaching patients.
- Help doctors and clinics that treat low-income or underserved populations invest in health care technology by providing no-interest or low-interest loans.

About Building Health Care Value

As the debate on how best to reform our broken health care system continues, many can agree that the current system covers too few, costs too much, and does not deliver consistently high-quality care. This document is part of a series seeking to assure that the reform discussion addresses how to ensure patients receive quality, affordable care. Without ensuring quality, access to care may be meaningless. Without addressing costs, care becomes inaccessible. By building health care value into reform measures, we can ensure that Americans get the right care at the right time.

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