

Value for patients; improving quality and reducing costs

-lessons from elsewhere

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Setting higher standards

Previously...

Consultant Geriatrician and Medical Director

- *Winchester & Eastleigh NHS Trust*

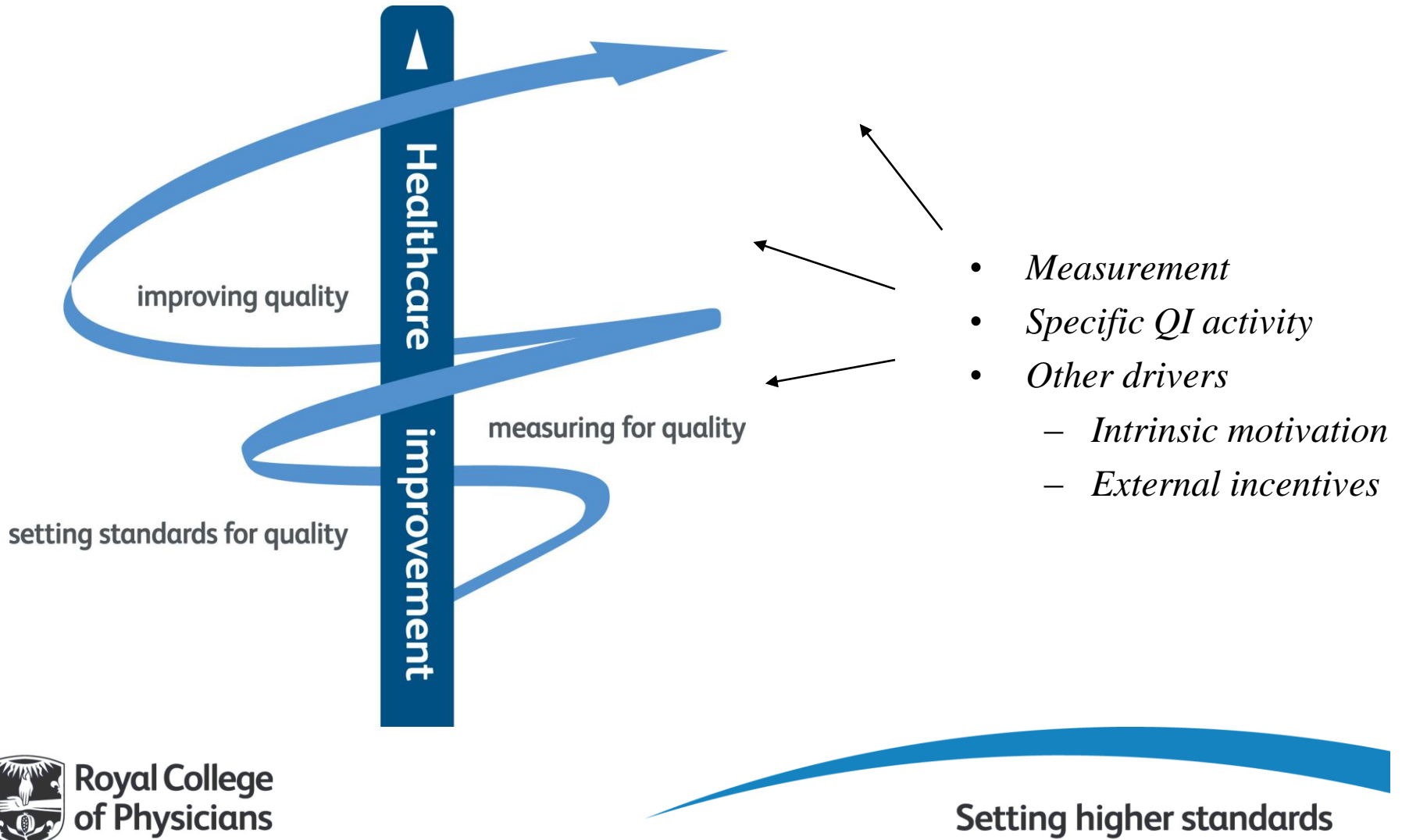
2009/10 Health Foundation QI Fellow

- *Institute for Healthcare Improvement,
Boston**
- *MPH Harvard School of Public Health*

2010/11 Medical Director

- *QIPP Safe Care team, DH*

The RCP quality spiral



Overview

- Quality, cost, value
- Quality Improvement
- Does improving quality save money?
- Is there a way forward from here?

Sources;

*The Health Foundation , The Commonwealth Fund of New York, OECD,
Institute for Healthcare Improvement, Dartmouth Atlas Project*

The good news...

We are not alone....

Every healthcare system struggles with...

- Increasing costs
- Poor quality
- Variability

..in addition, we all have some specific local issues, related to culture, politics, context etc

The bad news....

No-one has cracked it...

Exhibit ES-1. Overall Ranking

Country Rankings	
	1.00-2.33
	2.34-4.66
	4.67-7.00



	AUS	CAN	GER	NETH	NZ	UK	US
OVERALL RANKING (2010)	3	6	4	1	5	2	7
Quality Care	4	7	5	2	1	3	6
Effective Care	2	7	6	3	5	1	4
Safe Care	6	5	3	1	4	2	7
Coordinated Care	4	5	7	2	1	3	6
Patient-Centered Care	2	5	3	6	1	7	4
Access	6.5	5	3	1	4	2	6.5
Cost-Related Problem	6	3.5	3.5	2	5	1	7
Timeliness of Care	6	7	2	1	3	4	5
Efficiency	2	6	5	3	4	1	7
Equity	4	5	3	1	6	2	7
Long, Healthy, Productive Lives	1	2	3	4	5	6	7
Health Expenditures/Capita, 2007	\$3,357	\$3,895	\$3,588	\$3,837*	\$2,454	\$2,992	\$7,290

Note: * Estimate. Expenditures shown in \$US PPP (purchasing power parity).

Source: Calculated by The Commonwealth Fund based on 2007 International Health Policy Survey; 2008 International Health Policy Survey of Sicker Adults; 2009 International Health Policy Survey of Primary Care Physicians; Commonwealth Fund Commission on a High Performance Health System National Scorecard; and Organization for Economic Cooperation and Development, OECD Health Data, 2009 (Paris: OECD, Nov. 2009).

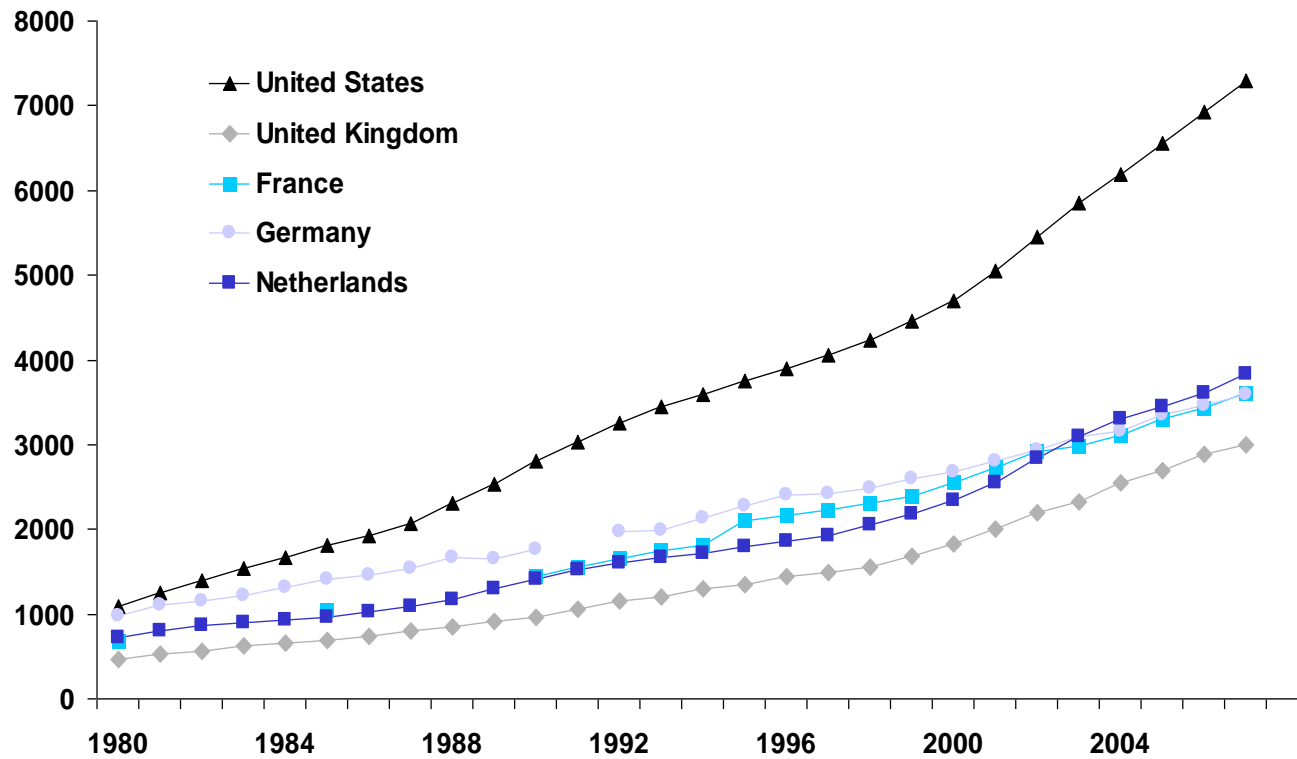
Recurring themes....

- The cost of poor quality
- The cost of variability
- The “best” approach (or combination of approaches) to Quality Improvement seems unknown
- The search for real cost savings as a result of QI*

**Raul et al; The Savings Illusion
NEJM 29th Dec 2011*

National Health Expenditures per Capita

Average spending on health per capita (\$US PPP)

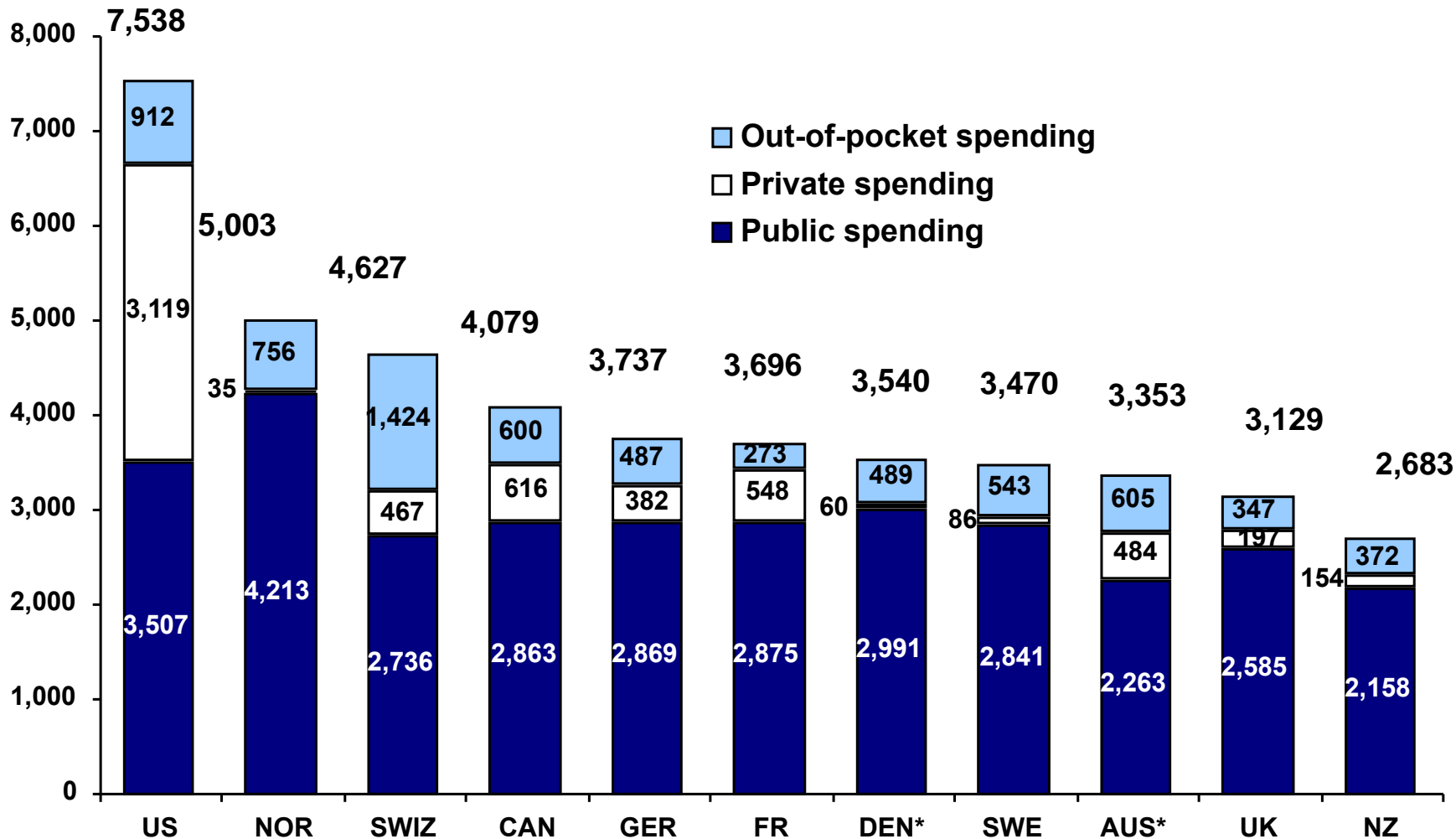


Source: OECD Health Data 2009

Health Care Expenditure per Capita, 2008

Adjusted for Differences in Cost of Living

USD

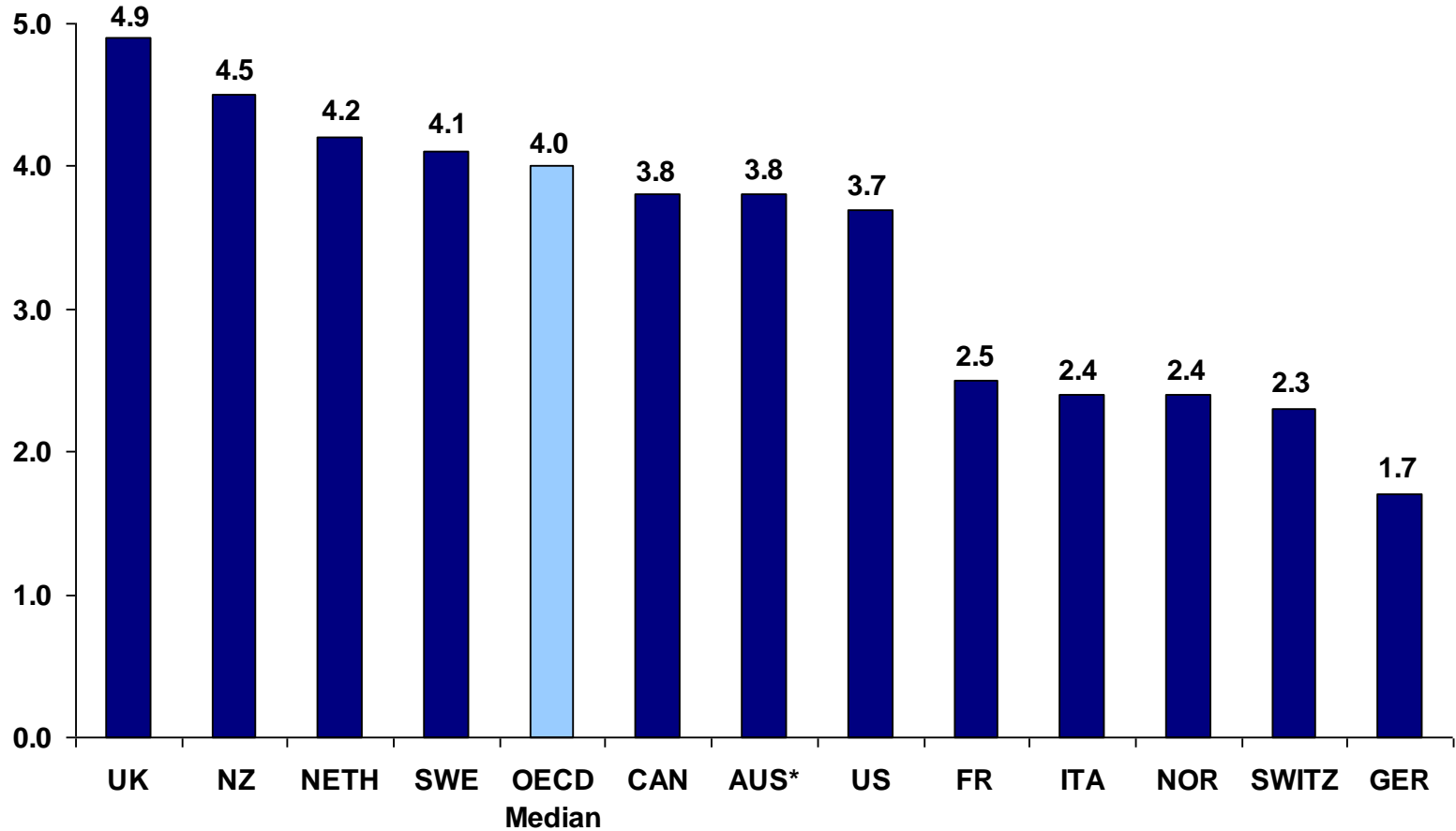


* 2007.

Source: OECD Health Data 2010 (Oct. 2010).

Average Annual Growth Rate of Real Health Care Spending per Capita, 1997–2007

Percent



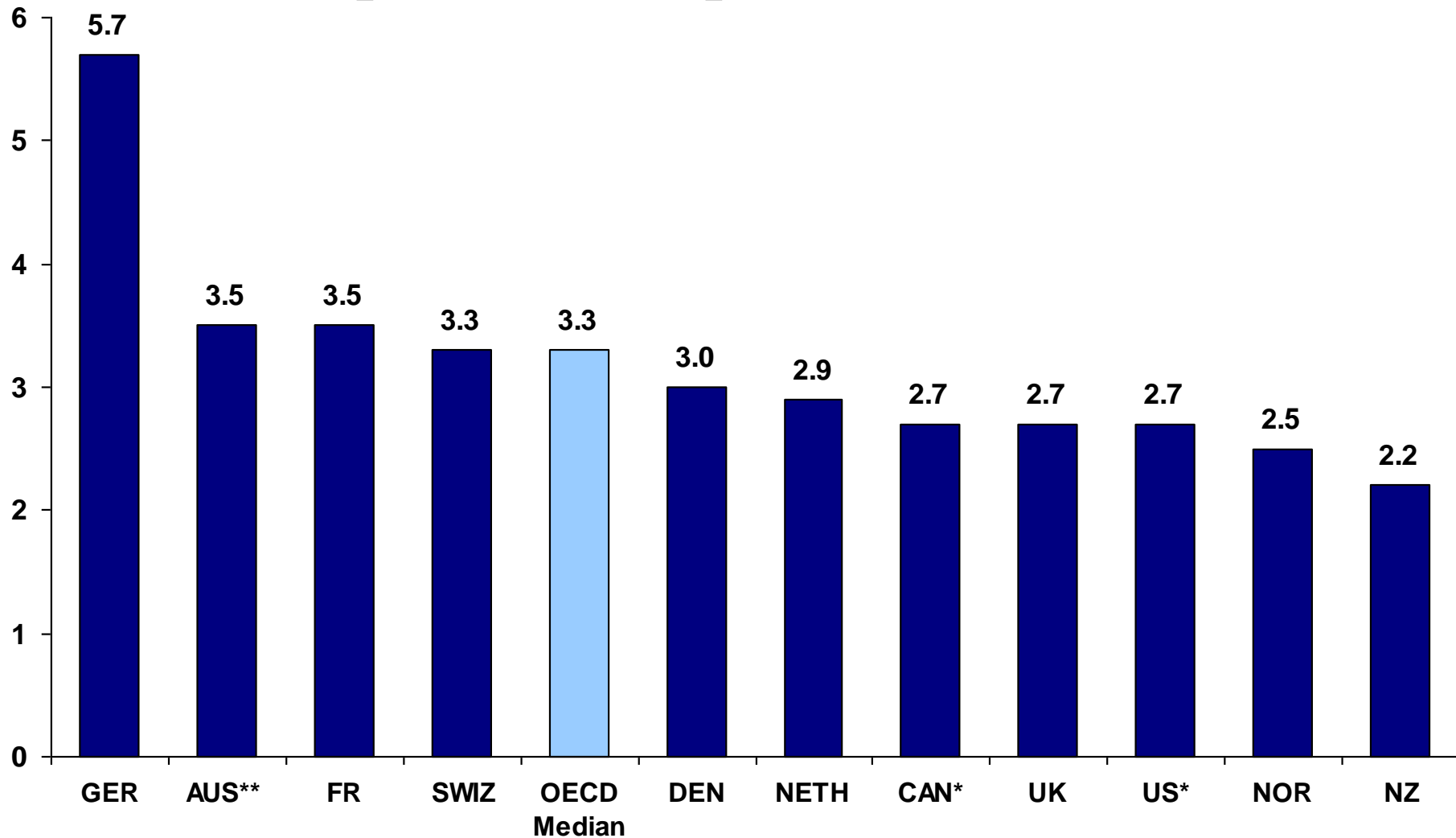
Source: OECD Health Data 2009

What is driving increased spending?

- Technology
 - Drugs, new procedures etc
- Demographics
 - Ageing, chronic diseases
- Other
 - Consumer-led?
 - Provider driven?

**30-50% of UK increases from 2004
estimated to be accounted for by pay*

Number of Acute Care Hospital Beds per 1,000 Population, 2008

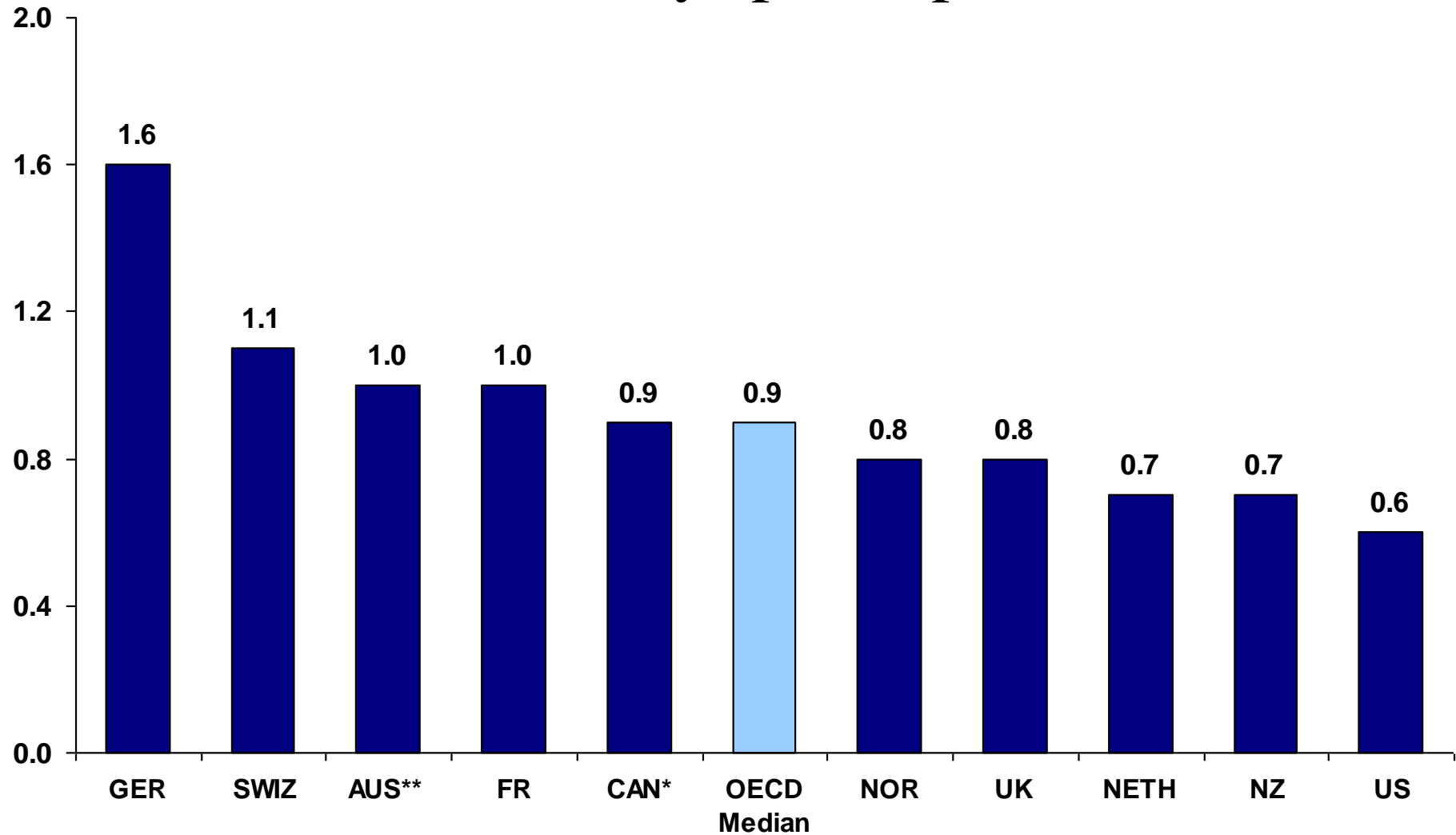


* 2007.

** 2006.

Source: OECD Health Data 2010 (Oct. 2010).

Average Annual Hospital Inpatient Acute Care Days per Capita, 2008



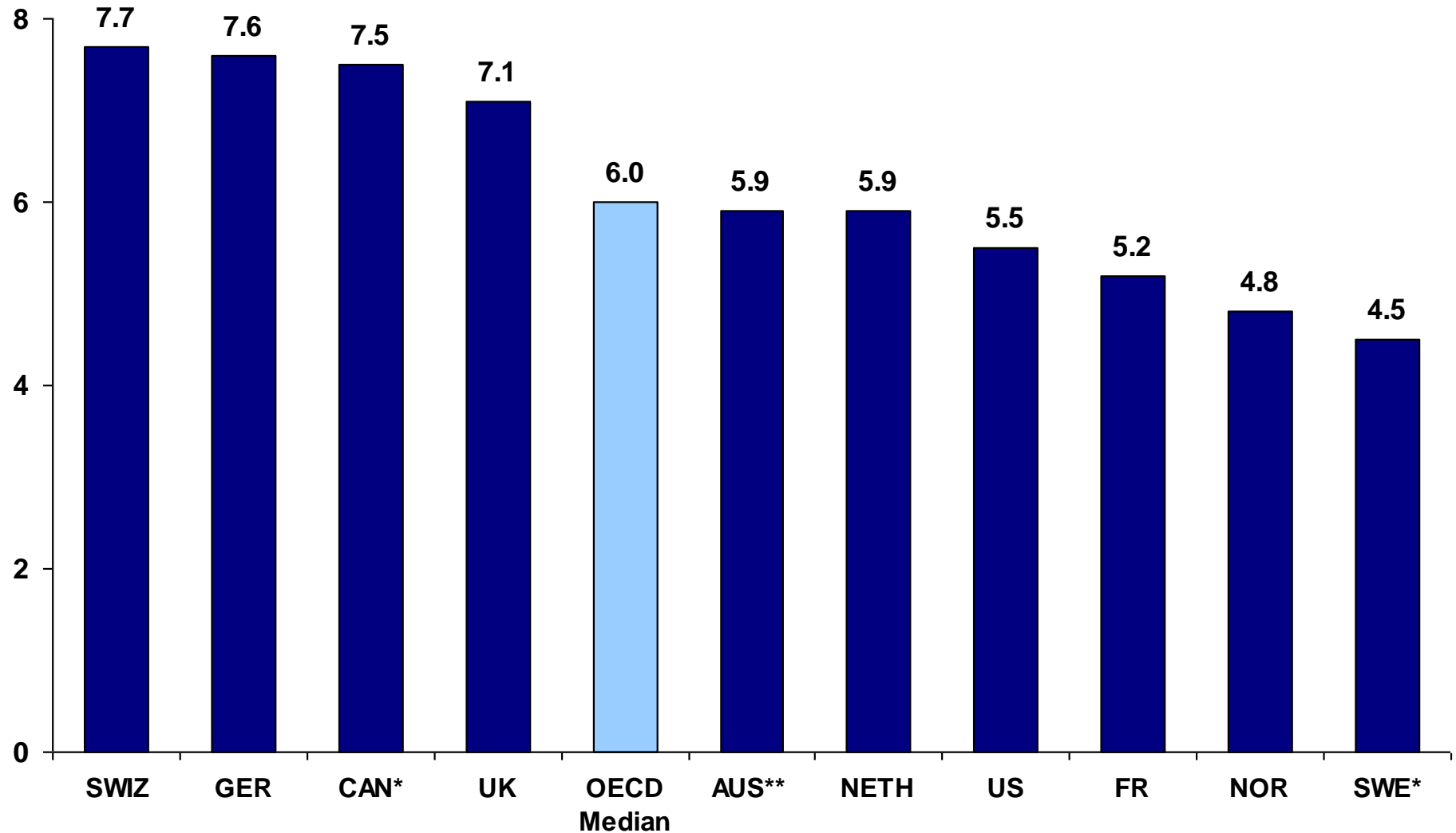
* 2007.

** 2006.

Source: OECD Health Data 2010 (Oct. 2010).

Average Length of Stay for Acute Care, 2008

Days

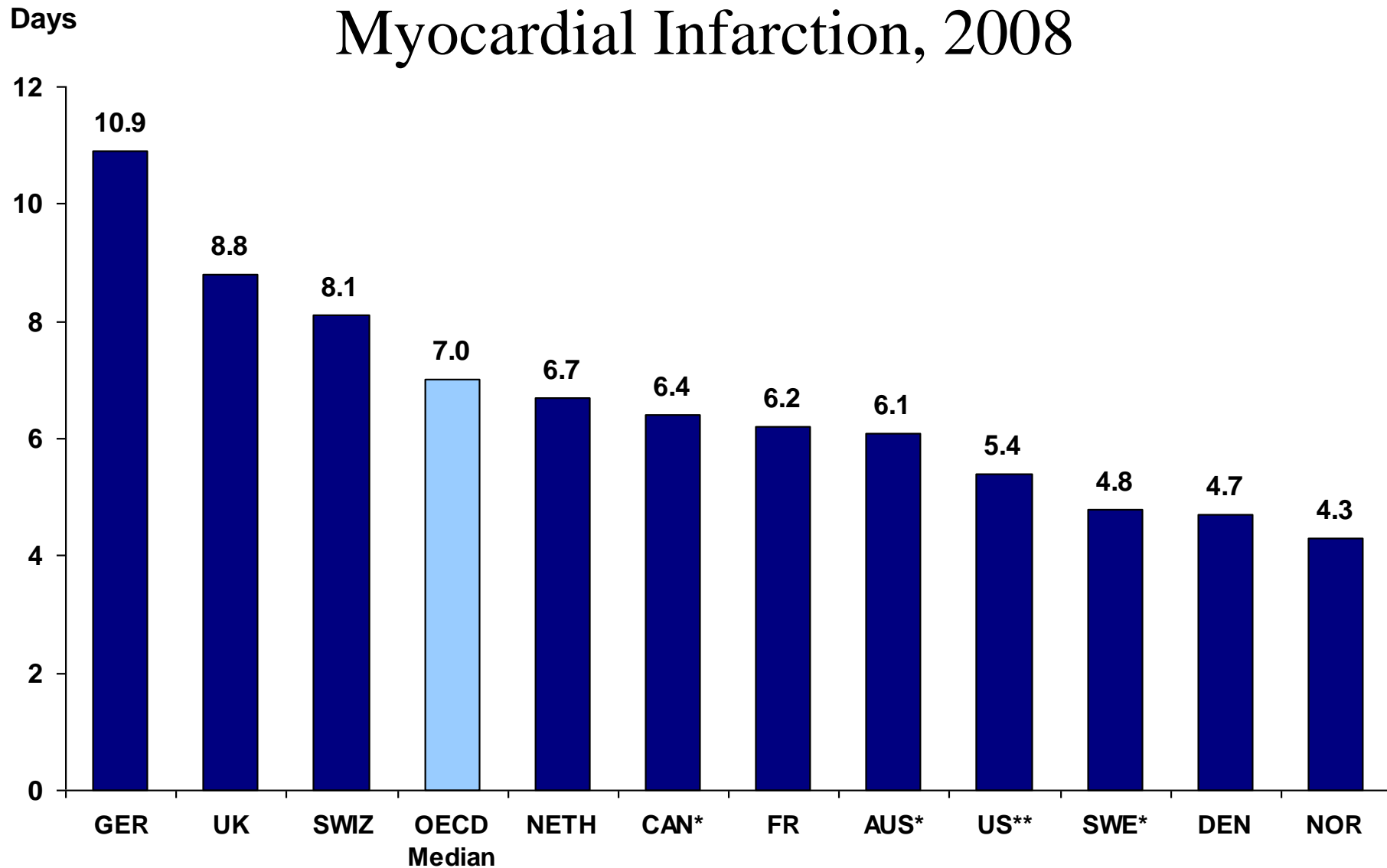


* 2007.

** 2006.

Source: OECD Health Data 2010 (Oct. 2010).

Average Length of Hospital Stay for Acute Myocardial Infarction, 2008



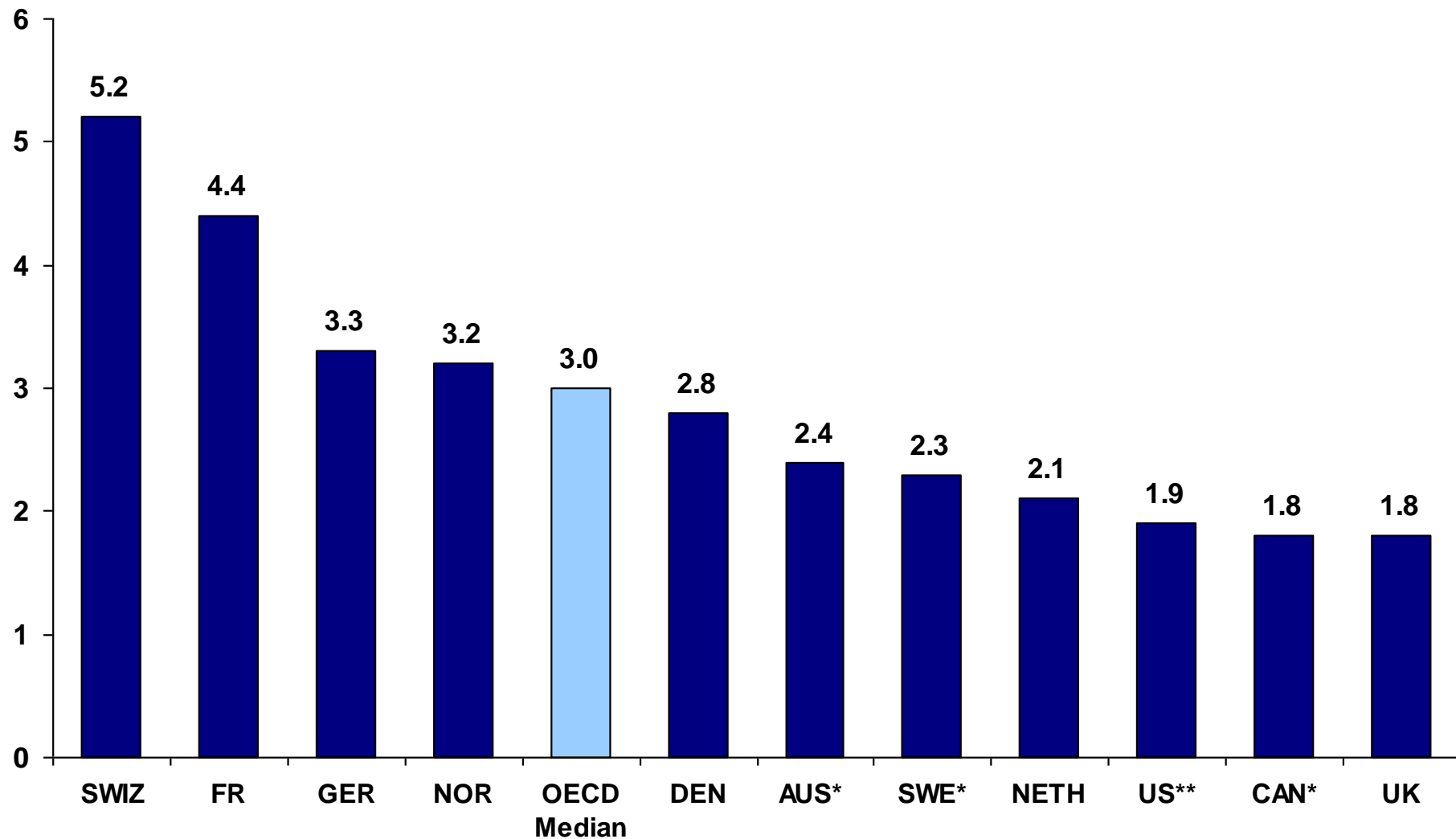
* 2007.

** 2006.

Source: OECD Health Data 2010 (Oct. 2010).

Average Length of Stay for Normal Birth Delivery, 2008

Days

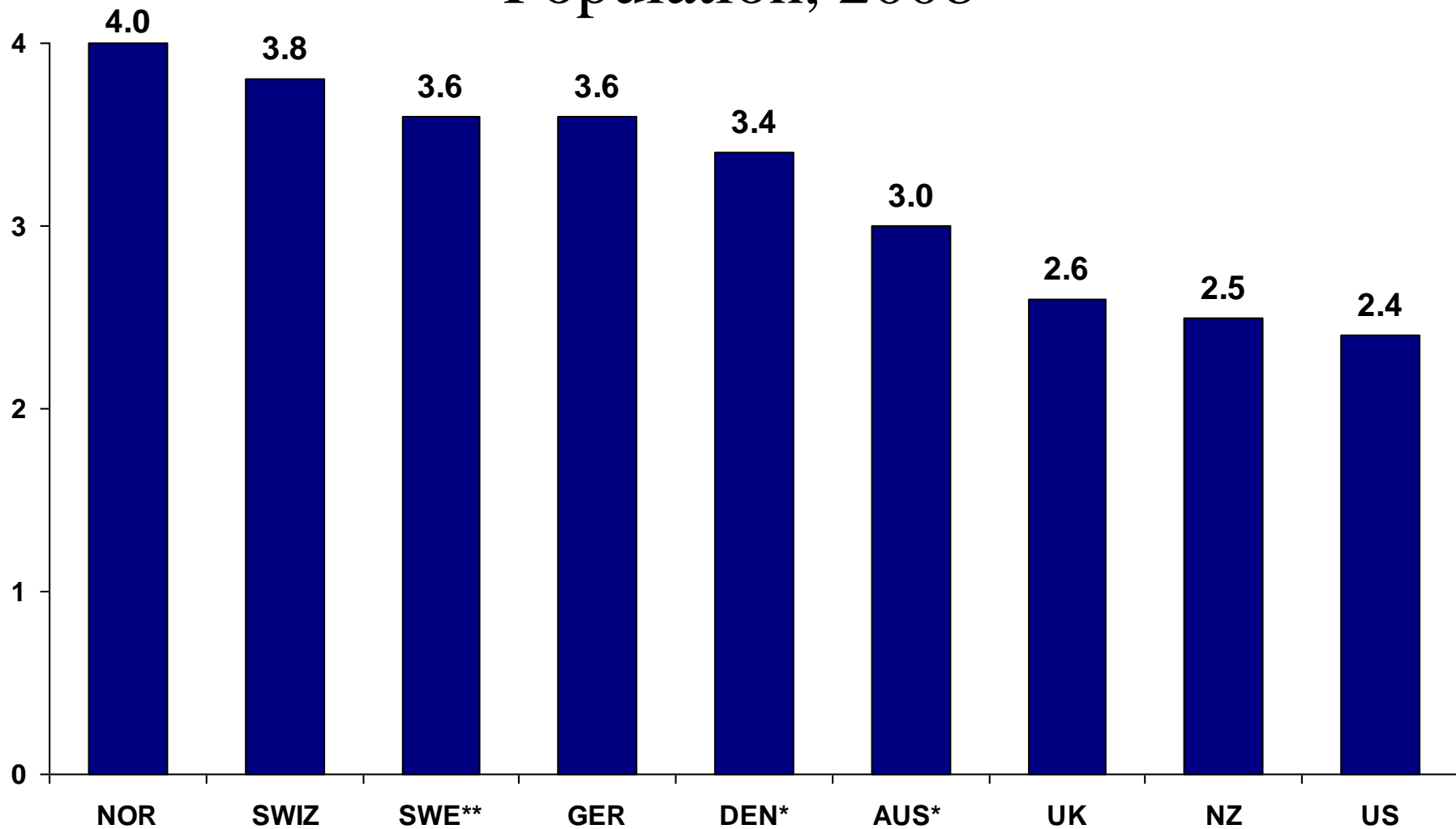


* 2007.

** 2006.

Source: OECD Health Data 2010 (Oct. 2010).

Number of Practicing Physicians per 1,000 Population, 2008

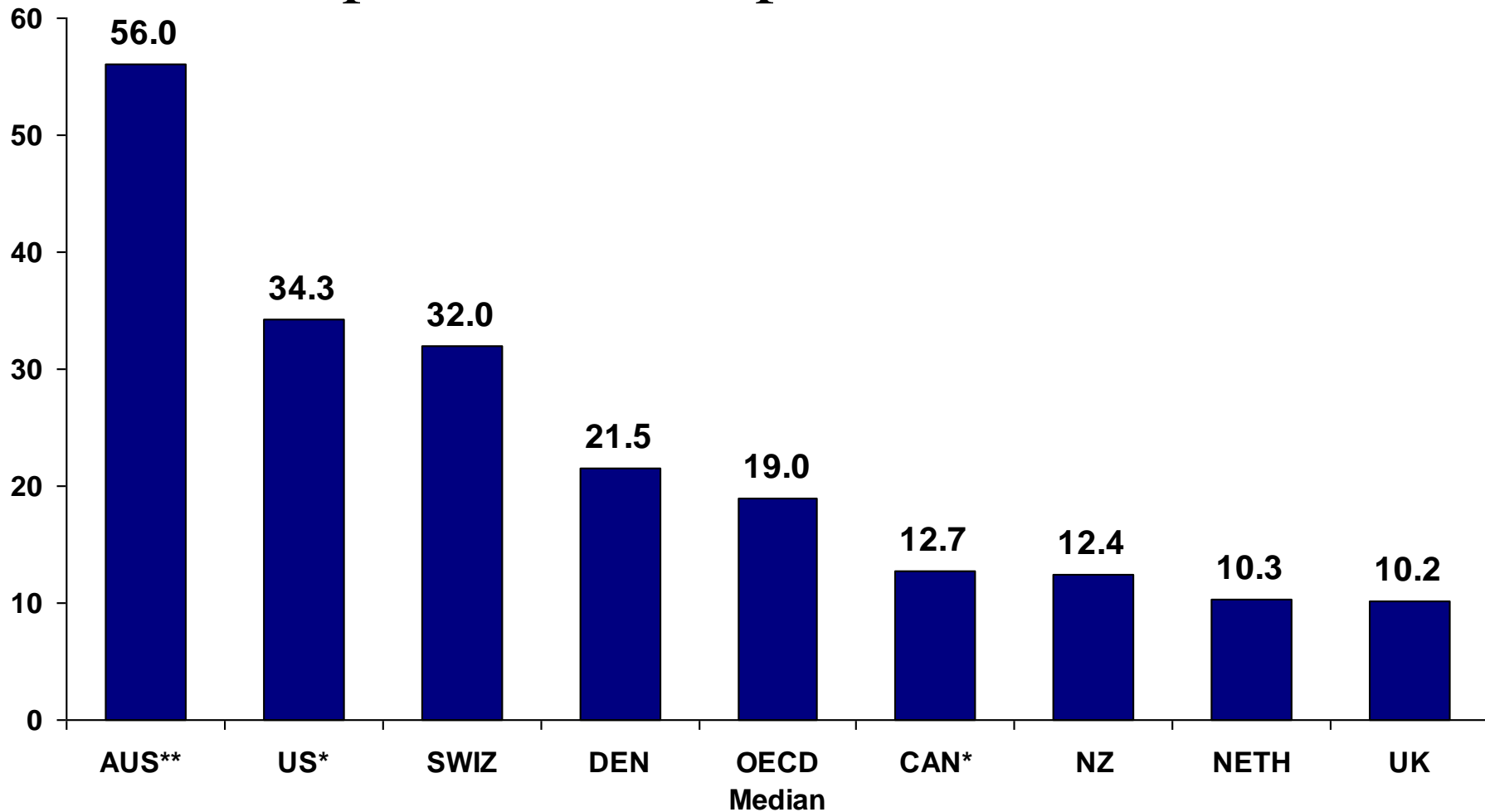


* 2007.

** 2006.

Source: OECD Health Data 2010 (Oct. 2010).

Computer Tomography (CT) Scanners per Million Population, 2008



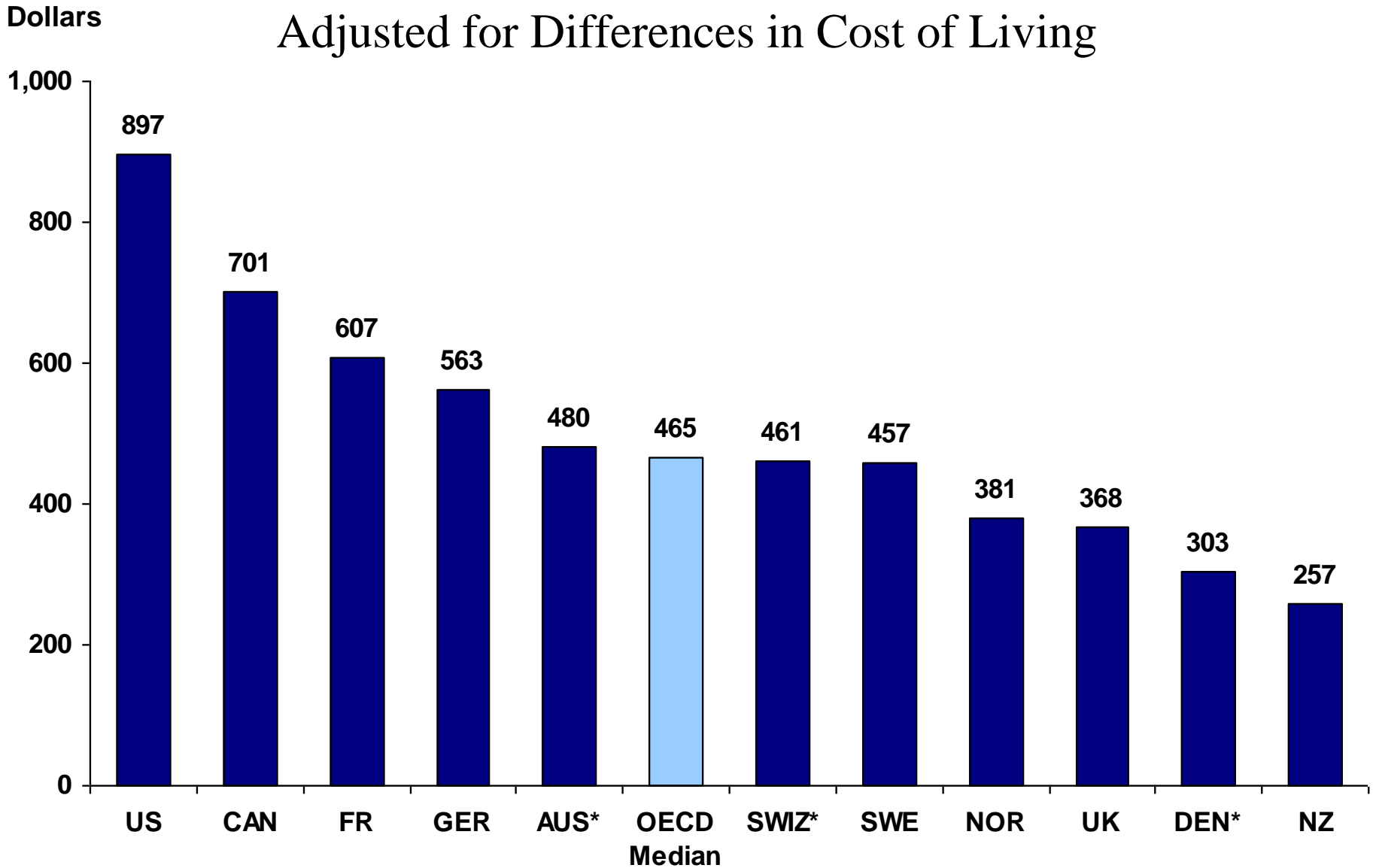
* 2007.

** 2006.

Source: OECD Health Data 2010 (Oct. 2010).

Pharmaceutical Spending per Capita, 2008

Adjusted for Differences in Cost of Living

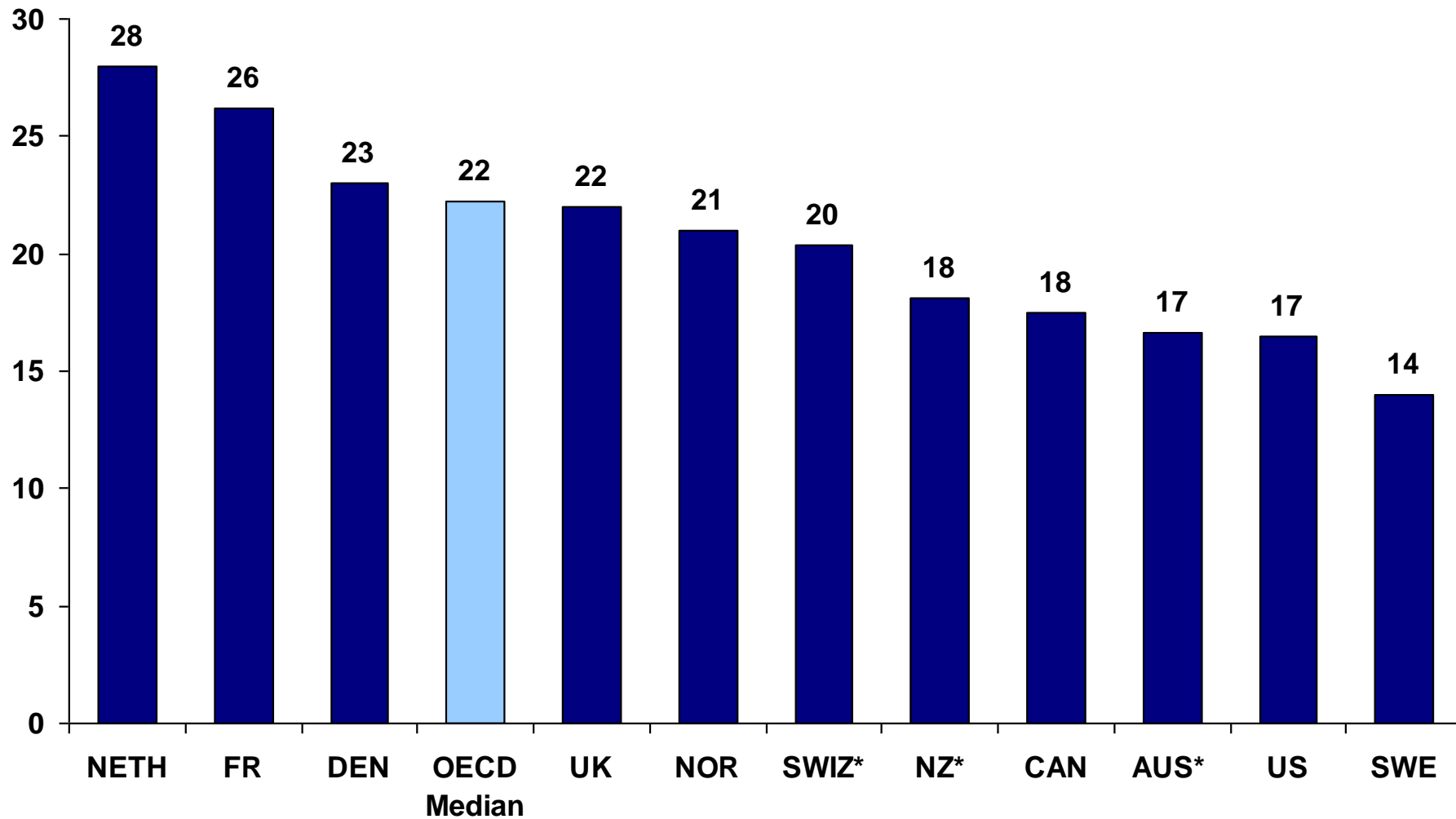


* 2007.

Source: OECD Health Data 2010 (Oct. 2010).

Percentage of Adults Who Report Being Daily Smokers, 2008

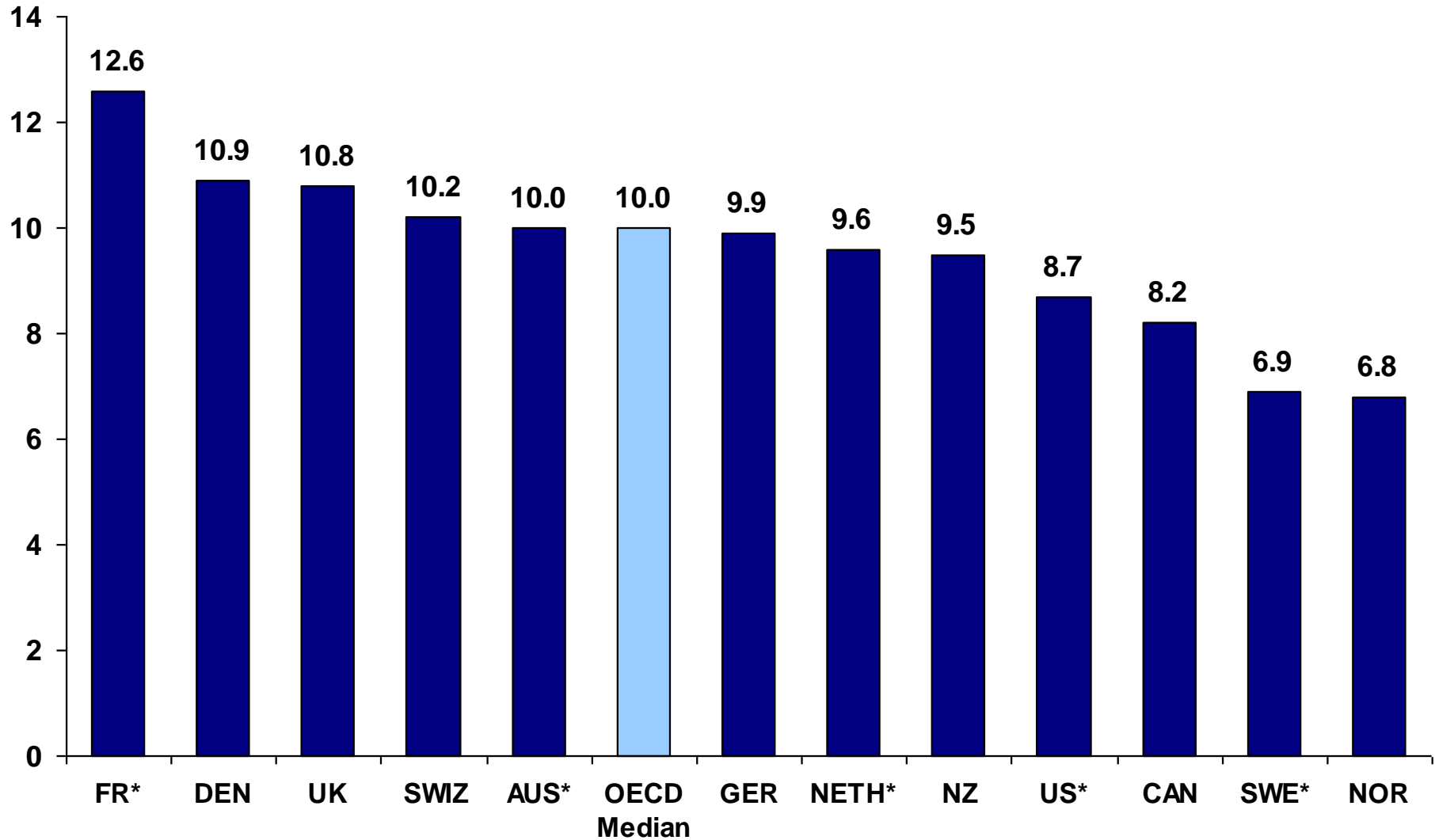
Percent



* 2007.

Source: OECD Health Data 2010 (Oct. 2010).

Annual Alcohol Consumption in Liters per Capita Among People Age 15 and Older, 2008*



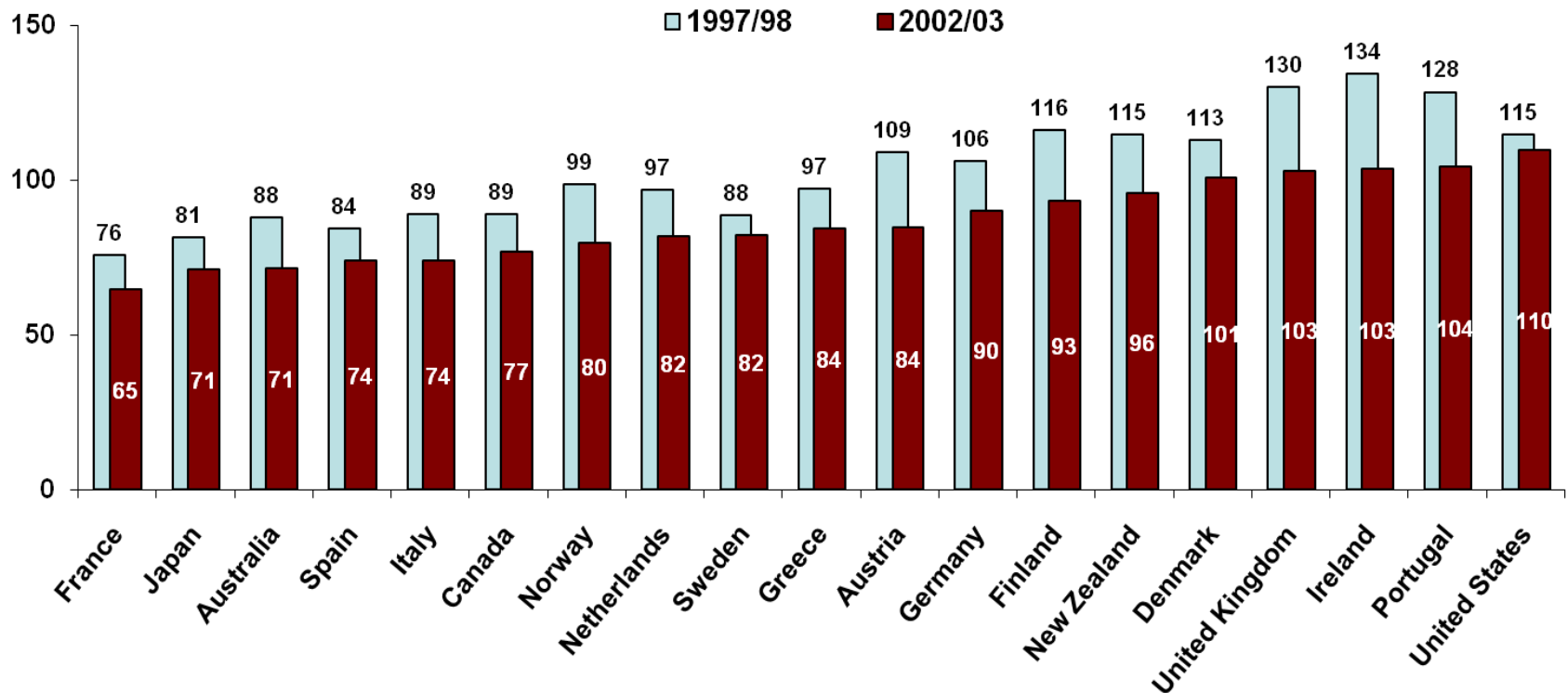
* 2007.

**Ireland = 12.4 in 2008*

Source: OECD Health Data 2010 (Oct. 2010).

Quality; Mortality Amenable to Health Care

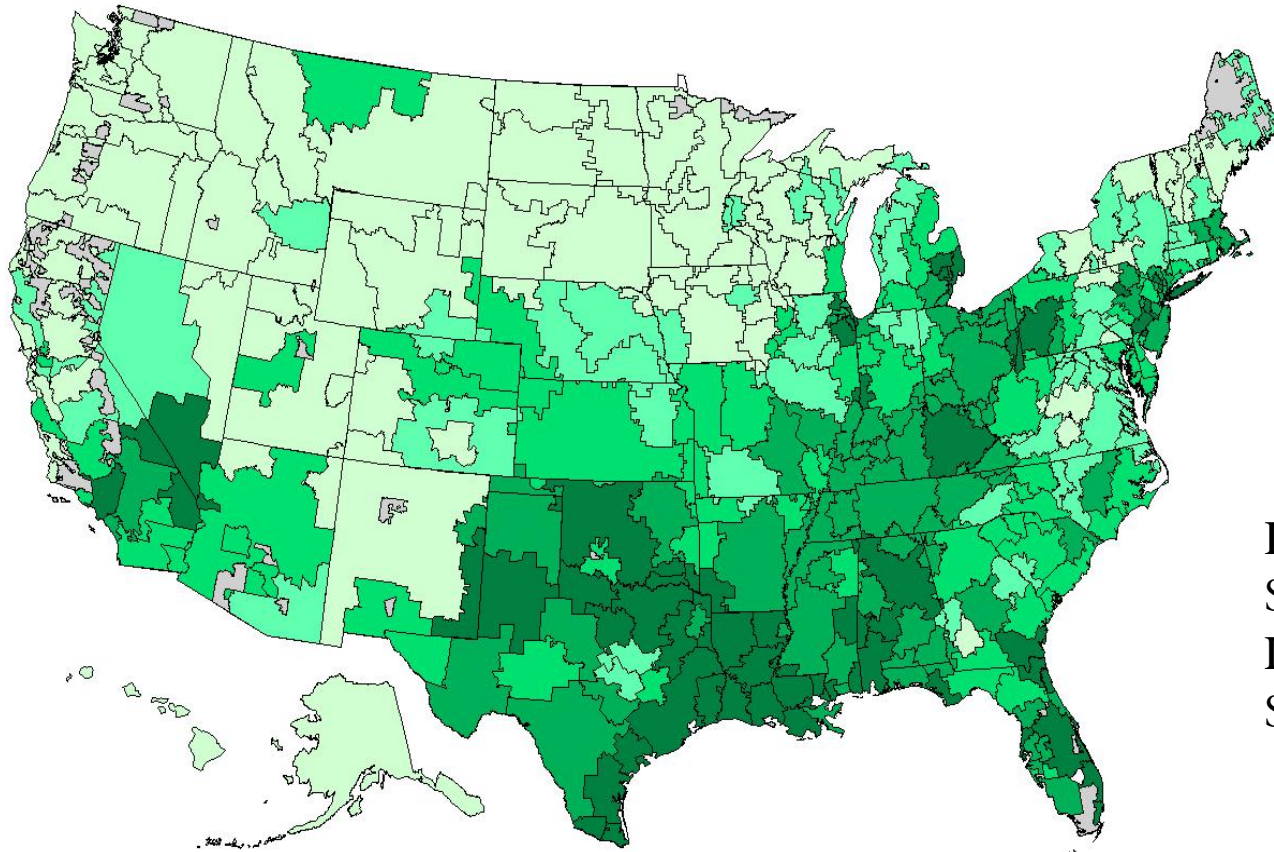
Deaths per 100,000 population*



* Countries' age-standardized death rates before age 75; including ischemic heart disease, diabetes, stroke, and bacterial infections.

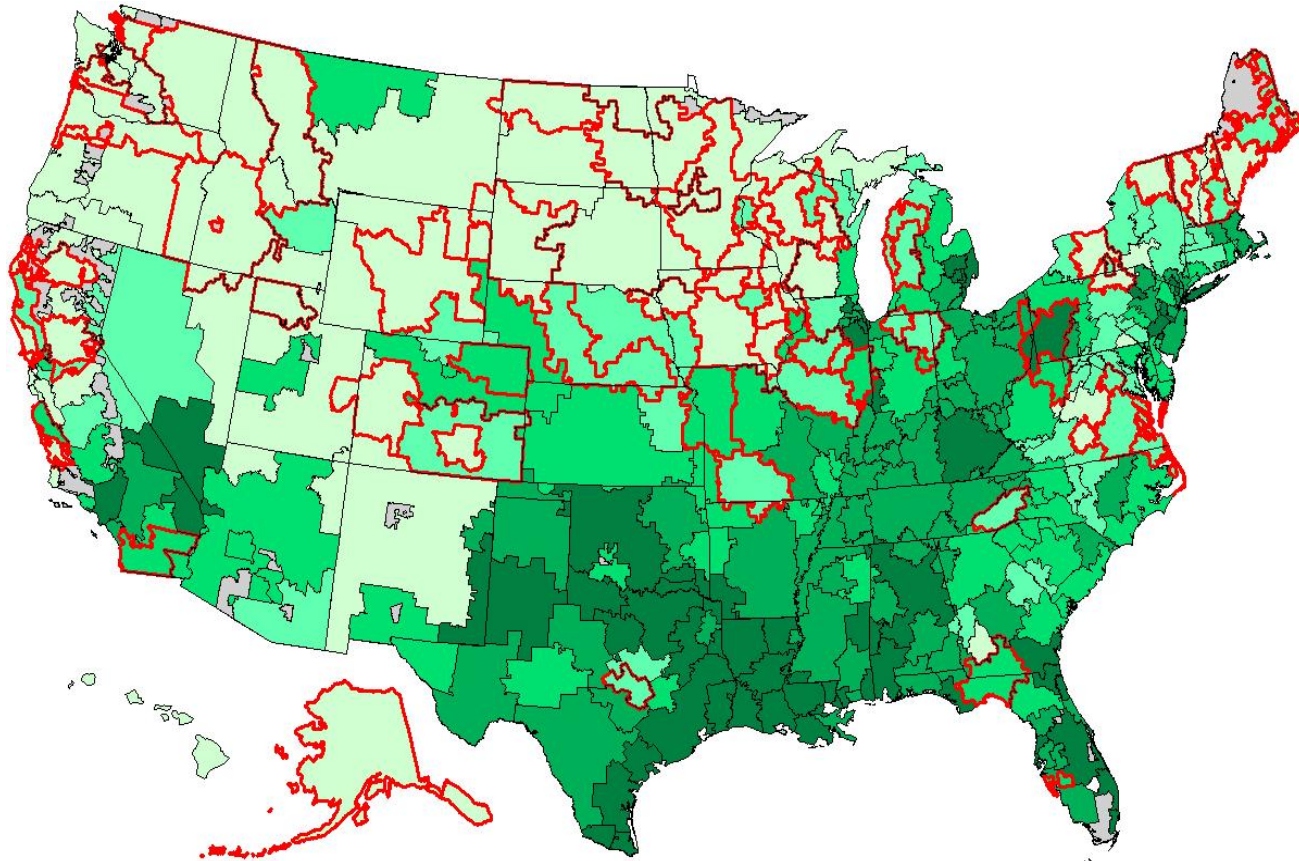
(Nolte and McKee 2008).

*Variability; price-adjusted per-capita
Medicare spending*

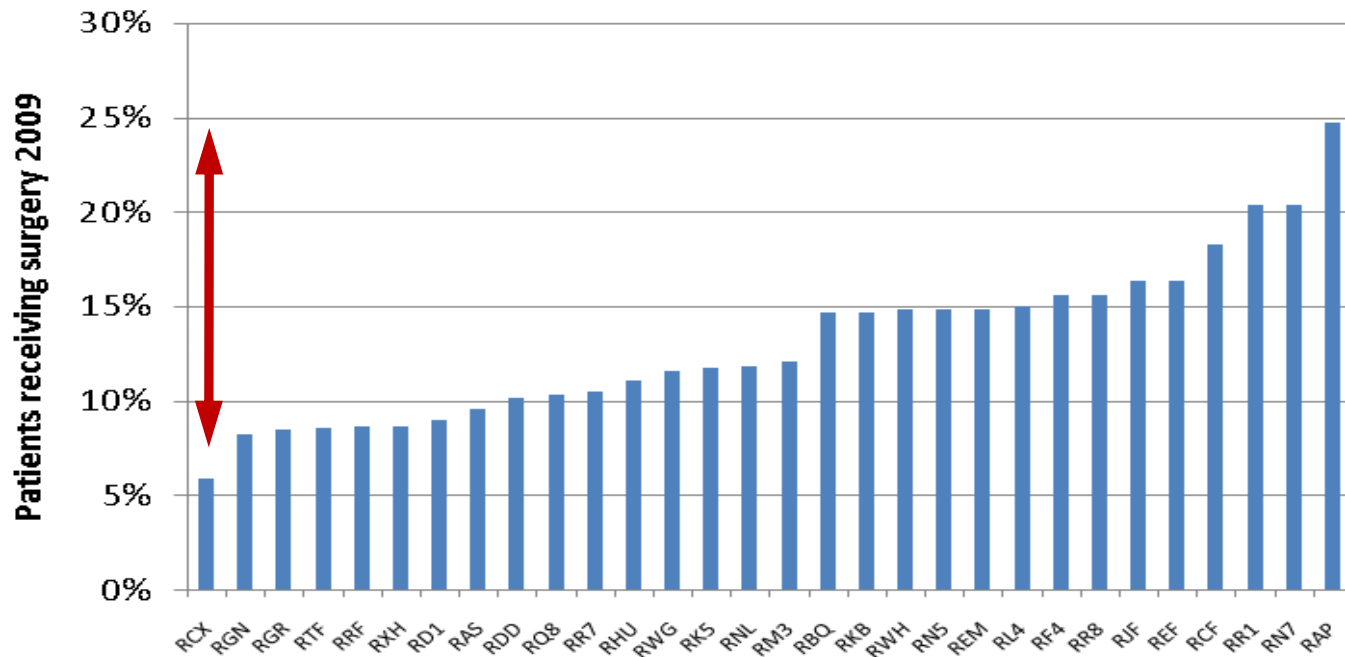


Darkest=
\$10k to \$17k
Lightest=
\$6k to \$8k

Cost and quality; US high performing regions



Variability; UK national Lung cancer audit 2008



Lung cancer patients (%) receiving surgery

So, in the UK we face...

- Generic issues
 - Rising costs, poor quality, variability
- Specific UK issues
 - Lower baseline spending (9.6% GDP)
 - Higher efficiency expectation than most
 - ...but higher recent growth than most

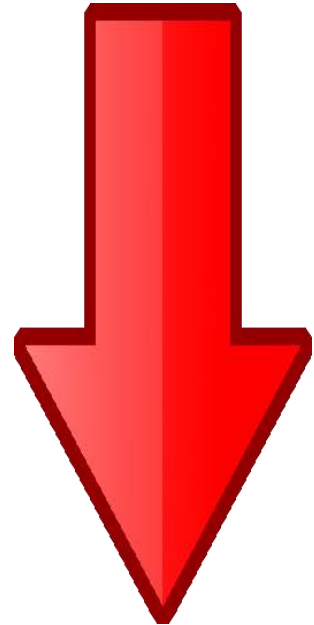
(Specific US issues)

- Fragmentation of care due to multiple competing providers, leads to;
 - Quality issues arising at the interfaces
 - High admin and transaction costs
- Poor primary care provision
- Litigation
- Politics (States v Federal etc) and culture

The best approach to improving
quality?

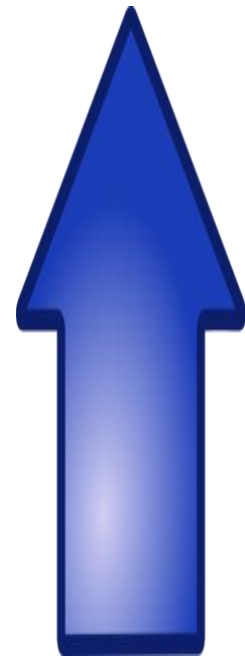
Improving quality

- Top down
 - Targets and directives (MRSA etc)
 - National campaigns
 - Using the payment mechanisms
 - “P4P” in the US
 - QOF in the UK
 - Non payment for “Never events”
 - CQUINs
 - Regulatory
 - Inspection, CQC etc
 - Accreditation



Improving quality

- Bottom up
 - “Industrial” Quality Improvement approaches (PDSA, Lean etc)
 - Professional initiatives (Audit, accreditation, guidelines and protocols)
- Patient-directed
 - Public reporting of outcomes
 - (?the market??)

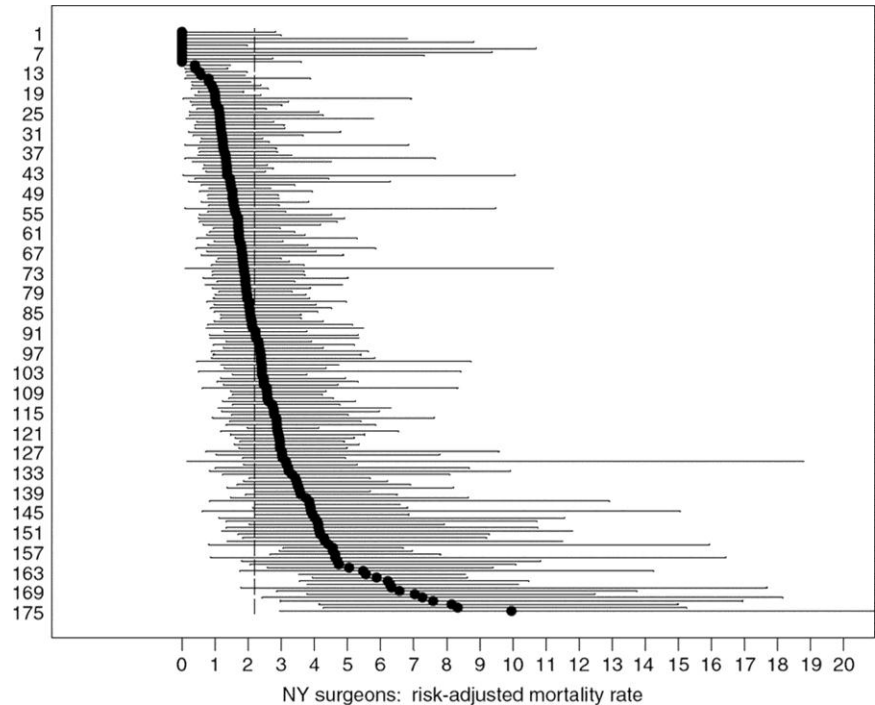


*Do the public make choices on the
basis of reported outcomes?*

*“In every other walk of life choice and
competition and diversity drive up quality
standards”*

???

Public reporting of health outcomes



**Marshall & McLoughlin BMJ 11 Dec 2010*

** Boyce, Dixon, Fasolo ,Reutskaja King's Fund 2010*

Public reporting of health outcomes

- Patients tend to choose based on;
 - Personal experience
 - Recommendations of friends and family
 - Convenience/locality
- ..but public reporting may lead to improved quality indicators, through;
 - Data “cleaning”, case selection etc
 - Competition between providers and cross-learning leading to genuine improvements

Paying for quality outcomes

£

Paying for quality outcomes

- Several hundred pay-for-performance (P4P) programs in the U.S. ,heavily promoted by CMS
- Many European models based on these
- Evaluations of their effect on quality outcomes have been largely disappointing
- In the UK we have QOF, CQUINs etc

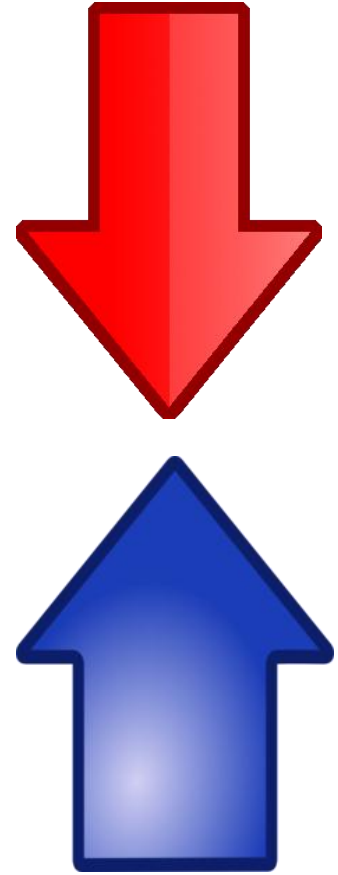
1. Baker G, Carter B. *The Evolution of Pay for Performance Models for Rewarding Providers. In: Introduction to Case Studies in Health Plan Pay-For-Performance. Washington, DC: Atlantic Information Services; 2004, 2007.*
2. Rosenthal MB, et al. *Pay-for-Performance in Commercial HMOs. New England Journal of Medicine, November 2, 2006.*

“6 lessons from Europe”

- Policymakers overestimate the power of payment systems
- The UK has a larger number of objectives linked to P4P than most
- All systems have unintended consequences
- There is poor alignment of incentives
- There is a limit to the proportion of income which can sensibly be linked to payment
- Introducing new models is more difficult and takes longer than anticipated

Improving quality

- The “best” approach?
 - Probably a mixture of all
 - alignment of external rewards, incentives and penalties
 - with intrinsic (professional) motivation
- Beware “simple” solutions to complex problems
- Use real data and learn from others where possible



Summary

- This stuff is difficult; beware “quick fixes”
- No-one else has cracked it either
- We can learn from others’
 - Successes
 - Failures
- There is ample evidence of poor quality, variation and waste to believe that improvement is possible

Acknowledgements

- *The Health Foundation, London*
- *Jim Conway, Don Goldmann, D Institute for Healthcare Improvement, Cambridge, MA*
- *Prof M Rosenthal, Harvard School of Public Health, Boston*
- *Royal College of Physicians, London*



Useful references

- **Institute for Healthcare Improvement** www.ihl.org
- **The Health Foundation** www.health.org.uk
 - *Ovretveit J. Does improving quality save money? 2009.*
 - *Quality improvement made simple; what every Board should know*
 - *Are clinicians involved in quality improvement; May 2011*
- **The Commonwealth Fund**

For in depth view of US system and international comparisons

 - www.commonwealthfund.org
- **Wachter's World website and blog**
- **Dartmouth Atlas**
 - www.dartmouthatlas.org
- **Rcplondon.ac.uk** (*national audits and quality improvement programmes in stroke, falls, continence, IBD etc*)

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