

State Commission on Patient Safety

Promoting Health Care Safety Improvement and Quality in Michigan Through Technology, Performance Transparency and Aligned Incentives

Bruce Bradley
Director Health Care Strategy and Public Policy
General Motors Corporation

Thank you for the opportunity to provide testimony on this important topic. I am Bruce Bradley, Director Health Care Strategy and Public Policy for General Motors Corporation. I am also a former member of the Michigan Health and Safety Coalition and a founding member and past chairman (Bull Frog) of the Leapfrog Group.

Bold Solutions are Needed

Michigan must act with a sense of urgency to dramatically improve the safety, quality and efficiency of health care. The evidence is overwhelming regarding the urgent need to promote significant changes in our health care delivery and financing structure:

- According to the Institute of Medicine, as many as 98,000 Americans die every year due to preventable errors in hospitals – that means up to 3,600 people in Michigan die every year (10 per day!) due to preventable errors in hospitals. For GM beneficiaries nationally this equates to more than one preventable death per day. Many experts say this is understated, especially when considering ambulatory care.
- More than 500,000 are injured each year due to medication errors.

- According to another recent study, Americans get the recommended care about 55% of the time when they visit their doctor for common conditions such as diabetes, asthma and coronary artery disease. (Rand)
- Health care costs have risen by more than 10% annually for each of the last four years, with no end in sight. America spends more than \$4,800 per person per year on health care, compared to \$2,808, in the next most expensive country in the world, Germany. (OCED)
- In spite of the highest per capita cost, the US ranks 12th of 13 Industrialized countries on 16 top health indicators.
- The Midwest Business Group on Health and the Juran Institute estimate that 30% of all health care expenditures are wasted due to poor health care quality.
- 15.6% of Americans are uninsured.
- Only 60% of Americans have access to employer-sponsored coverage. The number of employers offering coverage declined 5% in one year.
- Preventable medical error and poor performance on quality are clearly attributable to an increase in health care cost, which in turn is a major cause for the increase in the number of uninsured. (Institute of Medicine)

These problems document the major quality failures and point to a potential melt down of our health care financing system if we do not take bold actions to improve safety and quality, take the waste out of our health care systems and align incentives to promote safety, quality, efficiency and improved health.

We propose a four-step solution to address these problems that are threatening not only the health of Michiganders, but also the economic health of our state and nation. Michigan should take immediate action to:

1. **Define and publicly report a comprehensive set of performance measures:** Support and participate in the work of the Michigan Health and Safety Coalition safety initiatives, particularly hospital reporting in cooperation with the Leapfrog Group. Public and private stakeholders are collaborating in Southeastern Michigan to define and implement a comprehensive set of publicly reported performance measures for hospitals, physicians and physician groups, integrated delivery systems and treatments to assess their relative safety, timeliness of care, efficiency, equity, effectiveness and patient-centeredness of care. Similar efforts should be adopted throughout the state.
2. **Revise payment mechanisms to align incentives:** Private and publicly financed health plans and reimbursement arrangements should be revised to reward high performing providers and encourage the citizens of Michigan to use the best care givers and treatments. Consideration should be given to the approach adopted by BCBSM and models now in place throughout the country that reward demonstrated implementation of safe practices and support investment in clinical information technology. Examples have been catalogued by the Leapfrog Group and are available on their web site.
3. **Promote investments in clinical information technology:** Efforts should be undertaken to accelerate the adoption of improved clinical information technology to support improved coordination of care, practice of evidence-based medicine, and public reporting of safety, quality and efficiency.

4. **Inform and engage key stakeholders:** Public and private sector interests should develop a comprehensive public education campaign to build community support for these strategies.

Measuring and Reporting Provider Performance

The foundation of dramatically improving the safety, quality and efficiency of care is to define a comprehensive set of publicly reported performance measures for all caregivers in our state.

Commendable efforts are already underway lead by efforts such as the hospital quality and safety reporting initiative being conducted by the Michigan Health and Safety Coalition in cooperation with the Leapfrog Group.

The potential benefit of these efforts is dramatic. There are four defined safety “leaps” , identified by the Leapfrog Group which are based on national hospital safety standards defined by the National Quality Forum. Currently, 94 hospitals in Michigan are reporting to their performance on these four safety measures to MHSC and the Leapfrog Group. This represents 69% of all the hospitals in Michigan that have been invited to respond. If all Michiganders went to hospitals that met just these four standards, we would:

- Save 2,400 lives per year.
- Eliminate 21,000 medication errors per year

In addition, the Michigan Health and Safety Coalition is collecting and publicly reporting hospital performance for a number of additional measures. These efforts should be expanded to include additional measures for hospitals, including additional conditions such as cancer treatment, orthopedic surgery, and obstetrics. Hospital measures should also be added to assess

and report the relative efficiency of Michigan's hospitals, as well as patient perceptions of care following hospital stays.

A similar set of publicly reported measures of safety and quality must be defined and implemented for physicians and physician offices. Promising national efforts are underway through programs such as National Committee on Quality Assurance (NCQA) and, the Center for Medicare and Medicaid Services (CMS). NCQA has developed measures of quality for treatment of conditions such as diabetes and cardiac care. These measures are being used in several regional across the country to assess and publicly report the quality of care given by physicians for these common and costly conditions. CMS is developing two programs to measure and report quality of care in ambulatory settings – Doctor Office Quality (DOQ) and Doctor Office Quality – IT (DOQ-IT). These two efforts are also measuring and will be publicly reporting physician performance for treating common conditions. The DOQ-IT program will measure and report how effectively physician offices are adopting and implementing information technology to improve care and information management.

Michigan should leverage and build on these existing efforts, using a comprehensive set of national performance measures in accordance with “Ground Rules” developed by the Disclosure Group. The essence of the “Ground Rules” is to use measures that have been developed and endorsed by The National Quality Forum, NCQA, JCAHO, CMS, and the Agency for Healthcare Research and Quality. These measures have been through a rigorous vetting process with multiple stakeholder involvement in both development and approval.

We must be sensitive to the burden on providers that reporting entails and thus must support strategies to minimize the burden as much as possible. Two important approaches are the adoption of the “Ground Rules” developed by the Disclosure Group and the implementation of an interoperable electronic clinical information system. The Disclosure Group “Ground Rules” would assure consistency and non-duplication of measurement and reporting, reducing the number of measures multiple organizations would be asking for. Interoperable clinical information technology would reduce the burden of collection and aggregation, especially from paper medical records. We must, however, not let concerns over provider reporting burden trump the need to measure and publicly report their performance. We have a fiduciary and moral obligation to inform the public about the safety and quality of care delivered by Michigan’s health care industry. While we need to be sensitive to the added burden of reporting results, we cannot let that concern prevail over the need to measure quality to support informed choices of providers and promote dramatic improvements in care.

Revise Payment Mechanisms to Align Incentives

The safety, quality and cost problems we face are due largely to barriers created by perverse incentives that do not reward providers for superior care and improvement or incent consumers to use the best providers. Public and private purchasers and health plans should revise their provider payment and benefit designs to promote improvement and reward providers who document that they are doing the best job based on publicly reported performance measures.

There are many models here in Michigan and across the nation that can be emulated to promote aligned incentives in Michigan. Approaches like BCBSM's recognition of participation in important patient safety initiatives such as the Keystone project to improve Michigan's ICUs can lay the foundation for rewarding performance in patient outcomes.

In addition to direct financial incentives, Michigan should develop a public recognition program for high performing providers. Beneficiaries in public and private programs should also be engaged by crafting appropriate incentives for them to use the best providers and treatments.

Promote Investments in Clinical Information Technology

The foundation for improving health care quality and efficiency, and supporting public reporting of provider performance is advancing provider adoption of interoperable clinical information technology. Purchasers, health plans, government entities, and providers should work together to advance rapid adoption of clinical information technology.

This technology should be based on common national standards to assure that compatible information technology systems are adopted by key stakeholders such as plans and providers to support an open, and efficient exchange of information while complying with all applicable rules to protect confidential information.

As these efforts proceed, Michigan should closely monitor ongoing efforts at the federal level to develop health information technology standards to assure that Michigan adopts specifications that are consistent with national standards.

Inform and Engage Key Stakeholders

The state should undertake efforts to inform the public and key stakeholders about its focus on advancing the key strategies we are proposing. This outreach campaign should target:

- Consumers
- Providers
- Hospital trustees
- Employers
- Health plans
- Agents and brokers
- Public Purchasers (State of Michigan as employer and Medicaid)
- Michigan Department of Health

This public education campaign should be developed to convey why the health care system needs to be dramatically improved, and the role that performance measurement, incentives, and health information technology need to play to improve the safety, quality and affordability of health care in Michigan. The public education campaign should not be crafted to place blame on any one party – but should recognize that the current system is the result of poor information and misaligned incentives to promote and reward improvement.

Conclusion

We very much appreciate your leadership and look forward to making a difference. This is not an academic exercise, it is not about self interest, and it is not about competition among stakeholders; it is about life, morbidity and death on a scale that we would not tolerate in any other part of society.