



What is the opportunity to improve care and reduce costs?

Widespread variation in provider quality and efficiency is a major driver of health care costs. For example, depending on the facility a procedure may cost five times more than it would at a different hospital. For health care purchasers—those who buy coverage for employees—these issues not only drive up health care costs but also affect employee productivity and absenteeism. Joint replacements are one set of procedures where we see significant, widespread variation. Joint replacements have also become one of the highest volume and highest cost surgeries. From 2001 to 2009, the rate of primary hip replacements increased by 52%, while the rate of primary knee replacements almost doubled.¹ These procedures come at a high cost, with CalPERS citing a \$30,000 per-admission cost for an average total hip or knee replacement in 2008.² Joint replacements can also represent a large share of an employer's health care spending. For example, joint replacements represented 10% of medical spending on CalPERS' basic plan in 2008, without taking into account costs associated with lost productivity before and after surgery. Revisions—needing to do the surgery again—are also problematic. By some accounts, in the U.S. the revision rates are as high as 18%.

When purchasers can identify and send employees to the best performing, most efficient providers, we have an incredible opportunity to control costs, improve employee health and reduce absenteeism. And when purchasers have the data to identify these high value providers, they can work with health plans

to create benefit designs that encourage employees to seek high value care. A key first step is getting data to derive these decisions. In partnership with the California Orthopaedic Association and the California HealthCare Foundation, PBGH is working to set the expectation that every orthopaedic surgeon needs to: (1) capture quality and efficiency data around joint replacement surgeries, (2) use this information to improve care, and (3) share this information with their patients and those who pay for their care. The California Joint Replacement Registry (CJRR) represents this partnership and creates a system to take these three steps.

What is the California Joint Replacement Registry (CJRR)?

A registry is a central database that contains information about patients who have a specific medical condition. The California Joint Replacement Registry (CJRR) was created to meet the need for comprehensive, scientific assessment of devices, treatment protocols, surgical approaches, and patient factors influencing the results of hip and knee replacement surgeries in California. Importantly, it is a Level 3 registry, meaning it collects and incorporates clinical information and direct feedback from patients about the outcomes of hip and knee replacement surgeries. CJRR is one of only a small number of registries in the United States to do so.

Ten hospital sites participate in the CJRR representing about 18% of annual hip and knee replacements in California: Alta Bates and Summit Medical Centers; Cedars-Sinai Medical Center; Hoag Orthopaedic Institute; John Muir Health; Presbyterian

1. The Agency for Healthcare Research and Quality. National and regional estimates on hospital use for all patients from the HCUP Nationwide Inpatient Sample (NIS). <http://hcupnet.ahrq.gov/>. Accessed March 7, 2012.
2. Badley, E and Franklin, G. Memo to the Members of the Health Benefits Committee, CalPERS, Sacramento, CA. 15 Sep. 2009.

HOSPITALS PARTICIPATING IN THE CJRR



Intercommunity Hospital; St. Joseph Hospital Orange; Stanford University Medical Center; Sutter Orthopaedic Institute; and the University of California, San Francisco. Many others are in the process of joining the CJRR and by year end 2013 the CJRR should be capturing about 30% of the procedures done in California.

What kind of data does CJRR collect from patients?

The CJRR provides reports to surgeons and hospitals about the quality of their procedures, including direct feedback from patients—a first—about their functional status. Patient-Reported Outcomes (PROMs) is the term used to describe information that is provided by the patient, through surveys that ask questions about how they feel before and after their surgery. PROMs ask questions about physical, mental, and social health. Survey questions may ask patients about their physical abilities, fatigue, pain, depression, and satisfaction with their ability to do things in daily life. There are also questions about pain and function in

the hip or knee. PROMs are not widely collected as part of routine care, but the CJRR believes that incorporating the patients' perspectives on their functional status is essential to evaluating the outcome of a surgery. The CJRR has built an automated process that contacts patients who have consented to participate to get their feedback on a regular basis.

What problem does CJRR try to solve?

A key challenge in improving care quality is the lack of accurate, comparable information about which procedures work for which patients and which devices are safe. By analyzing trends in hip and knee replacement data across registry sites, CJRR can help providers identify issues and improve care. Other registries have already had enormous success.

- ▶ **Sweden** credits its registry programs for reducing the national hip revision rate to 7.5% from 17%.
- ▶ The **Australian** registry was central to identifying a faulty device as the cause of high readmission rates.

If hospitals in California can reduce their revision rates to those of Sweden, the savings would be more than \$90 million per year.

What steps can a purchaser take to support the registry?

Purchasers have an important role to play in catalyzing registry participation from both physicians and patients. In order for registries to succeed, they need to collect complete information. To move beyond participation based on simple goodwill, providers and hospitals need direct incentives to contribute their data and use the information registries report. Purchasers can provide these incentives, designing benefits and networks to drive care to providers who participate in the registry and provide high quality care. In the long term, purchasers can educate employees to select providers who participate in the registry and use registry data to improve their practice.

There are steps you can take now ...

- ▶ **Recognize** CJRR participants. CJRR participants could be included on preferred lists in provider directories to drive employees to providers that support information transparency. One purchaser is recognizing CJRR participants in its reference pricing initiative materials in partnership with Anthem Blue Cross. United Healthcare is recognizing CJRR participation in their Center of Excellence process. The PBGH Health Plan User Groups can serve as a forum to encourage other plans to do the same for reference pricing, bundled payment, and other initiatives.
- ▶ **Encourage** your insurer or Third Party Administrator (TPA) to contract with providers who are participating in CJRR. CJRR participants should be recognized for their commitment to improving transparency of quality information so that others follow suit. Plans can include CJRR participation as part of their quality designation process. Questions about registry participation should be incorporated into Requests for Information for selection of providers.

- ▶ **Design** benefits and shared-decision making tools to encourage patients to make informed and evidence-based decisions about providers of hip and knee surgeries. In the long term, publicly available data from CJRR will help make these approaches even stronger.
- ▶ **Implement** incentives that pay providers for value. For example, purchasers could develop episode or bundled payments that are linked to registry participation and reporting.
- ▶ **Support decisions on value based purchasing that include** quality measurement, including Patient-Reported Outcome Measures.

Once data is publicly reported you can leverage it to ...

- ▶ **Educate** your employees to use the www.caljrr.org site to find information they can use to choose high quality providers.
- ▶ **Insist** on the development of professional standards and guidelines that encourage appropriateness.

You can read more about the CJRR at www.caljrr.org.

About the PBGH and CJRR

Founded in 1989, Pacific Business Group on Health (PBGH) is one of the nation's leading non-profit business coalitions focused on health care. We help leverage the power of our 60 large purchaser members who provide health coverage to more than 10 million Americans. PBGH works on many fronts to improve the quality and affordability of health care, often in close partnership with health insurance plans, physician groups, consumer organizations, and others concerned about our health care system. To learn more please visit www.pbgh.org.

The California Joint Replacement Registry (CJRR) was created to meet the need for comprehensive, scientific assessment of devices, treatment protocols, surgical approaches, and patient factors influencing the results of hip and knee replacement surgeries. Importantly, it is a Level 3 registry, meaning it collects and incorporates clinical information and direct feedback from patients about the outcomes of hip and knee replacement surgeries. The CJRR was developed by the California HealthCare Foundation (CHCF), the Pacific Business Group on Health (PBGH), and the California Orthopaedic Association (COA). PBGH manages the day-to-day operations of the CJRR.

