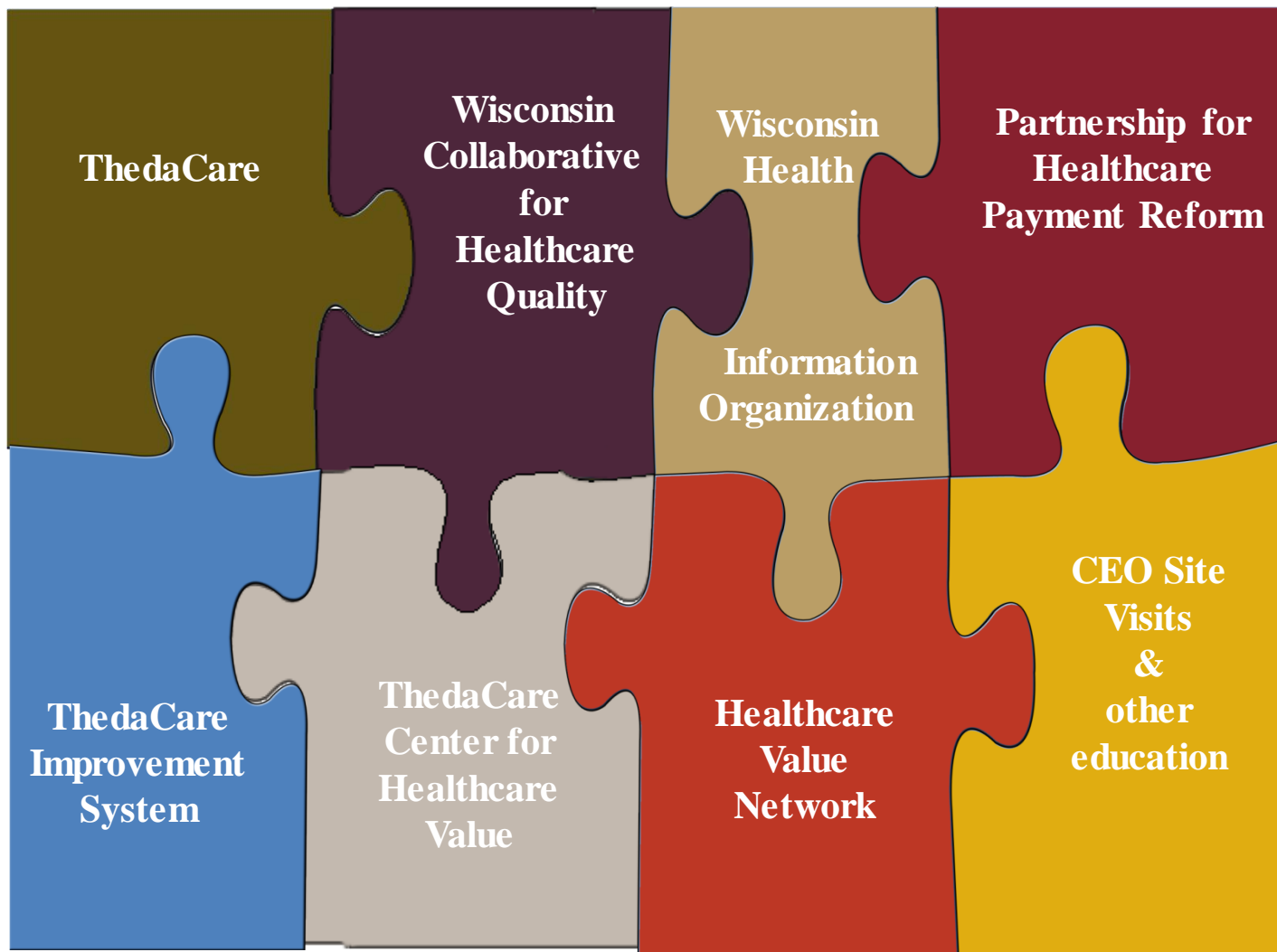


Health Care Delivery System Transformation: The Wisconsin Experience



$$\text{Value} = Q/C$$

ThedaCare Center for Healthcare Value

- Not-for profit 501C3 focused in North America
- Independent board includes Paul O'Neill, Maureen Bisognano, Arnie Milstein, James Womack
- Center goals: Redesign care to improve value, develop payment systems that reward value, publicly report health outcomes

TCHCV cont.

- Tactics: Peer to Peer learning networks including assessments of lean journey, value metric development, international research consortium including Hopkins and Stanford, development of APCDs, publications (On the Mend, Health Affairs etc.), CEO site visits and lean management education, building Partnership for Healthcare Payment Reform in chronic and acute care

The WCHQ Mission

Wisconsin Collaborative for Healthcare Quality



We publicly report and bring meaning to performance measurement information that improves the quality and affordability of healthcare in Wisconsin, in turn improving the health of individuals and communities.

Provider Reports

www.wchq.org

WCHQ Wisconsin Collaborative for Healthcare Quality

HOME | TOOLS | GLOSSARY | FEEDBACK | CAREERS | CONTACT US

About Us News Events Members Measures & Initiatives **View Our Reports**

View Our Reports

Home > Reports

Welcome to our Performance & Progress Report

View Reports by Provider Type and Region(s)

TYPE OF PROVIDER

- Medical Group
- Clinic
- Hospital
- Health Plan

All Regions
Central
Fox Valley
North Eastern
North Western
South Eastern
Southern
Western

View Map of Regions

NEXT

View Reports by Topic

AMBULATORY CARE MEASURES
WCHQ Exclusive

- [Chronic Care](#) **NEW**
- [Preventive Care](#)

CLINICAL TOPIC

- [Diabetes](#)
- [Heart Care](#) **Updated**
- [Patient Experience](#) **NEW**
- [Pneumonia](#) **Updated**
- [Cardiac Surgery](#)
- [Surgery](#)
- [Women's Health](#)

INSTITUTE OF MEDICINE IMPROVEMENT AIMS ?

- [Effectiveness](#)
- [Efficiency](#)
- [Patient-Centeredness](#)

WCHQ MEASURES SUMMARY **NEW**

View a health system's most current results for all WCHQ performance measures.

[WCHQ Measures Summary](#)

WCHQ Member Organizations

Wisconsin health systems, physician groups, hospitals and health plans

Representing approximately 70% of Wisconsin primary care physicians and 50% of all Wisconsin physicians

- Aurora Advanced Healthcare
- Aurora Healthcare
- Aurora UW Medical Group
- Bellin Health
- Columbia St. Mary's
- Dean Clinic
- Fort HealthCare
- Froedtert Health
- Gundersen Lutheran Health System
- Marshfield Clinic
- Mayo Clinic Health System in Eau Claire and La Crosse
- Medical College of Wisconsin
- Mercy Health System
- Meriter Health Services
- Monroe Clinic
- Prevea Health
- ProHealth Care
- QuadMed
- Sacred Heart Hospital
- Saint Joseph's Hospital (Marshfield)
- St. Mary's Hospital (Madison)
- ThedaCare
- UW Hospital and Clinics
- UW Medical Foundation
- Wheaton Franciscan Healthcare

Wisconsin Health Reports

www.wisconsinhealthreports.org

Wisconsin Health Reports

Home : Helen's Story : Bob's Story : Learn Compare Act : About the Project : View the Reports

I found out the hard way that not all healthcare is equal.

Click here to read Helen's story.



For me, becoming more involved in my healthcare made all the difference.

Click here to read Bob's story.



Learn, Compare, Act →

View practical suggestions for getting the most from your healthcare.

Doctors. Hospitals. Clinics. Some offer better care than others.

Everyone knows healthcare is complex. Helen and Bob, who live with chronic health conditions, have learned a lot. They can help you learn how to make more informed decisions and find the right care for you. They offer tips and experience to help you partner with your healthcare providers and get the most from your care. After all, it's your money, it's your health, and it's important. Follow **Helen** and **Bob** as they figure out why.

Read Helen's Story →

Read Bob's Story →

Initiatives and Partnerships

Beyond its current measurement and reporting activities, WCHQ is pursuing future initiatives that include:

- Measures portfolio expansion
 - Specialty care
 - Resource use/cost-of-care
 - Patient experience
- Aligning Forces for Quality
- Wisconsin Health Information Organization (WHIO)
- Partnership for Healthcare Payment Reform
- Wisconsin State Health Information Exchange

WHIO Today

- The Asset:
 - All Payer Claims Database (APCD)

- The Organization
 - Voluntary
 - Multi-stakeholder
 - Private-Public
 - 501c3 Trust
 - Revenue model based on memberships and subscriptions

WHIO Founders/Members represent:

- Self Funded Employer Purchasing Coalitions (2)
- National Commercial Payers (3)
- Statewide Commercial Payers (2)
- Regional Provider Sponsored Health Plans (12)
- Provider Membership Associations (2)
- WI Department of Health Services (Medicaid, Public Health)
- WI Department of Employee Trust Funds (State employees/retirees insurance plan)

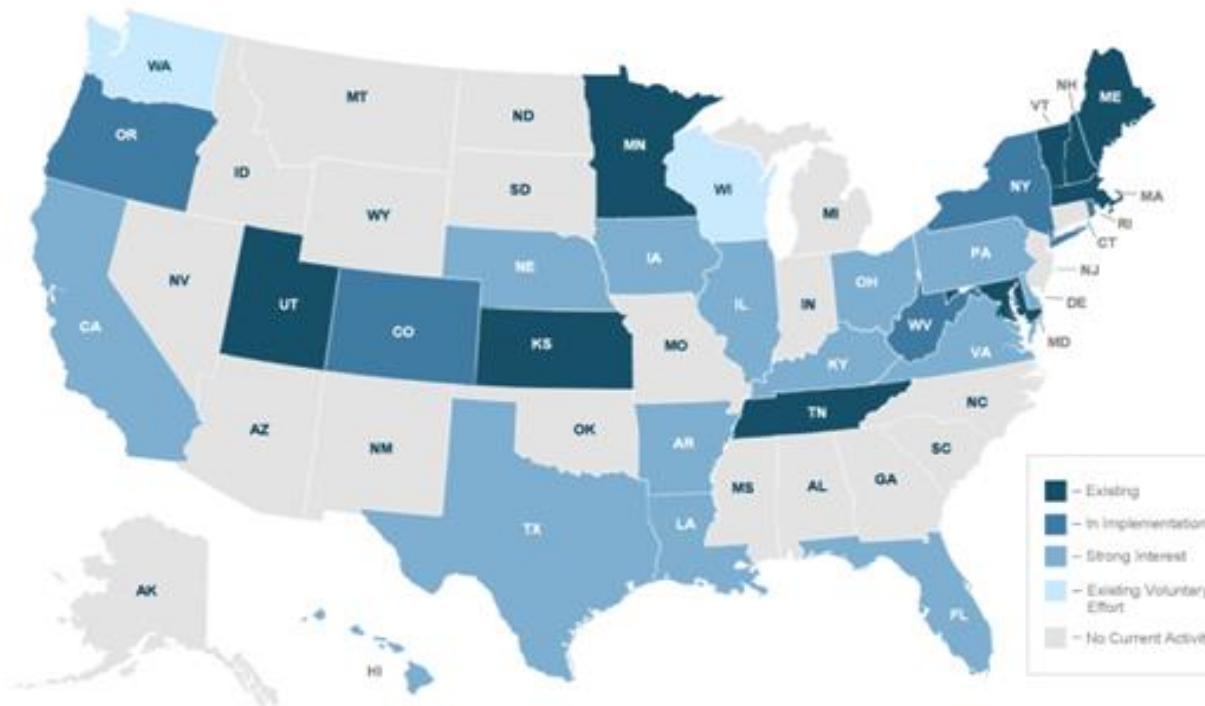
Goals of WHIO

- To aggregate health care data from sources across Wisconsin to create a single reliable data source to be used by multiple stakeholders to examine variations in efficiency, quality, safety and cost
- To improve the quality, cost, safety and efficiency health care in Wisconsin by sharing the results with providers, purchasers and consumers
- To support provider quality improvement initiatives
- To encourage value-based health care choices by consumers

WHIO By the Numbers

- 3.7M unique Wisconsin based patients
- 63% of WI population
- 234M medical claims
 - 42% Commercial
 - 26% Medicaid FFS
 - 19% Medicaid HMO
 - 11% Medicare (Advantage)
- \$32.2B / \$59.3B Claims \$ (Std. Cost/Billed)
- 21.5M episodes of care
- 19,272 WI physicians represented

Interactive State Report Map

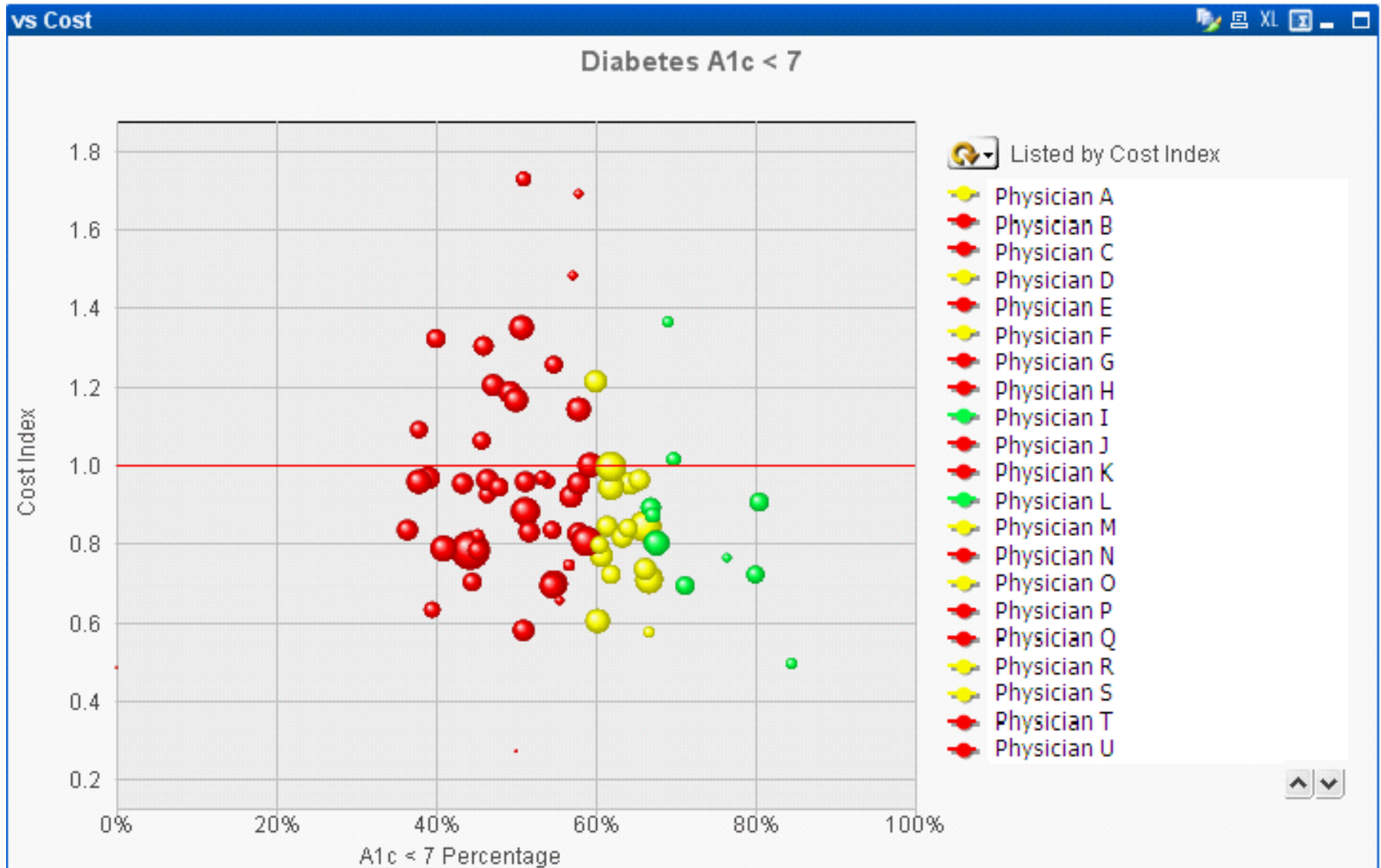


Click on the map to view APCD information about each state.

Supported by a grant from



Physician Value Metrics Emerging



Provider Detail – Diabetes Cost Index List

Provider Cost Index List												
Provider	MPC	Family	Number of Episodes	Total Cost	Hospital Services	ER	Primary Care	Specialty Care	Laboratory	Radiology	Pharmacy	
Providers de-identified			15	0.97	0.58	0.66	0.92	0.52	0.96	0.29	1.13	
			8	0.61	0.97	-	0.69	0.73	0.83	2.90	0.26	
			31	0.85	2.18	1.15	0.75	1.05	0.67	0.09	0.78	
			7	1.21	-	4.62	0.87	1.77	0.72	-	1.24	
			3	0.27	-	-	0.70	0.06	-	-	0.23	
			8	0.66	0.54	-	0.91	0.42	1.57	-	0.64	
			14	0.95	1.19	-	1.28	2.79	0.31	-	0.65	

Using the WHIO Data: Partnership for Healthcare Payment Reform

Launched with the premise that:

- Aligning the incentives of payers, providers, employers and patients,
- Measuring quality and cost of care at a sufficiently granular level, and
- Publicly reporting outcomes

Will:

- Improve the quality and affordability of care delivered by rewarding those who reduce waste and develop more effective, efficient processes

PHPR Pilot Conditions

- Chosen at April 2010 payment reform summit
 - Attended by 170+ c-suite provider, insurer, private employer and government leaders
 - Facilitated by Harold Miller
 - Voluntary workgroups formed
- Acute Care chose **total knee replacement**
- Chronic Care chose **adult diabetes**

Acute Care Workgroup Leaders

Acute Care Workgroup Chair	Dean Gruner, MD	ThedaCare
Quality, Efficiency, Outcomes Measures Subgroup Leader	Andrew Weier	Ministry St. Joseph's Hospital
Payment Model Subgroup Leader	George Quinn	Wisconsin Hospital Association
Pilot Metrics & Site Selection Subgroup Leader	Mike Sanders	Monroe Clinic

Why Pilot Bundled Payment?

- Bundled payments have been shown to improve quality and efficiency of care*
- Medicare scheduled to pilot episode of care bundled payments beginning January 1, 2013
- Few multi-payer bundled payment efforts in the country—Wisconsin can lead the way
- Participation in PHRP bundled payment pilot allows manageable testing of larger payment reforms to come

*See, e.g., <http://www.gao.gov/new.items/d11126r.pdf>; Cromwell J, et al., Cost savings and physician responses to global bundled payments for Medicare heart bypass surgery. Health Care Financ Rev. 1997 Fall;19(1):41-57.

PHPR Pilot Expectations

From the CEO Commitment Letter:

- Work with participating payer/other provider organizations to achieve a go-live date of September 1, 2011
 - Push through opportunities for delay: negotiation of rates, legal review
- Implement project management practices to support the pilot's progress
- Adjust or amend current billing practices, clinical reporting processes, and contracts with clinicians and payers as needed, and within reason
- Negotiate a projected “bundle” cost for knee replacement patients cared for by our organization
- Accept clinical and financial risk by accepting bundled payments

Acute Care Next Steps

- 9 hospitals in 7 health systems have started the implementation process
 - Gundersen Lutheran
 - Orthopaedic Associates of Manitowoc
 - Meriter
 - Ministry (St. Joseph's, St. Clare's)
 - Orthopaedic Hospital of Wisconsin
 - HSHS-Eastern Division (St. Vincent, St. Mary's-GB)
 - UW Hospital

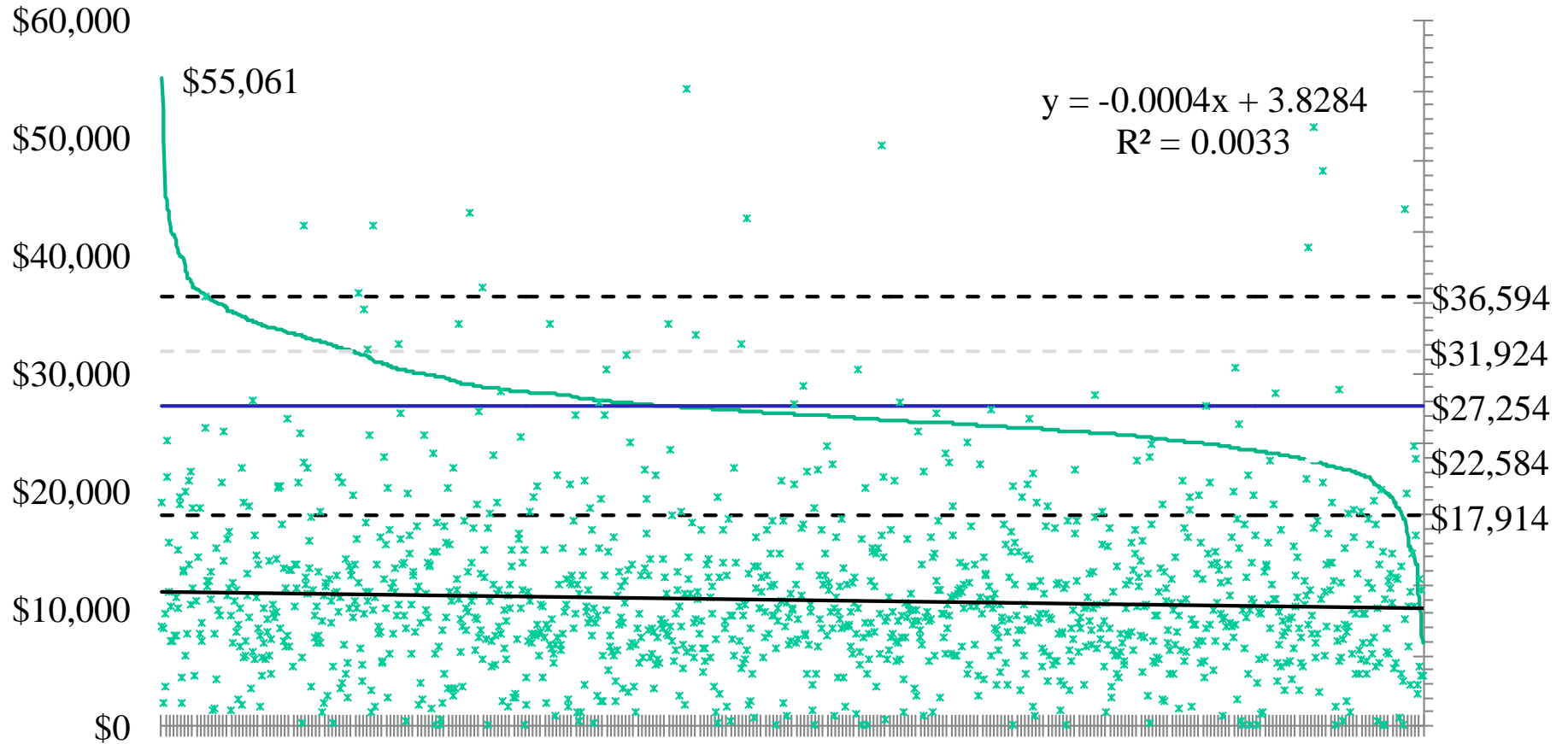
Acute Care Next Steps

- Pilot sites may work with a combination of as many as 7 payers depending on market share, negotiated agreements
 - Anthem
 - Humana
 - United
 - Physician's Plus
 - Security Health Plan
 - Unity
 - WPS/Arise

KNEE REPLACEMENT EPISODES

SINGLE KNEE, SINGLE ADMISSION, SEVERITY 1

WHIO DMV4 *Analysis by WMS*

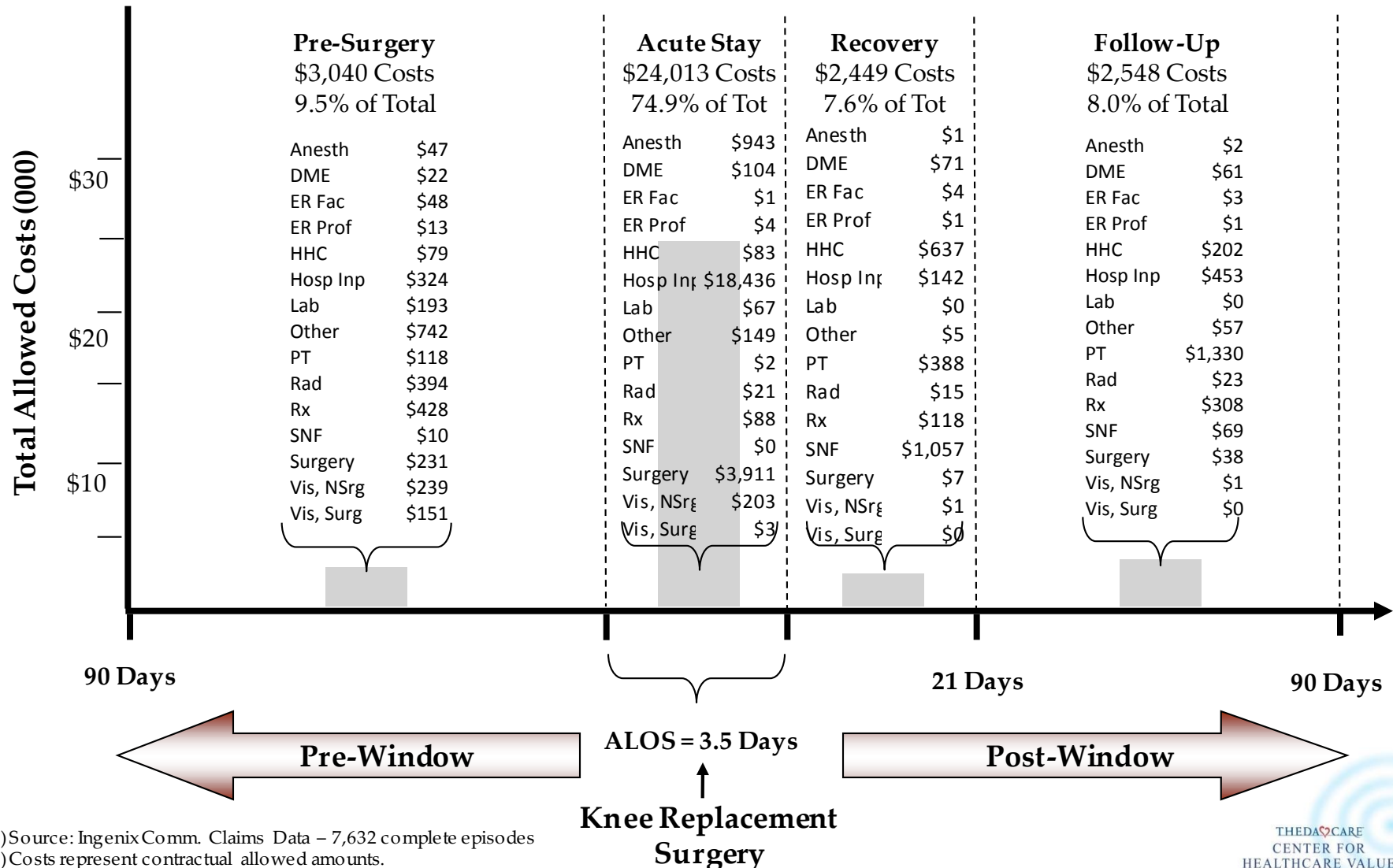


— Grand Total
- - - Avg + 2 st dev
x Health risk, retrospective

— Average Total Std Cost
 Avg - 1 st dev
— Linear (Health risk, retrospective)

- - - Avg + 1 st dev
- - - Avg - 2 st dev

Total Knee Replacement Bundle – Sample Benchmarks



1) Source: Ingenix Comm. Claims Data – 7,632 complete episodes
 2) Costs represent contractual allowed amounts.

Tracking Overall Cost Effectiveness

- PHPR's mission includes improving affordability of health care
- TKR Pilot designed with the premise that competition on price and quality would reduce overall cost and benefit consumers
- Goal: Report overall cost trend, in percentage terms, on annual basis, across all pilots in aggregate.
 - Example: In 2012, PHPR TKR Pilot participants reduced the cost of TKR in the commercial population by x%.

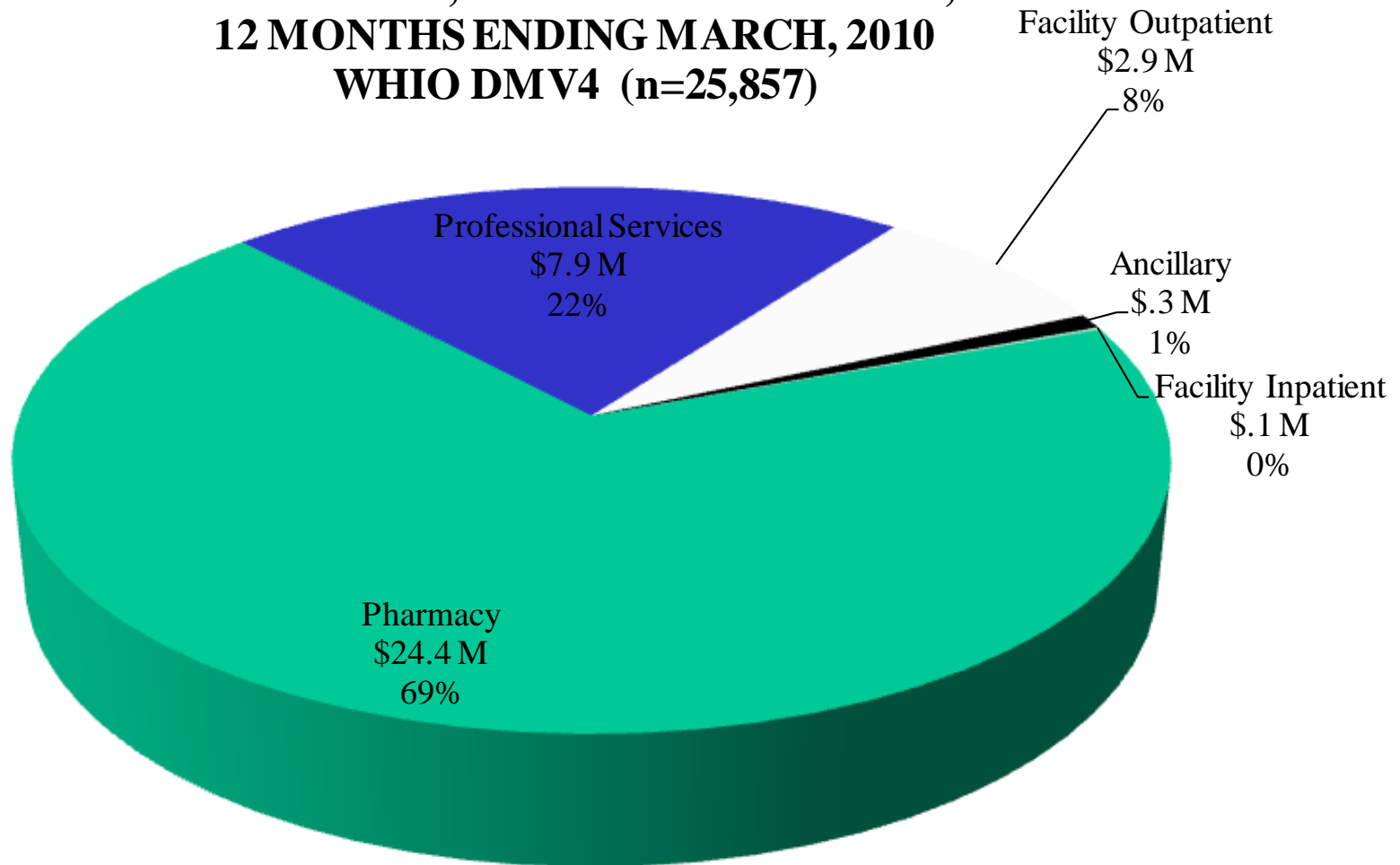
TKR Bundle Quality Measures

Measure	Who Collects and Reports	To Whom	How Often
SCIP Cardiology 2	Hospital	CMS/ PHPR	Quarterly
SCIP VTE 2	Hospital	CMS/ PHPR	Quarterly
Length of Stay	Hospital	PHPR	Quarterly
Readmission/Revision Rates for TKR	Payers/WHIO	PHPR	6 months
Complications (infection rates, DVT, PE)	Payers/WHIO	PHPR	6 months
Patient Satisfaction	Hospital	HCAHPS / PHPR	Quarterly
Outcomes Measure (WOMAC, KSS, KOOS, etc.) depending on what provider uses	Provider	PHPR	Quarterly

Chronic Care Pilot

- Chose adult (ages 18 through 64) diabetes as target condition
- Patients covered by commercial plans
- Four year transition from shared savings to risk adjusted global payment for adult diabetic patients
- Payers retain insurance risk; providers take clinical/performance risk
- Use both cost savings and WCHQ outcomes measures to determine provider compensation
- Pilot lasts for at least four years

**DIABETES WITHOUT SURGERY, SEVERITY 1 ETG
COMMERCIAL PATIENTS WITH PHARMACY BENEFIT
COMPLETE, FULL-YEAR EPISODES,
12 MONTHS ENDING MARCH, 2010
WHIO DMV4 (n=25,857)**



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THEDA CARE™

Is a comprehensive, community-owned healthcare system focused on achieving measurable, better value for our customers. Our mission is to improve the health of our communities.

**Appleton
Medical Center**
160-Bed Acute Care
Medical Center

**Theda Clark
Medical Center**
260-Bed Acute Care
Medical Center

**New London Family
Medical Center**
25-Bed Acute Care
Medical Center

**Riverside
Medical Center**
25-Bed Acute Care
Medical Center

**ThedaCare
Physicians**
Employing Over
125 Physicians
At 22 Locations

Orthopedics Plus
The New Standard for
Quick, High Quality
Orthopedic Services
In The Fox Cities

ThedaCare at Home
Home Health, Hospice,
DME, Respiratory
Therapy, Infusion,
Pharmacy Services

**Shawano
Medical Center**
25-Bed Acute Care
Medical Center

Ingenuity First
Offers Innovative
Solutions to Employers
For Health Care Costs

**Fox Cities
Community Clinic**
A Free Clinic Jointly
Owned With
St. Elizabeth Hospital

**The Heritage/
Peabody Manor**
Continuing Care
Campus for Older
Adults

**ThedaCare
Behavioral Health**
Inpt and Outpt Mental
Health, Substance
Abuse Services

**Gold Cross
Ambulance Service**
Jointly Owned With
Affinity Health
Systems

**Appleton Cardiology
ThedaCare**

16 Physicians

ThedaCare at Work
Occupational and
Employee Health
Services, Employee
Assistance Program

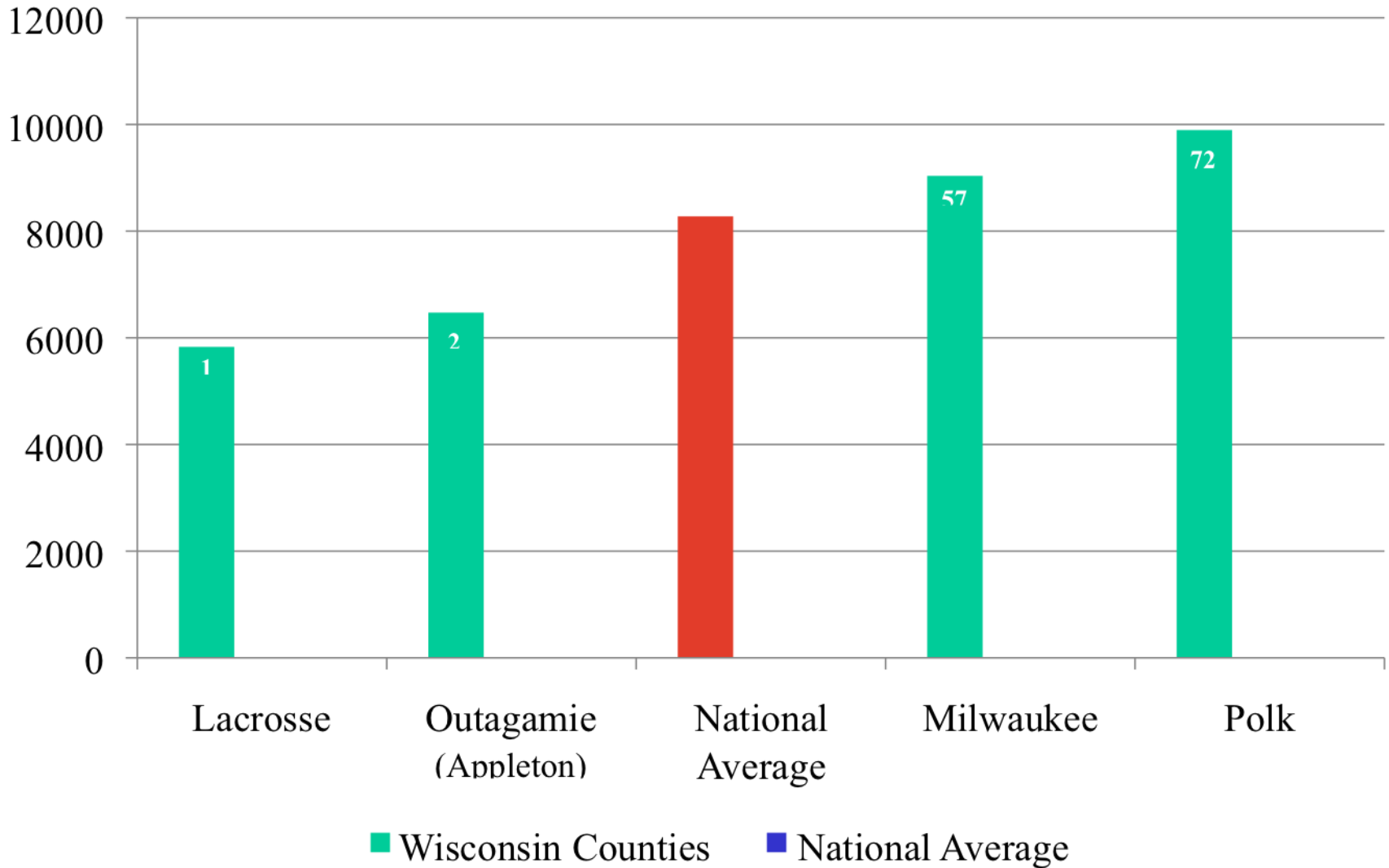
The Methodology of Lean is about creating value for the customer

Does Lean work in Healthcare?

- Group Health of Puget Sound reduced E.R. visits by 29% using their medical home redesign at the same time reducing hospital readmissions by 11%
 - Akron children's Hospital reduced cost by \$8 M while reducing appointment access wait times by 74,600 days using lean
 - ThedaCare's redesigned inpatient Collaborative Care unit has achieved 0 medication reconciliation errors for 4 years running and the cost of inpatient care dropped by 25%
- www.createhealthcarevalue.com
- Henry Ford reduced infections rates, falls, and medication errors in 2010 resulting in a \$4.4 M improvement
 - Mercy North Iowa has achieved zero blood specimen tube labeling errors for over a year
 - Seattle Childrens avoided 200M in capital expense by freeing capacity with continuous process improvement

The ThedaCare Improvement System and the lean management approach

Part A & B Medicare Expenditure in Dollars



*** 2008 Medicare Data**

*** \$57 Billion/yr in savings if all are at Outagamie spending levels**



Lean Enterprise Institute

*in
partnership
with*

THEDACARE[™]
CENTER FOR
HEALTHCARE VALUE

Healthcare Value Leaders Network

A light blue graphic consisting of several concentric circles, resembling a target or a ripple effect, located in the bottom right corner of the slide.

THEDACARE[™]
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HEALTHCARE VALUE

Targeting Value, Spreading Change

Network Purpose

- Accelerate the lean transformation journey for each organization
- Multiple small learning communities
- Spread of current best practices
- Drive change in the larger healthcare system
- www.healthcarevalueleaders.org

Healthcare Value Network

Network #1

- Gunderson Lutheran
- Group Health Cooperative
- Hotel-Dieu Grace
- Iowa Health System
- Johns Hopkins Medical
- Lawrence & Memorial Hospital
- Lehigh Valley Hospital and Health Network
- McLeod Health
- Mercy Medical Center – Cedar Rapids
- Park Nicollet Health Services
- St. Boniface Hospital
- ThedaCare
- University of Michigan Health System
- UCLA

Network #2

- Alberta Health Services
- Akron Children's Hospital
- Beth Israel Deaconess
- BJC Healthcare
- Christie Clinic
- Harvard Vanguard Medical Associates
- Kaiser Permanente
- Provena Covenant Medical Center
- Seattle Children's Hospital
- St. Joseph Health System (Orange, CA)

Healthcare Value Network

Network #3

- Bronson Healthcare Group
- Exeter Health Resource
- Henry Ford West Bloomfield Hospital
- Inova Health System
- Integris Health
- Lucile Packard Children's Hospital
- Martin Memorial Health System
- Mercy Medical Center – North Iowa
- Parkview Health
- St. Joseph Regional Health Center
- Sutter Gould Medical Foundation
- Winona Health

Network #4

- Blood Center of Wisconsin
- Cleveland Clinic
- Covenant Health
- New York Health & Hospital Corporation
- Palo Alto Medical Foundation
- Regina Qu'Appelle Health Region
- St. Francis Hospital & Medical Center
- Saskatoon Health Region
- Scott & White Healthcare
- St. Mary's General Hospital
- Stanford Hospital & Clinics

Is all of this scalable?

- Center facilitating uptake of lean methods in 20 states and 6 Canadian provinces with 200 more organizations expressing interest for October 12th network orientation
- 4 Healthcare systems ready to implement CEO site visits managed by Center in addition to TC also the Center in collaboration with Paul O'Neill's team plans 3 CEO only site visits per year
- Dozens of executives scheduled in Appleton for lean leadership training, capacity for many more
- Exploring APCDs in 6 interested states with interest growing